

Q1 2022

Floating-Rate Loan Market Monitor

FLOATING-RATE LOAN GROUP



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A leader in floating-rate loan investment management, Eaton Vance presents Floating-Rate Loan Market Monitor, an in-depth review of the loan market through clear and impactful charts. Providing timely information across a broad array of topics relating to this distinctive asset class, Floating-Rate Loan Market Monitor serves as a helpful resource in providing connectivity between changing market events and implications for investors' loan allocation.

Use Floating-Rate Loan Market Monitor to educate on the loan market, provide updates on loan market conditions and explain the role of loans within portfolios.



Asset Class Review



Asset class review

Floating-rate loan primer

- Corporate debt issued by below-investment-grade borrowers
- Most issuers are significant in size and scale – and many are familiar household names
- Companies undertake loans for recapitalizations, acquisitions and refinancings
- Coupon income from floating-rate loans resets regularly to maintain a fixed spread over a variable base rate, usually LIBOR and SOFR
- Loans are often referred to as “senior and secured”: They typically have the highest priority of claims in an issuer’s capital structure and are secured by specific collateral
- Other common monikers: bank loans, leveraged loans, senior loans (all are synonymous)



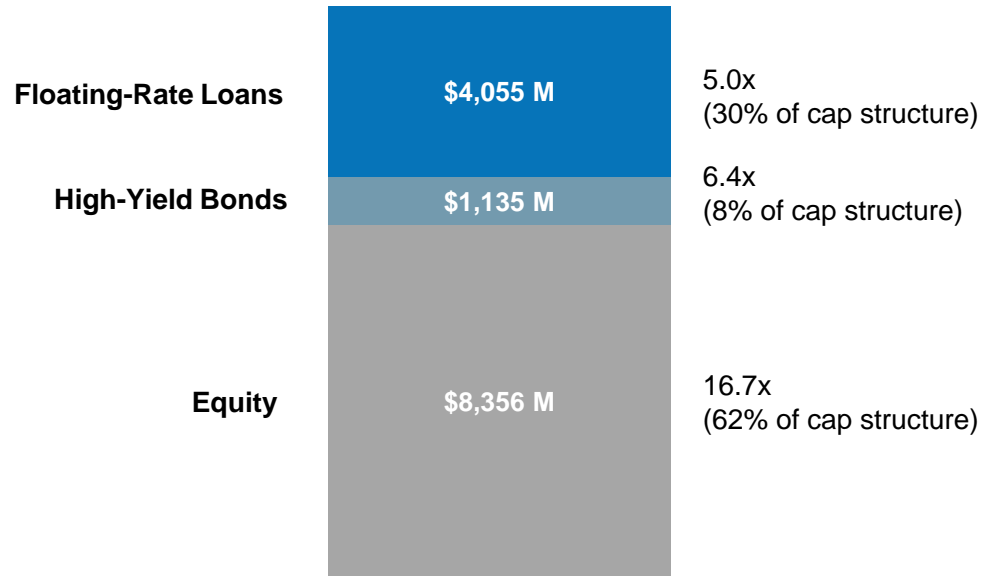
Asset class review

Fundamental lending proposition

- Floating-rate loans represent a senior layer of issuer capital structure
- Substantial junior capital cushion provides low loan-to-value
- Secured by collateral including issuer accounts receivable, inventory, property, plant, equipment and/or stock

Weighted Average Company Capital Structure
 \$3.9B Revenue & \$81M EBITDA

\$13.5 Billion Enterprise Value



Fixed Charge Coverage: 2.6x
 Interest Coverage: 4.7x

Source: Eaton Vance, December 31, 2021. **Past performance is not a reliable indicator of future results.** Data provided is for informational use only. See end of material for important additional information and disclosures. The data is an average of all loans currently tracked across the Eaton Vance loan platform as of December 31, 2010. Does not represent any particular issuer or product. EBITDA is defined as earnings before interest taxes depreciation and amortization.



Asset class review

Taxonomy of floating-rate loans

	US Investment Grade	US Floating-Rate Loans	US High Yield
Size of Market	\$6.4 T	\$1.4 T	\$1.5 T
# of Issues	7,171	1,491	2,051
Avg. Credit Quality	A3/Baa1	B+	B1
Base Rate	US Treasuries	LIBOR/SOFR	US Treasuries
Coupon Structure	Fixed	Floating	Fixed
Avg. Duration	8.2 yrs.	--	4.2 yrs.
Avg. Yield to Maturity	3.6%	4.6%	6.2%
Avg. Maturity	11.9 yrs	4.8 yrs	6.1 yrs

Sources: Bloomberg, ICE Data Indices LLC, and LCD, an offering of S&P Global Market Intelligence, March 31, 2022. **Past performance is not a reliable indicator of future results.** Data provided is for informational use only. It is not possible to invest directly in an Index. See end of material for important additional information and disclosures. US Investment Grade measured by the Bloomberg US Corporate Index. US Floating-Rate Loans measured by the S&P/LSTA Leveraged Loan Index. US High Yield measured by the ICE BofA US High Yield Index. Size of market is based on par outstandings.



Asset class review

Sample loan market issuers

Issuer	Industry	Maturity Date	Spread (basis points)	Corp. Ratings
Akzo Nobel Chemicals	Chemicals & Plastics	Oct 2025	300	B+/B1
Asurion	Insurance	Dec 2026	325	B+/Ba3
Avolon Aerospace	Equipment Leasing	Jan 2025	200	BBB-/Baa2
BMC Software	Electronics/Electrical	Oct 2025	375	B/B2
CenturyLink	Telecom	Mar 2027	225	BBB-/Ba3
Charter Communications	Cable & Satellite Television	Feb 2027	175	BBB-/Ba1
Grifols	Drugs	Jan 2025	200	BB+/Ba2
HUB International	Insurance	Apr 2025	300	B/B2
ICON	Health Care	Jul 2028	250	BB+/Ba1
Medline Industries	Health Care	Oct 2028	325	B+/B1
Pilot Travel Centers	Retailers (except food & drug)	Aug 2028	200	BB+/Ba1
Scientific Games	Lodging & Casinos	Aug 2024	275	B+/Ba3
Univision	Radio & Television	Mar 2024	275	B/B2
Virgin Media	Cable & Satellite Television	Jan 2028	250	BB-/Ba3
Zayo Group	Telecom	Mar 2027	300	B/B1

Source: LCD, an offering of S&P Global Market Intelligence, March 31, 2022. **Past performance is not a reliable indicator of future results.** Data provided is for informational and illustrative purposes only. This is an example only and is not intended to represent the allocation of any fund/account/strategy. This list represents a sample of some of the larger and more liquid loans in the S&P/LSTA Leveraged Loan Index. This sample is not necessarily representative of the other issuers in this index, which will vary based on factors including size and liquidity. This information is not to be construed as investment advice or a recommendation to buy or sell any particular security. Investors should consult an investment professional prior to making any investment decisions. It is not possible to invest directly in an index. See end of material for important additional information and disclosures.



Market Update



Market update

Floating-rate loan quarterly dashboard

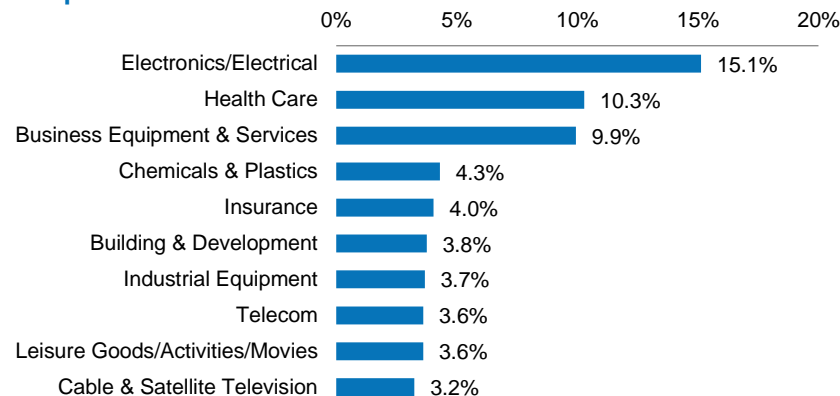
Index Statistics

Total Par Outstanding (\$B)	\$1,390.45
Number of Issuers	1,191
Number of Facilities	1,491
Bid Price	\$97.60
Nominal Spread	371 bps
Discounted Spread (3 Years)	440 bps
Years to Maturity	4.81 yrs.
Yield to Maturity	4.59%

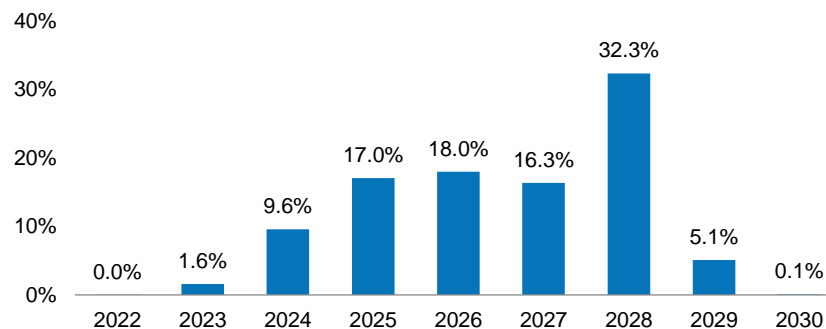
Loan Type

First Lien	97.16%
Second Lien	2.84%

Top 10 Industries



Maturity Breakdown



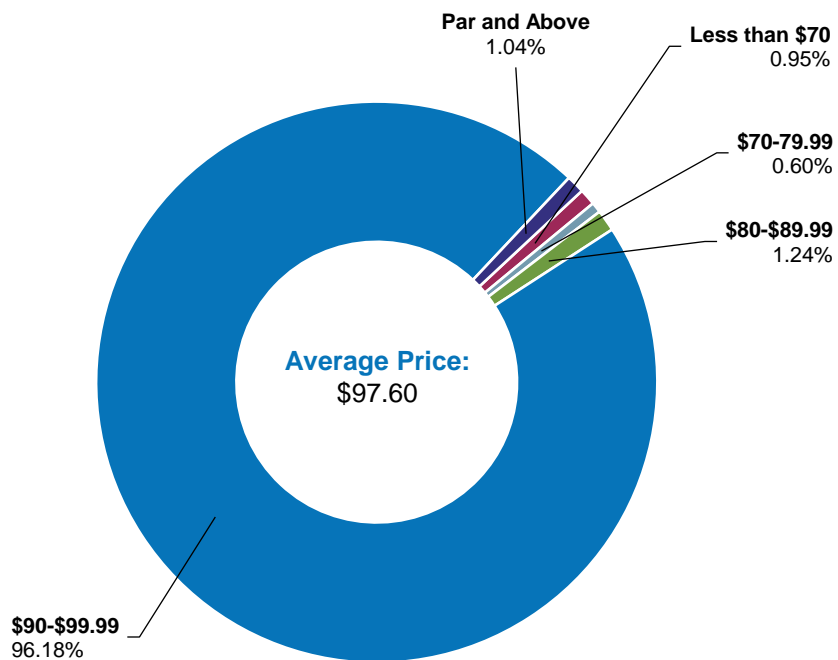
Source: LCD, an offering of S&P Global Market Intelligence, March 31, 2022. **Past performance is not a reliable indicator of future results.** All data reflects the S&P/LSTA Leveraged Loan Index. Data provided is for informational and illustrative purposes only. It is not possible to invest directly in an index. See end of material for important additional information and disclosures. Maturity breakdown excludes defaulted facilities and is based on par amount outstanding. Spread, yield and maturity data excludes defaults. Index spread data includes the benefit of LIBOR floors.



