

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,
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Ralph Hinckley, CFA
Managing Director, Portfolio Manager

Joined investment management
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Joined Eaton Vance in 2003

BA, Bates College, MBA,
Boston University Graduate
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Heath Christensen, CFA
Executive Director, Portfolio Manager

Joined investment management
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Joined Eaton Vance in 2003

BS., The Pennsylvania State
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Daniel P. McElaney, CFA
Executive Director, Portfolio Manager

Joined investment management
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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

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