

# Floating-Rate Loan Strategy



## **Strategy Review**

*(as of Dec 31, 2022)*

## 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.

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## 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

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## 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

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## 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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Publication details: Monday, February 06, 2023 9:32 AM

Page ID: T50869 - <https://www.eatonvance.fi/floating-rate-loan-strategy.php>