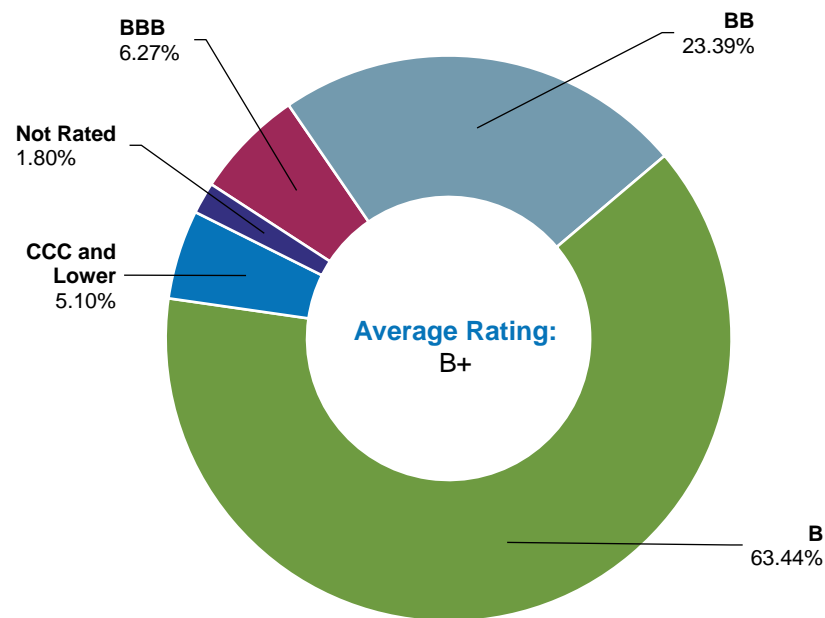
Market update

Floating-rate loan quarterly dashboard

Breakdown by Bid Price



Breakdown by Facility Rating



Source: LCD, an offering of S&P Global Market Intelligence, March 31, 2022. **Past performance is not a reliable indicator of future results.** All data reflects the S&P/LSTA Leveraged Loan Index. Data provided is for informational and illustrative purposes only. It is not possible to invest directly in an index. See end of material for important additional information and disclosures. Breakdown by bid price includes performing loans only.

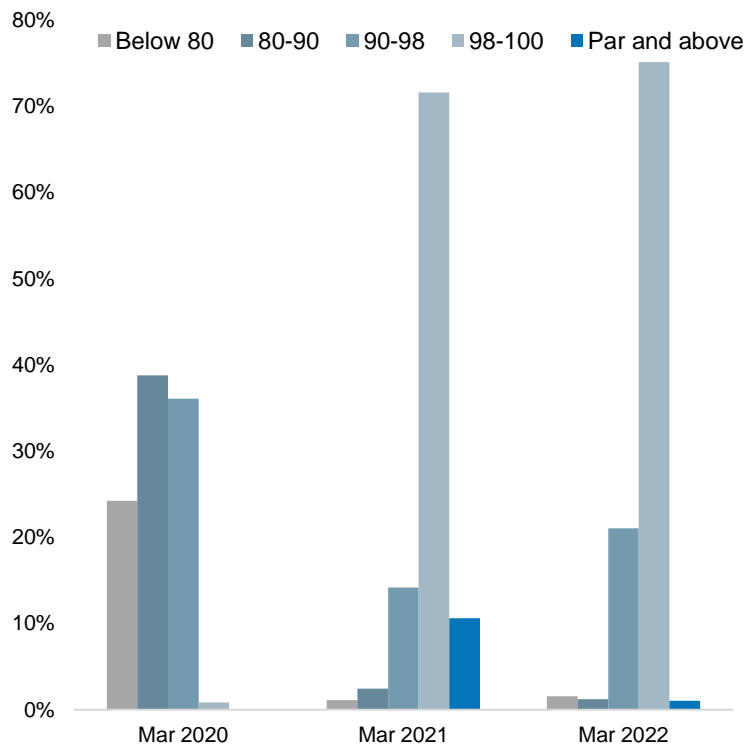


Market update

Floating-rate loan quarterly dashboard

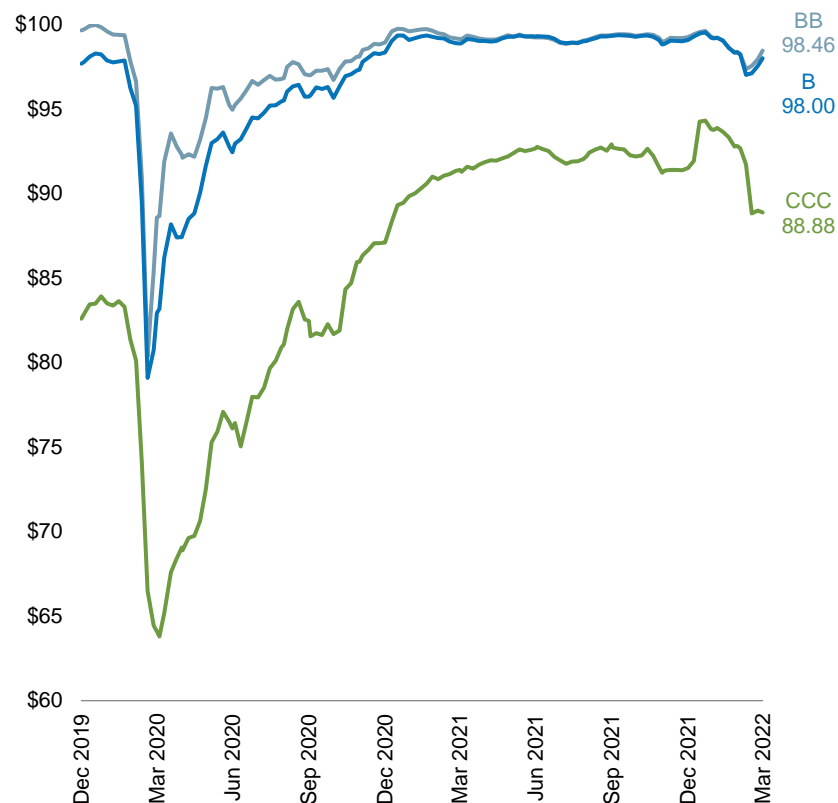
Price Distribution

Percent of the Index



Price by Credit Tier

Average Bid Price of Outstanding Loans

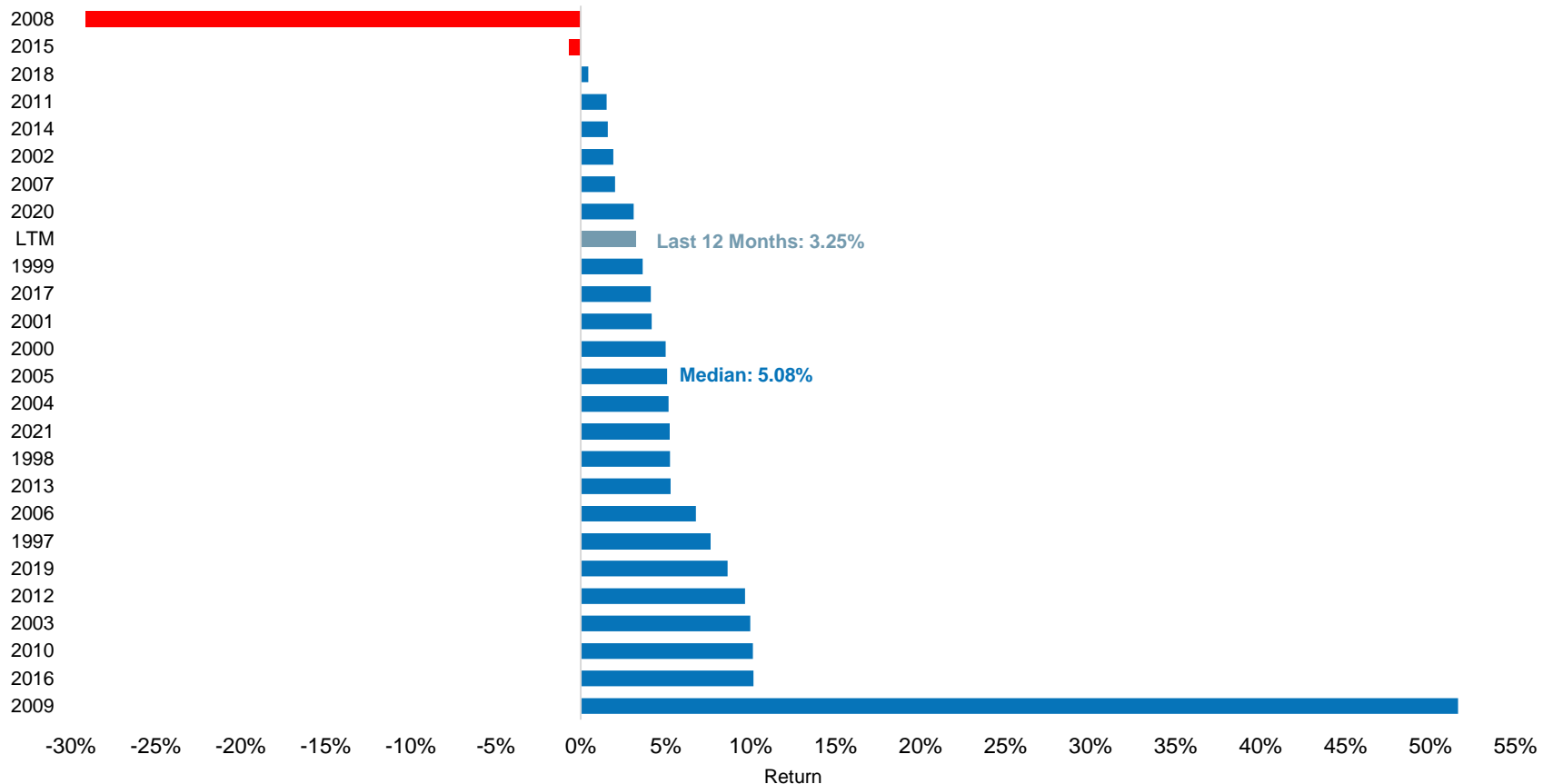


Source: LCD, an offering of S&P Global Market Intelligence, March 31, 2022. **Past performance is not a reliable indicator of future results.** Data provided is for informational and illustrative purposes only. It is not possible to invest directly in an index. See end of material for important additional information and disclosures. Data includes performing loans only in the S&P/LSTA Leveraged Loan Index.



