

Floating-Rate Loan Strategy



Strategy Review

(as of Aug 31, 2023)

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

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125 Old Broad Street
London, EC2N 1AR
United Kingdom

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Publication details: Tuesday, October 03, 2023 6:00 PM

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