Eaton Vance

INSIGHTS   STRATEGIES   RESOURCES   ABOUT

Floating-Rate Loan Strategy

Strategy Review
(as of Mar 31, 2024)

Investment Overview

This strategy provides 'intelligent exposure' to the floating-rate loan market, thoughtfully diversifying while assuming a higher-quality bias that seeks lower volatility and better risk-adjusted performance over time.

- We aim to maximise risk-adjusted performance through fundamental credit research and risk-weighted portfolio optimisation.
- Loans are analysed through Eaton Vance's proprietary credit research process, and position sizes are guided by credit analyst risk rankings.
- We take less input risk by skewing weightings away from higher credit risk issuers.
- We have experienced less output risk, resulting in lower absolute and relative volatility.
- Eaton Vance is a leader in floating-rate loans, with one of the longest track records and longest-tenured teams, and largest AUM.*

  *eVestment Alliance/Morningstar, 12/31/2021 Based on combined eVestment Alliance Floating-Rate Bank Loan Fixed Income universe and Morningstar Bank Loan category using AUM and oldest investment offering for each firm.

Portfolio Construction

- Analysts assign relative risk rankings to each loan
- Number of loans is approximately equal weighted by risk quintile
- Market value incrementally skewed towards lower risk
- Initial position size ranges from 0.1 % to 1.5 % as determined by risk rank
- Portfolio is perpetually optimised for risk and return

Investment Team

	Andrew Sveen, CFA Managing Director, Head of Floating-Rate Loans	Joined investment management industry in 1995 Joined Eaton Vance in 1999	BA, Dartmouth College, MBA, University of Rochester
	Ralph Hinckley, CFA Managing Director, Portfolio Manager	Joined investment management industry in 1997 Joined Eaton Vance in 2003	BA, Bates College, MBA, Boston University Graduate School of Management
	Heath Christensen, CFA Executive Director, Portfolio Manager	Joined investment management industry in 1999 Joined Eaton Vance in 2003	BS., The Pennsylvania State University
	Daniel P. McElaney, CFA Executive Director, Portfolio Manager	Joined investment management industry in 2002 Joined Eaton Vance in 2004	BS., Babson College

Benchmark

- Morningstar LSTA US Leveraged Loan TR USD Index*
*Prior to August 29, 2022, the index name S&P/LSTA Leveraged Loan Index

Related Content

- [Floating-Rate Loan Market Monitor](#)

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Marketing Communication

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