Market update

Performance: Calendar year index returns

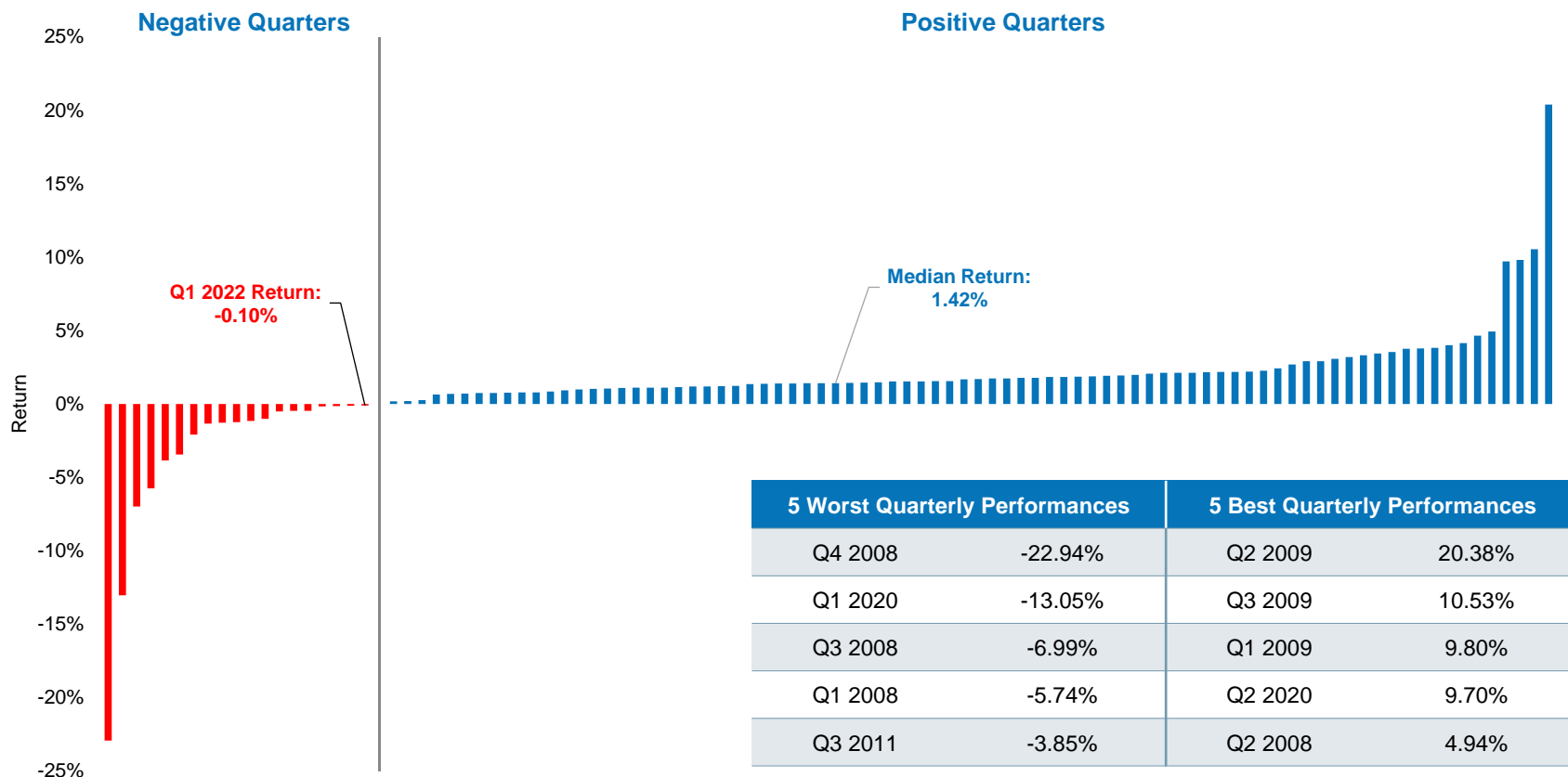


Source: LCD, an offering of S&P Global Market Intelligence, March 31, 2022. **Past performance is not a reliable indicator of future results.** Performance measures the S&P/LSTA Leveraged Loan Index. Data provided is for informational use only. Indexes are unmanaged, do not reflect the deduction of fees and expenses, and are not available for direct investment.



Market update

Performance: Distribution of quarterly returns



Source: LCD, an offering of S&P Global Market Intelligence, March 31, 2022. **Past performance is not a reliable indicator of future results.** Performance measures all quarterly returns of the S&P/LSTA Leveraged Loan Index back to its inception in January 1997 and sorts them from lowest to highest. Data provided is for informational use only. Indexes are unmanaged, do not reflect the deduction of fees and expenses, and are not available for direct investment.

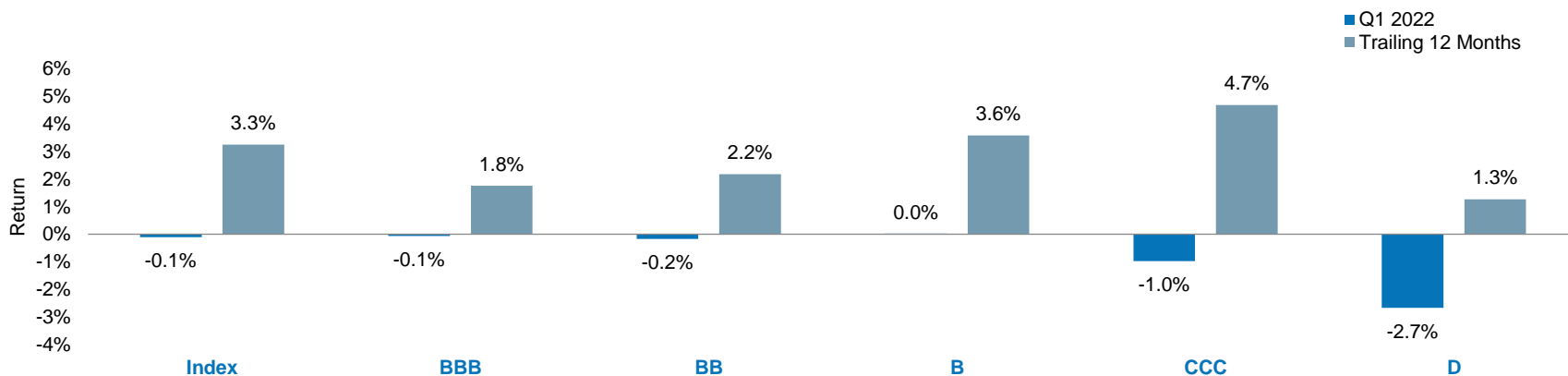


Market update

Performance: Credit tier returns

Credit Tier Performance

Q1 and Trailing 12 Months



Credit Tier	% of Index	Avg. Price	Avg. Spread (bps)
Index	--	\$97.6	L+413
BBB	6.3	\$98.9	L+242
BB	23.4	\$98.5	L+346
B	63.4	\$98.0	L+475
CCC	4.9	\$88.9	L+1039
D	0.2	\$74.6	--

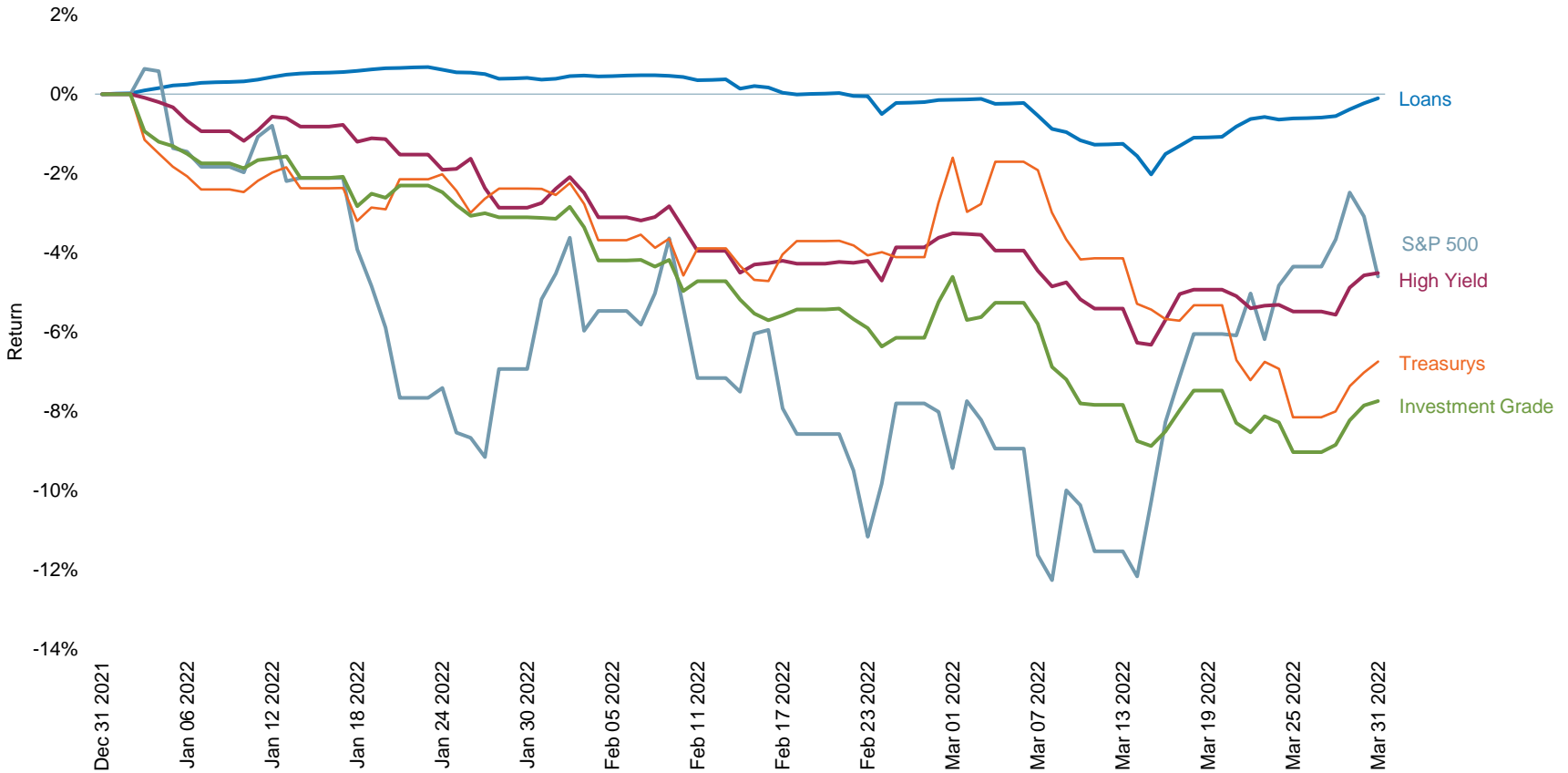
Source: LCD, an offering of S&P Global Market Intelligence, March 31, 2022. **Past performance is not a reliable indicator of future results.** Performance measures the S&P/LSTA Leveraged Loan Index. Data provided is for informational use only. Indexes are unmanaged, do not reflect the deduction of fees and expenses, and are not available for direct investment. See end of material for important additional information and disclosures. Credit tier spreads measure discounted spread to three years over LIBOR. Spread data includes the benefit of LIBOR floors.



Market update

Performance: Cumulative returns by asset class

YTD 2022 Returns



Source: LCD, an offering of S&P Global Market Intelligence, March 31, 2022. **Past performance is not a reliable indicator of future results.** Data provided is for informational use only. Indexes are unmanaged, do not reflect the deduction of fees and expenses, and are not available for direct investment. Loans represented by the S&P/LSTA Leveraged Loan Index. High Yield represented by the ICE BofA US High Yield Index. Treasurys represented by the ICE BofA Current 10-Year US Treasury Index. Investment Grade measured by the ICE BofA US Corporate Index.

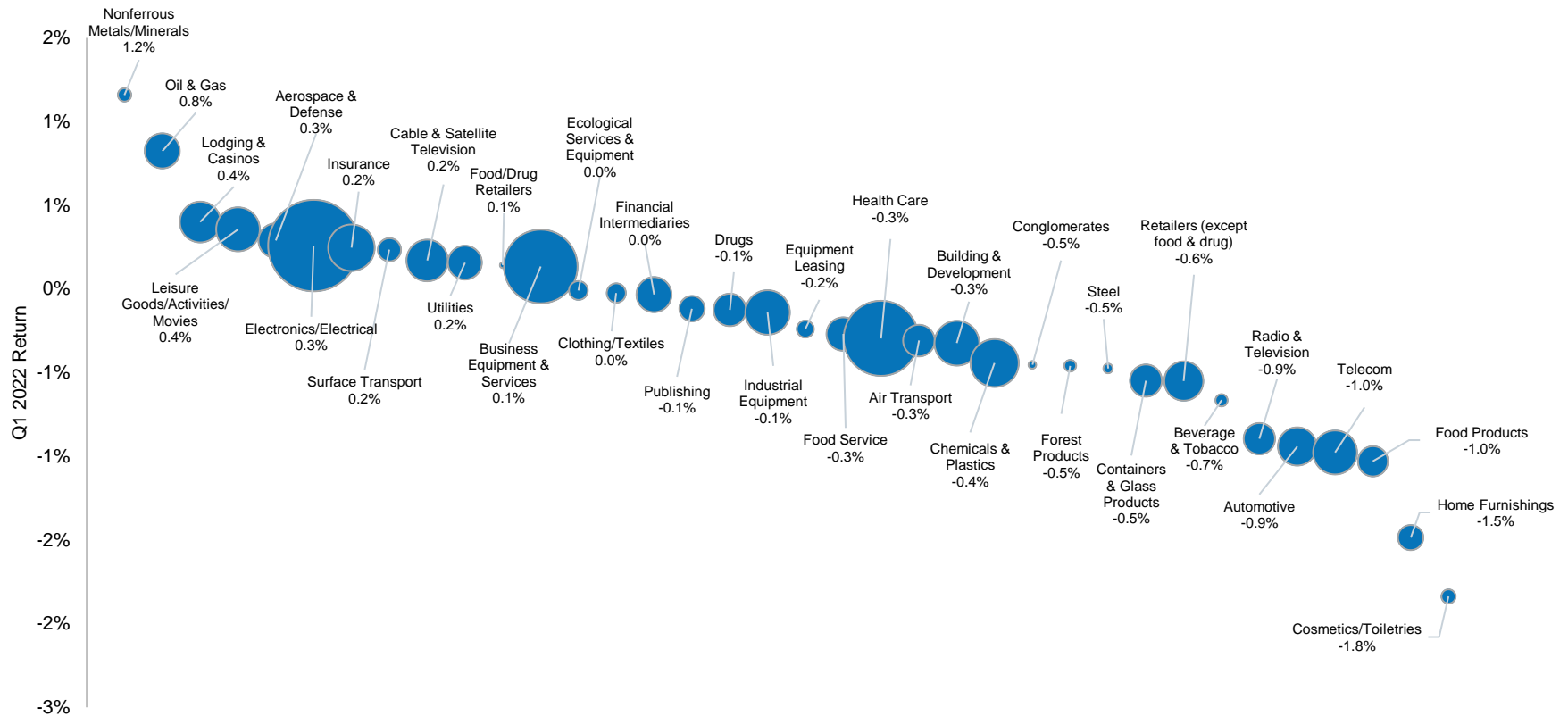


Market update

Performance: Industry size and returns

Industry Performance and Market Value

Q1 2022 Returns



Source: LCD, an offering of S&P Global Market Intelligence, March 31, 2022. **Past performance is not a reliable indicator of future results.** Performance measures the S&P/LSTA Leveraged Loan Index. Data provided is for informational use only. Indexes are unmanaged, do not reflect the deduction of fees and expenses, and are not available for direct investment. See end of material for important additional information and disclosures. Bubble size reflects the market value of each industry in the S&P/LSTA Leveraged Loan Index.

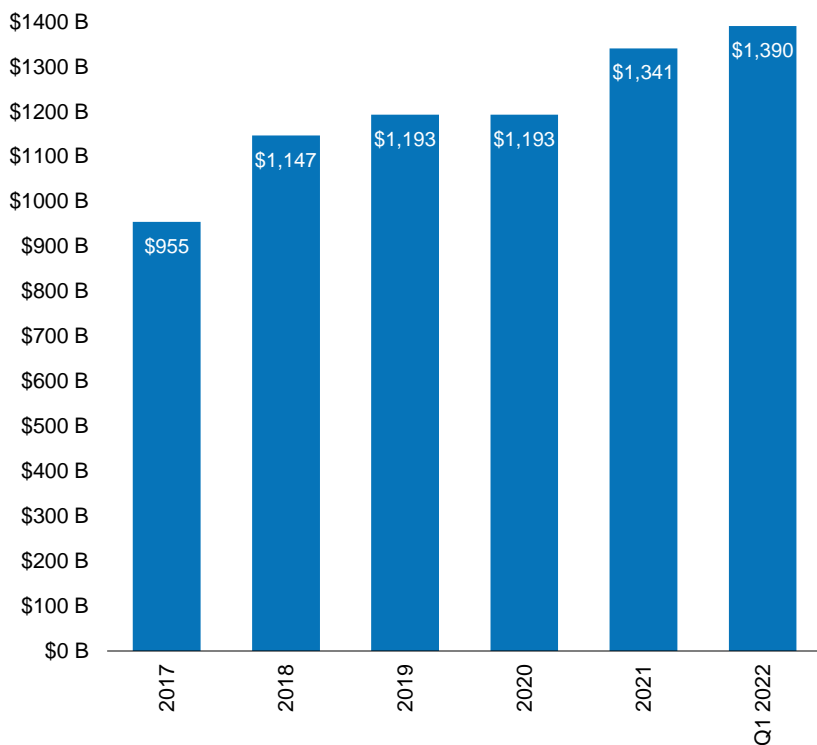


Market update

Technical factors: Market size and trading volume

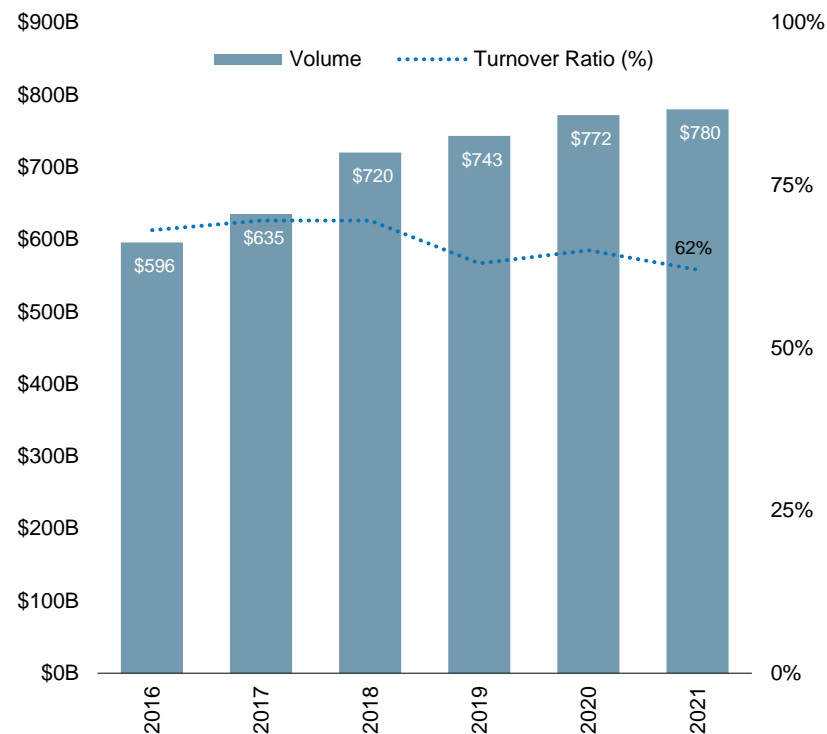
Market Size

Par Amount of Outstanding Loan Market



Trading and Turnover

US Trading Volume and Annual Loan Turnover Ratio



Source: LCD, an offering of S&P Global Market Intelligence, LSTA Trade Data Study. Par amount outstanding as of March 31, 2022. Trading and turnover as of December 31, 2021. **Past performance is not a reliable indicator of future results.** Data provided is for informational use only. Amount of outstandings measures the S&P/LSTA Leveraged Loan Index. Trading and turnover data is sourced from 20 of the largest buy-side and sell-side member institutions of the LSTA. It is not possible to invest directly in an Index.

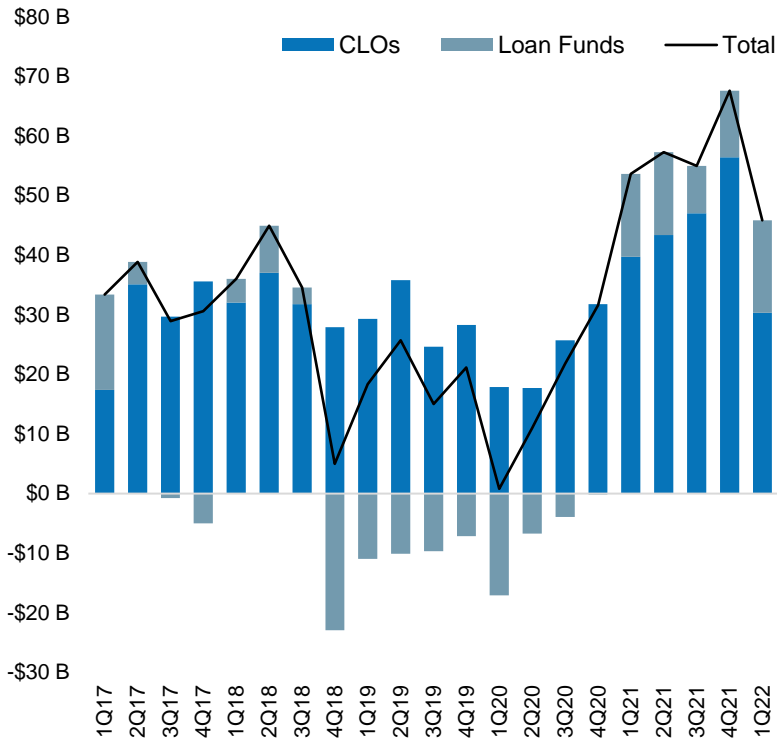


Market update

Technical factors: Loan demand and M&A volume

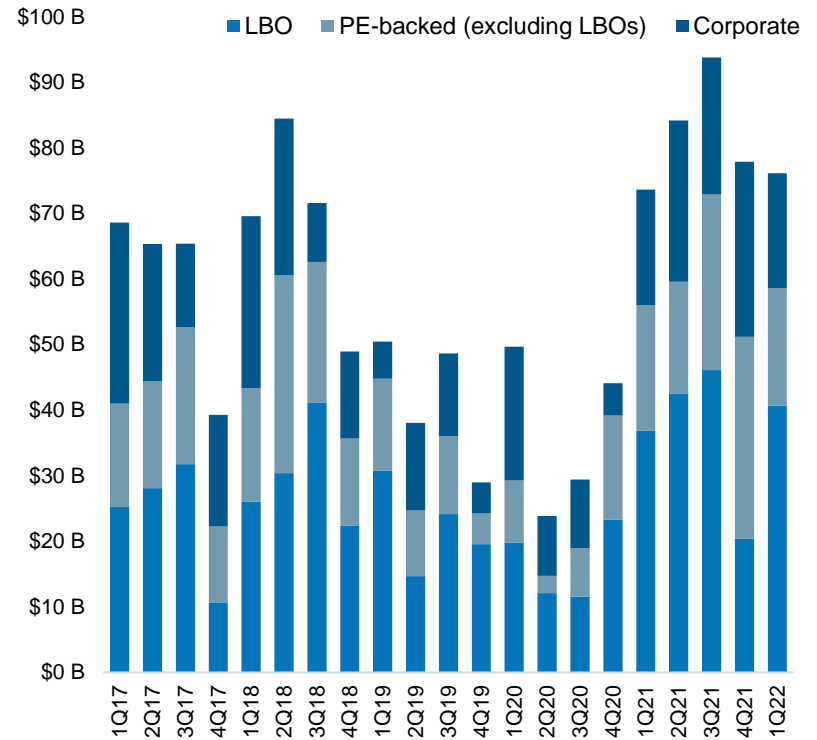
Visible Demand

Quarterly CLO Creation and Mutual Fund Flows



Institutional Loan Volume Backing M&A

Leveraged Buyout (LBO) and Other M&A



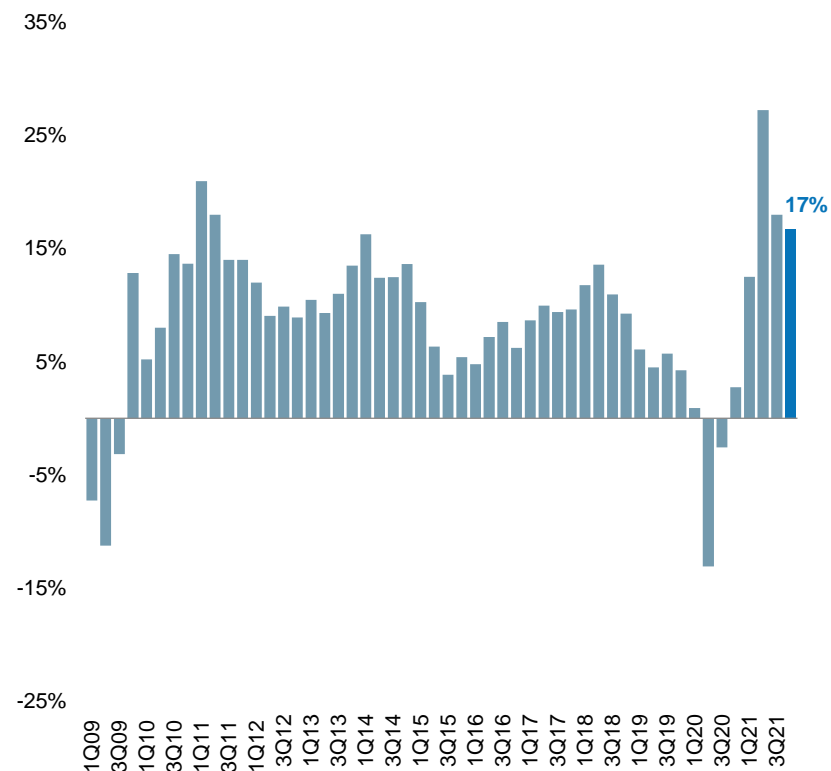
Source: LCD, an offering of S&P Global Market Intelligence, March 31, 2022. Past performance is not a reliable indicator of future results. Data provided is for informational use only. It is not possible to invest directly in an Index.



Market update

Fundamental conditions: Revenue and earnings growth

Year-Over-Year Revenue Growth



Year-Over-Year EBITDA Growth



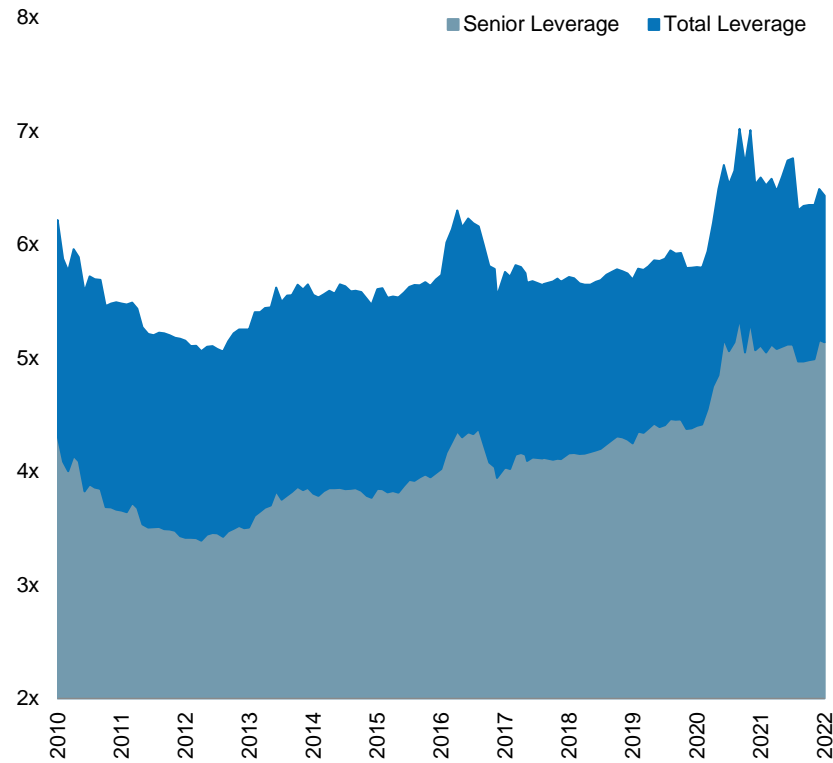
Source: LCD, an offering of S&P Global Market Intelligence, Q4 2021. **Past performance is not a reliable indicator of future results.** Data provided is for informational use only. It is not possible to invest directly in an Index. EBITDA refers to earnings before interest, taxes, depreciation and amortization. The data are based on approximately 150 public issuers included in the S&P/LSTA Leveraged Loan Index. See end of material for important additional information and disclosures.



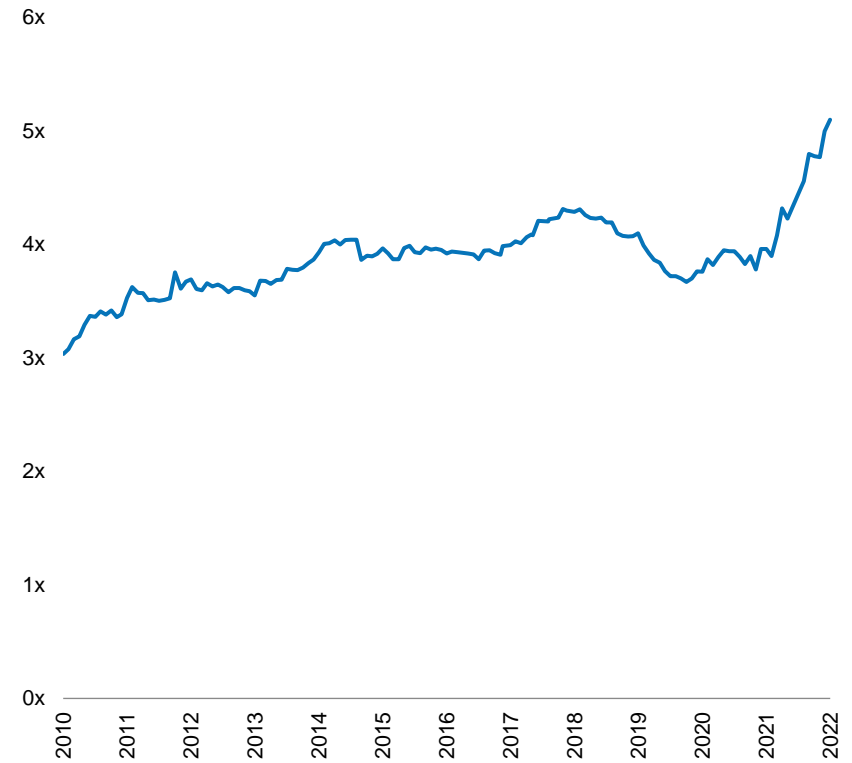
Market update

Fundamental conditions: Leverage and interest coverage

Weighted Average Leverage



Interest Coverage



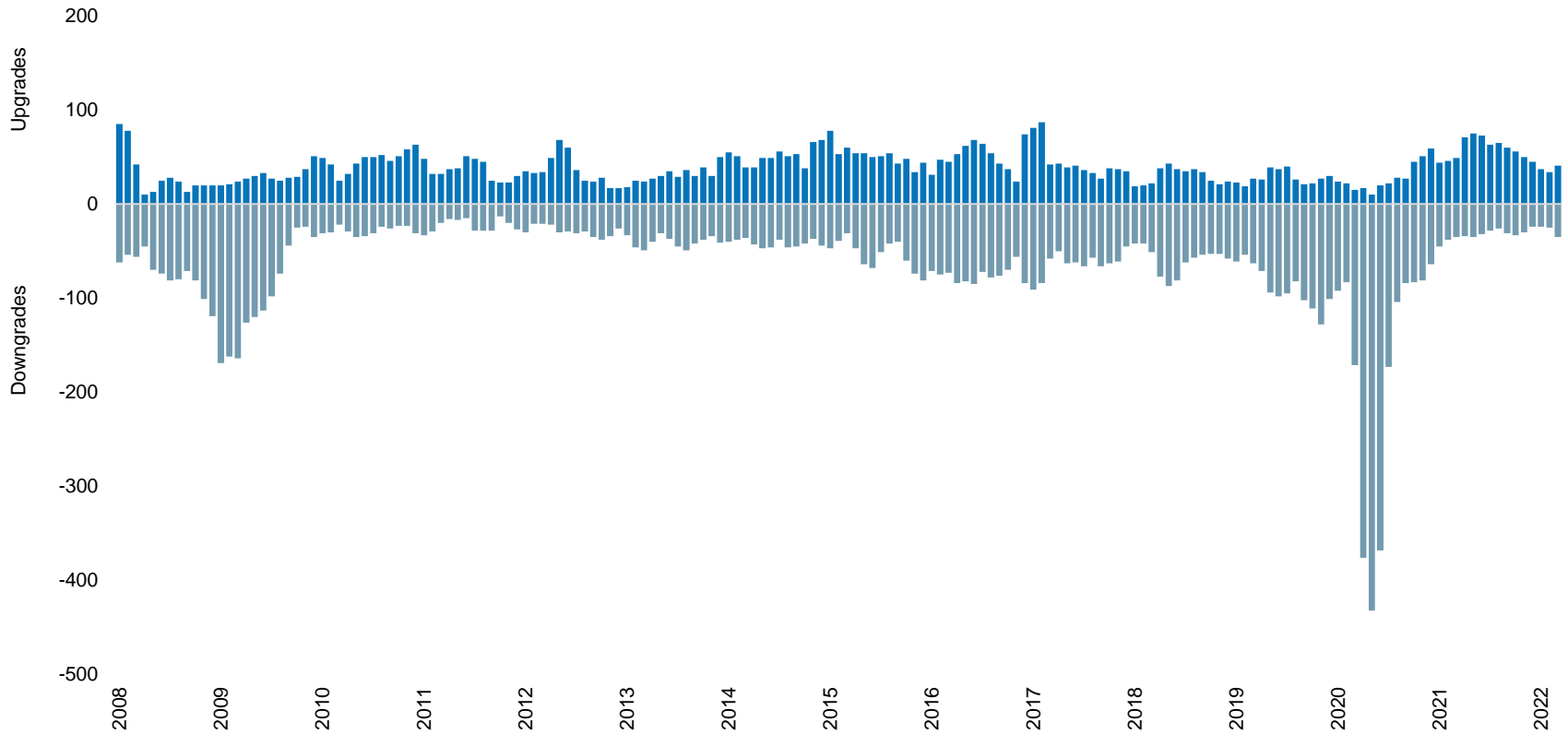
Source: Eaton Vance, March 31, 2022. **Past performance is not a reliable indicator of future results.** Data provided is for informational use only. See end of material for important additional information and disclosures. The data is an average of all loans tracked across the Eaton Vance loan platform. Does not represent any particular issuer or product.



Market update

Fundamental conditions: Loan upgrades outpacing downgrades

Rolling 3-Month Count of Ratings Upgrades & Downgrades



Source: LCD, an offering of S&P Global Market Intelligence, March 31, 2022. **Past performance is not a reliable indicator of future results.** All data reflects the S&P/LSTA Leveraged Loan Index. Data provided is for informational use only. It is not possible to invest directly in an index. See end of material for important additional information and disclosures.

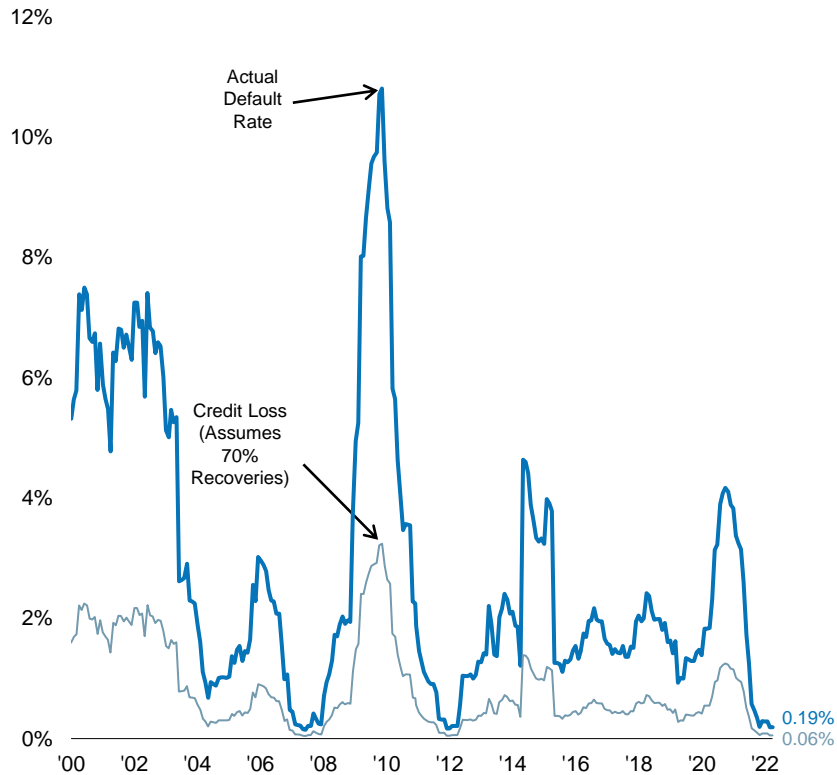


Market update

Fundamental conditions: Default rate and distress ratio

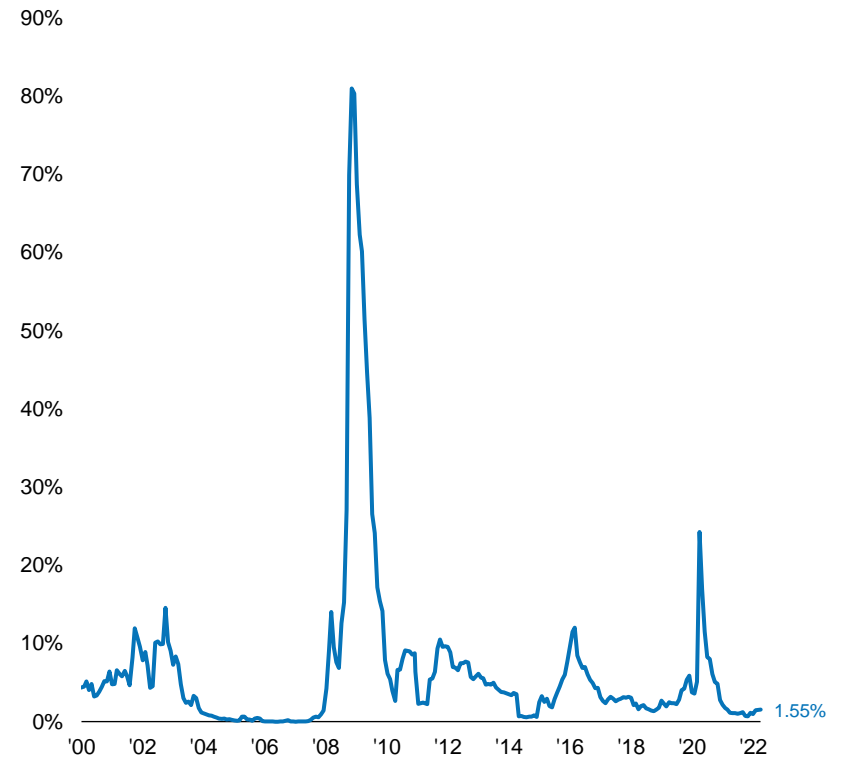
Default Rate

Last 12 Months By Principal Amount



Distress Ratio

Percent of Performing Loans Trading Below \$80

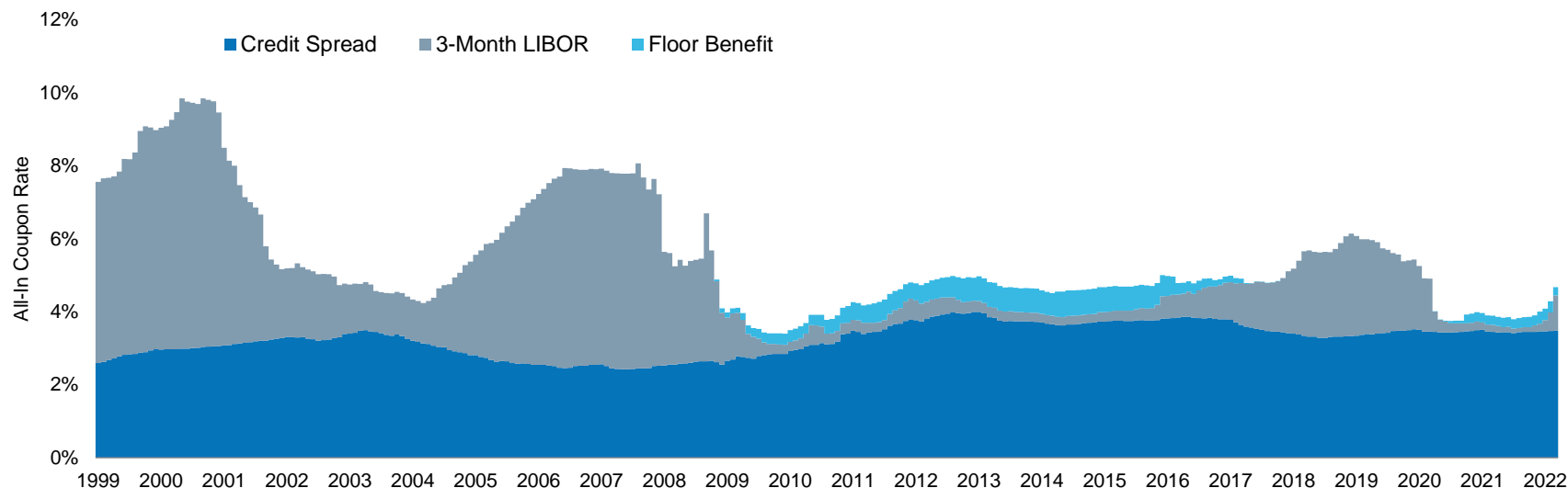


Source: LCD, an offering of S&P Global Market Intelligence, March 31, 2022. **Past performance is not a reliable indicator of future results.** All data reflects the S&P/LSTA Leveraged Loan Index. Data provided is for informational use only. It is not possible to invest directly in an Index. See end of material for important additional information and disclosures.



Market update

Valuations: Composition of average loan Index coupon



	Credit Spread	Corresponding All-In Rate
Max (Jan 2013)	4.00%	4.97%
Post-Crisis Average	3.57%	4.69%
Current	3.48%	4.67%
Long-Term Average	3.24%	5.48%
Min (June 2007)	2.42%	7.78%

LIBOR Floor	% of Par Outstanding
0% floor	41.3%
0.75% and less	47.3%
1.00%	10.7%
>1.00%	0.0%
No floor	0.7%

Sources: Eaton Vance, Macrobond, and LCD, an offering of S&P Global Market Intelligence, March 31, 2022. **Past performance is not a reliable indicator of future results.** All spread and LIBOR floor data reflects the S&P/LSTA Leveraged Loan Index. Data provided is for informational use only. Credit spread and floor benefit data are shown on a weighted average basis. LIBOR floors are a minimum base rate to be paid by a borrower before the fixed credit spread. The LIBOR floor benefit measures the difference between prevailing LIBOR rates and the average LIBOR floor. Data excludes facilities in default.



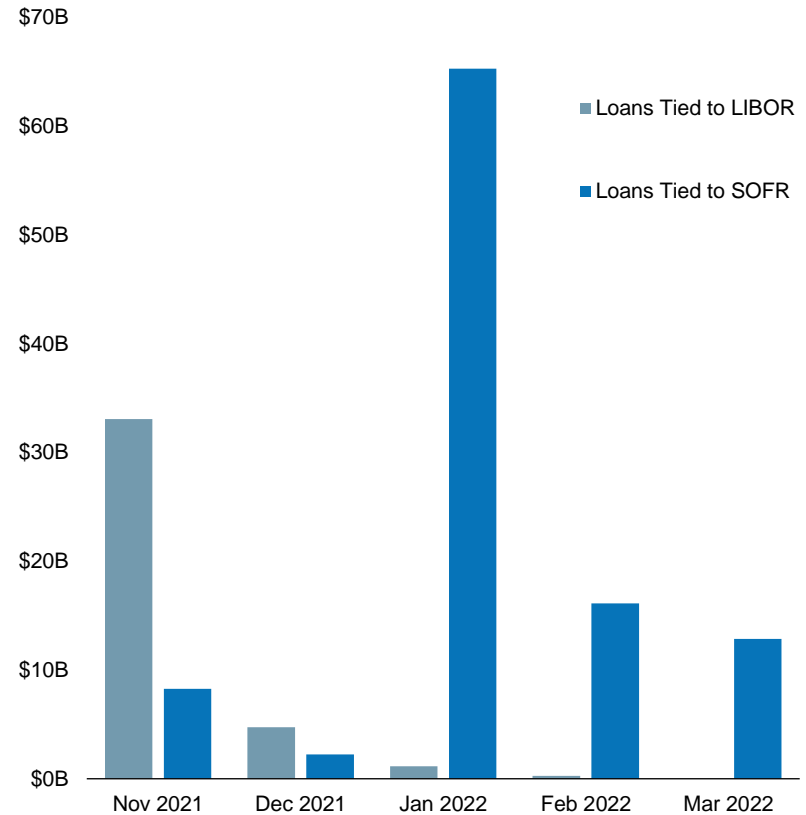
Market update

Special topic: LIBOR transition

What does LIBOR's end mean for loans?

- In 2017, the Alternative Reference Rate Committee (ARRC), a panel convened by the U.S. Federal Reserve, selected the Secured Overnight Financing Rate (SOFR) as a replacement for U.S. LIBOR to be effective no later than the end of 2021.
- SOFR reflects a broad universe of overnight U.S. Treasury repo activity based on more than \$800 billion in daily transactions.
- In November 2020, U.S. and U.K. banking regulators announced that the December 31, 2021 sunset for LIBOR would remain in place for newly originated loans.
- However, they added that most U.S. dollar (USD) LIBOR maturities could be extended to June 2023 for legacy contracts only.
- Newly issued LIBOR-based loans are now a thing of the past, and we have recently witnessed the birth of SOFR-based loans.
- The extension to remediate existing LIBOR-based loans to mid-2023 means that the asset class has a nice long runway to make a smooth transition.

New Issue Institutional Loan Volume





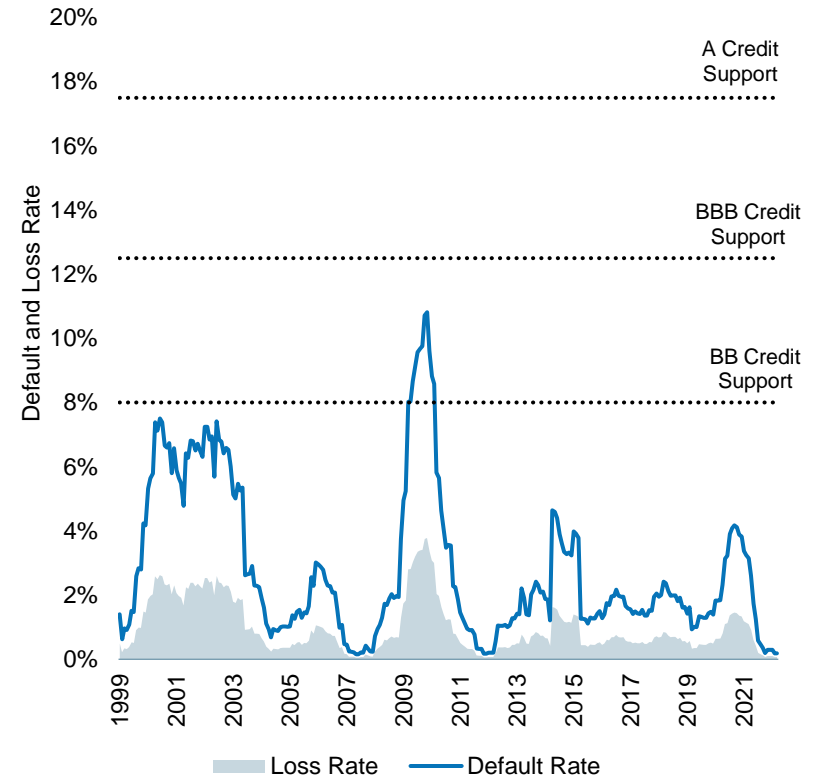
Market update

Special topic: Collateralized Loan Obligations (CLOs)

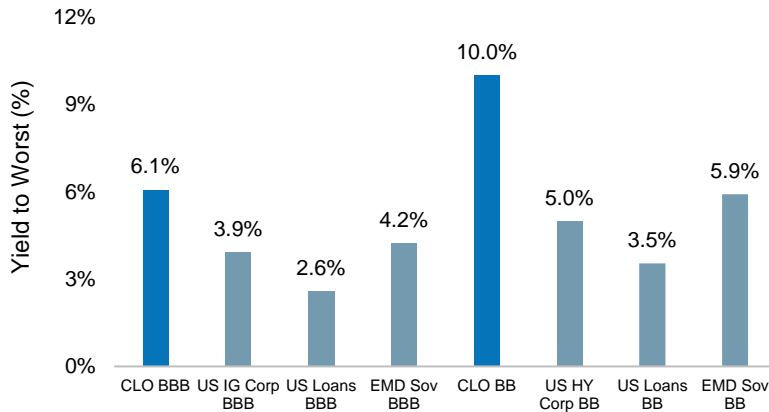
Illustrative capital structure for a US CLO

Credit Rating	Credit Enhancement	Credit Spread	Average Price
AAA	36%	115 – 137	\$99.3
AA	25%	170 – 195	\$98.8
A	17%	210 – 270	\$98.3
BBB	13%	320 – 450	\$97.6
BB	8%	650 – 875	\$93.7

CLO Tranche Support



Comparative Yields for BBB and BB tranches of CLOs



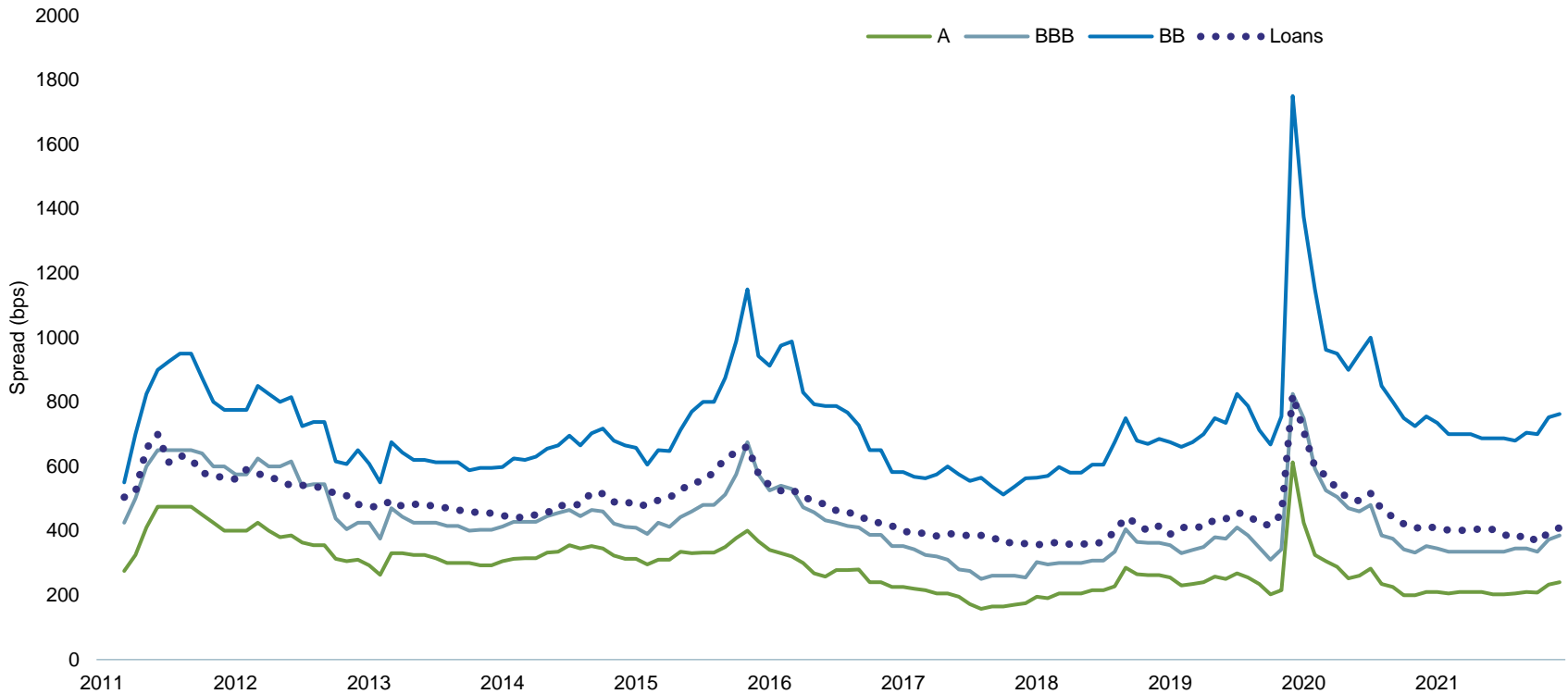
Sources: Eaton Vance, Citibank Velocity, Macrobond, LCD, an offering of S&P Global Market Intelligence, March 31, 2022. **Past performance is not a reliable indicator of future results.** Data provided is for informational use only. All CLO data measures CLO tranches issued after the 2008 financial crisis. Loan data represented by the S&P/LSTA Leveraged Loan Index. US IG Corps represented by the ICE BofA US Corporate Index 1-10 Year. US HY Corp represented by the ICE BofA US High Yield Index. EMD Sov represented by the J.P. Morgan EM Bond Index (EMBI) Global Diversified. Default and loss rates measure the S&P/LSTA Leveraged Loan Index, with loss rates based on 65% recovery assumption.



Market update

Special topic: Volatility of CLOs relative to underlying loans

Post-Crisis CLO Spreads: A, BBB, BB vs. Loans



Sources: Citibank Velocity and LCD, an offering of S&P Global Market Intelligence, March 31, 2022. **Past performance is not a reliable indicator of future results.** Data provided is for informational use only. All CLO data measures CLO tranches issued after the 2008 financial crisis. Loans represented by the S&P/LSTA Leveraged Loan Index and show spread-to-maturity.

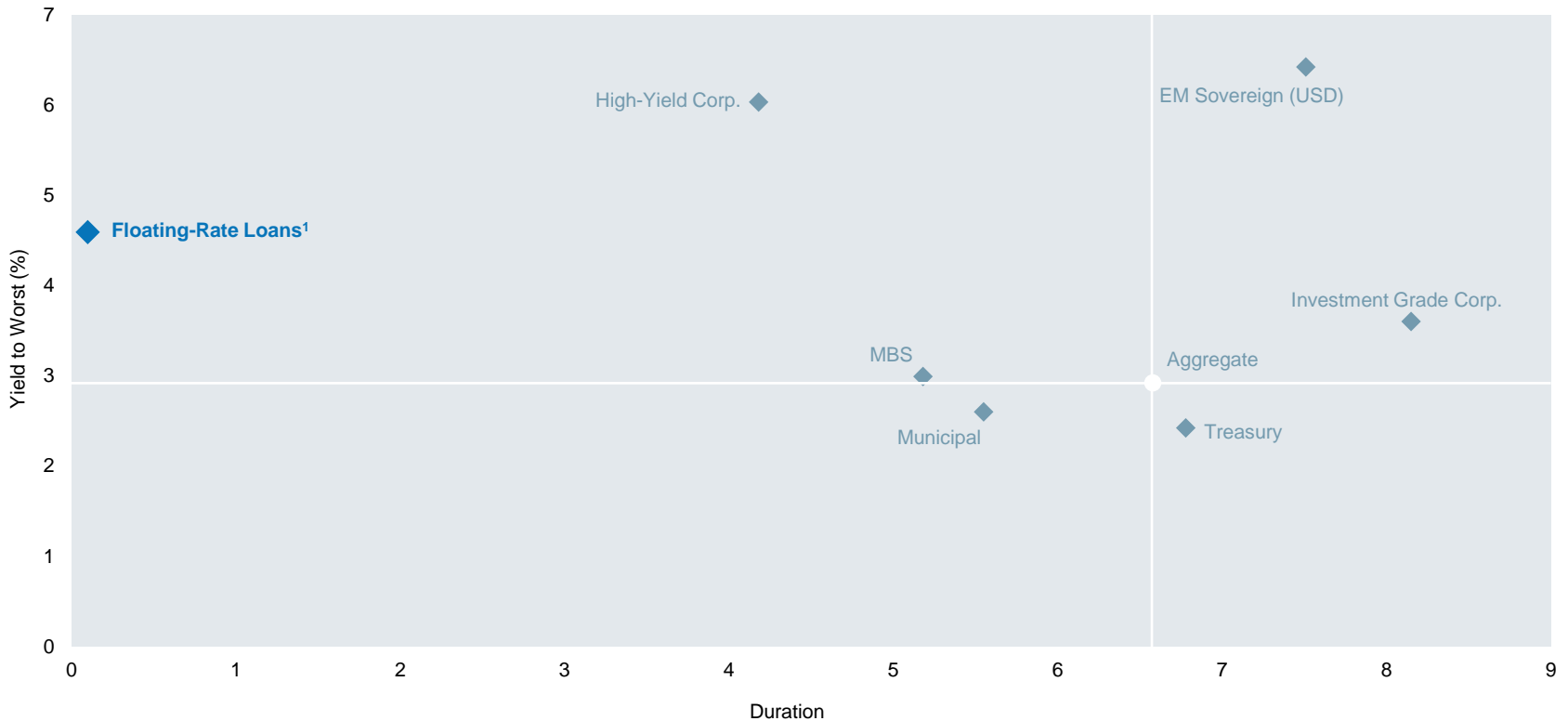


Portfolio Applications



Portfolio applications

Loans among higher yielding asset classes with little duration

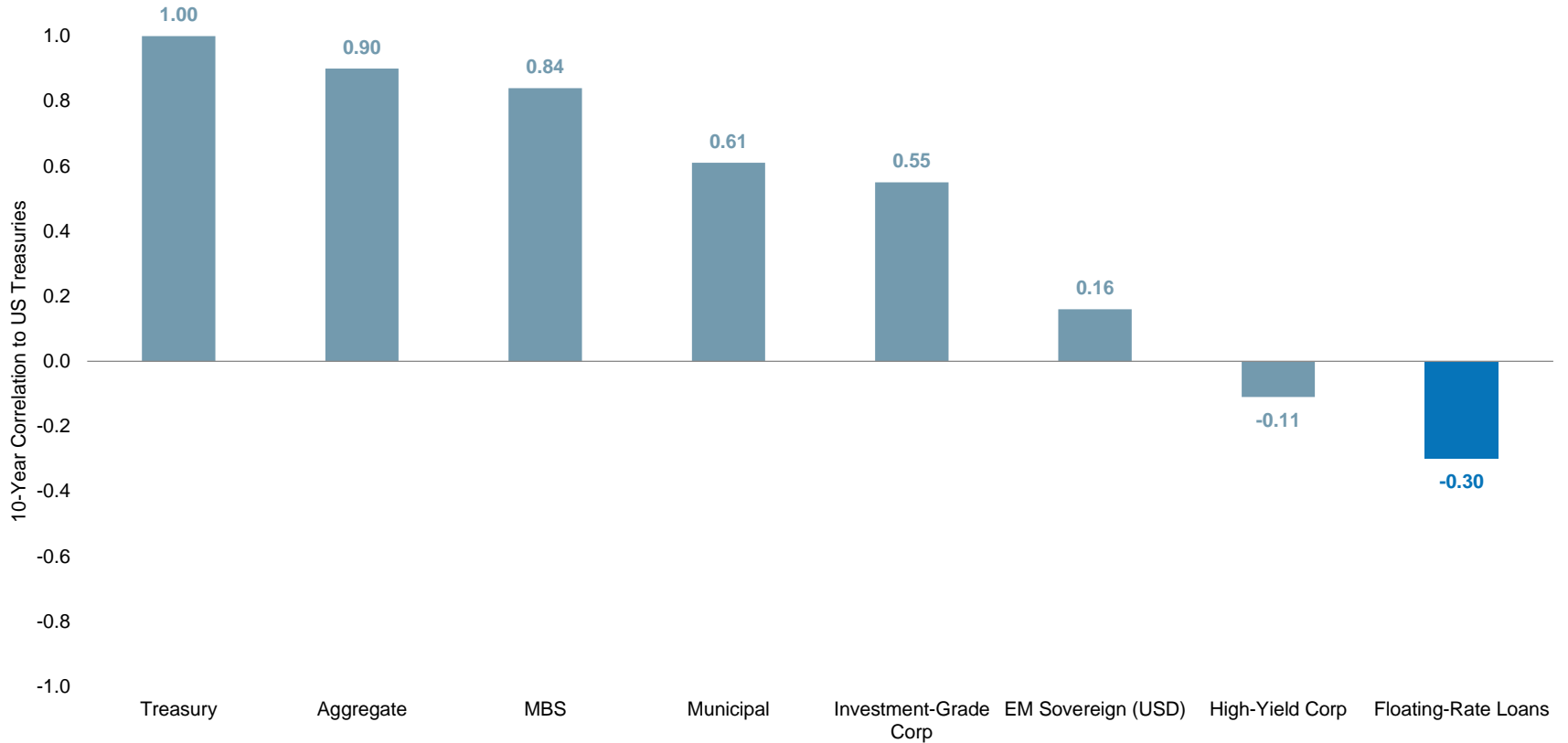


Sources: Eaton Vance, Bloomberg, JPMorgan, ICE Data Indices, LLC, and LCD, an offering of S&P Global Market Intelligence, March 31, 2022. **Past performance is not a reliable indicator of future results.** Data provided is for informational use only. It is not possible to invest directly in an Index. Yield to worst is the lowest potential yield that can be received on a bond without an issuer actually defaulting. Duration is a measure of the sensitivity of a bond's price to a change in interest rates. Treasury represented by Bloomberg U.S. Treasury Index. Aggregate represented by Bloomberg U.S. Aggregate Index. MBS represented by Bloomberg U.S. Mortgage Backed Securities (MBS) Index. Investment-Grade Corp. represented by Bloomberg U.S. Corporate Index. Municipal represented by Bloomberg Municipal Bond Index. EM Sovereign (USD) represented by J.P. Morgan EM Bond Index (EMBI) Global Diversified Index. High-Yield Corp. represented by ICE BofA US High Yield Index. Floating-Rate Loans represented by S&P/LSTA Leveraged Loan Index. ¹Yield to maturity is shown for loans.



Portfolio applications

Floating-rate structure key driver of negative correlation with bonds

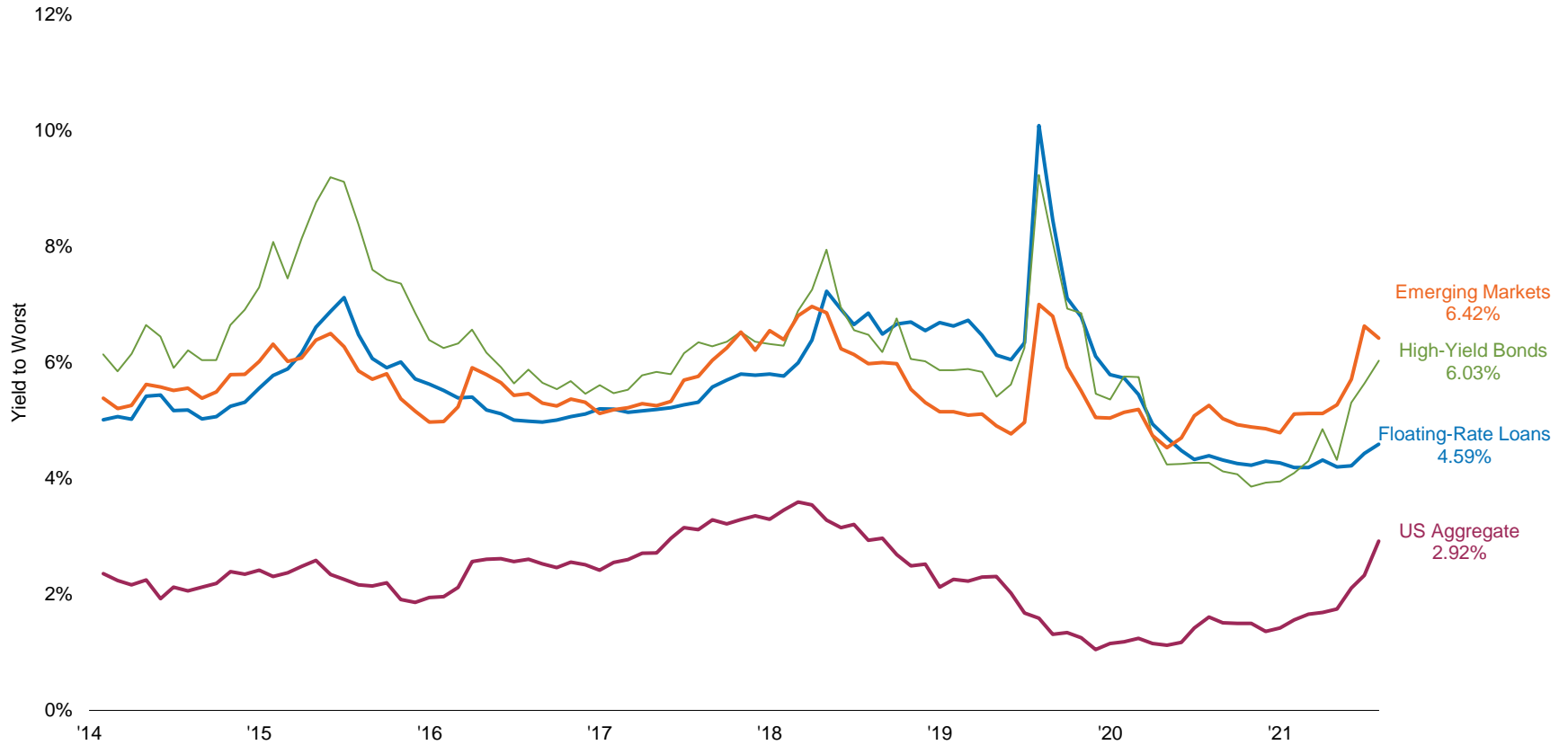


Source: Morningstar, March 31, 2022. **Past performance is not a reliable indicator of future results.** Data provided is for informational use only. It is not possible to invest directly in an Index. See end of material for important additional information and disclosures. Correlation is a statistical measure of how two securities perform in relation to each other. Treasury represented by Bloomberg U.S. Treasury Index. Aggregate represented by Bloomberg U.S. Aggregate Index. MBS represented by Bloomberg U.S. Mortgage Backed Securities (MBS) Index. Investment-Grade Corp. represented by Bloomberg U.S. Corporate Index. Municipal represented by Bloomberg Municipal Bond Index. EM Sovereign (USD) represented by J.P. Morgan EM Bond Index (EMBI) Global Diversified Index. High-Yield Corp. represented by ICE BofA US High Yield Index. Floating-Rate Loans represented by S&P/LSTA Leveraged Loan Index.



Portfolio applications

Loan yields are competitive with high-yield bonds and emerging markets (EM) debt

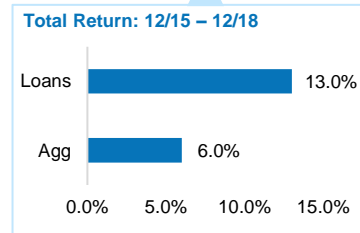
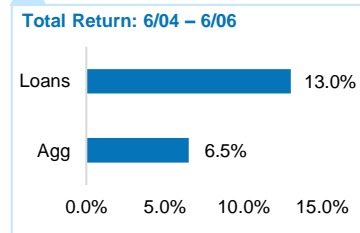
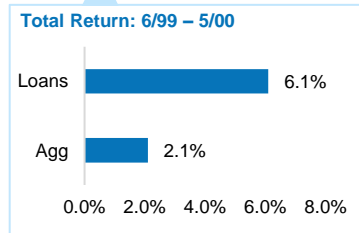
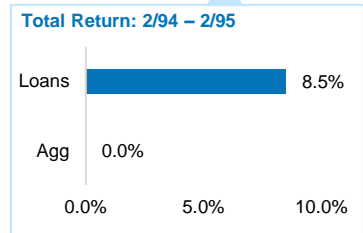
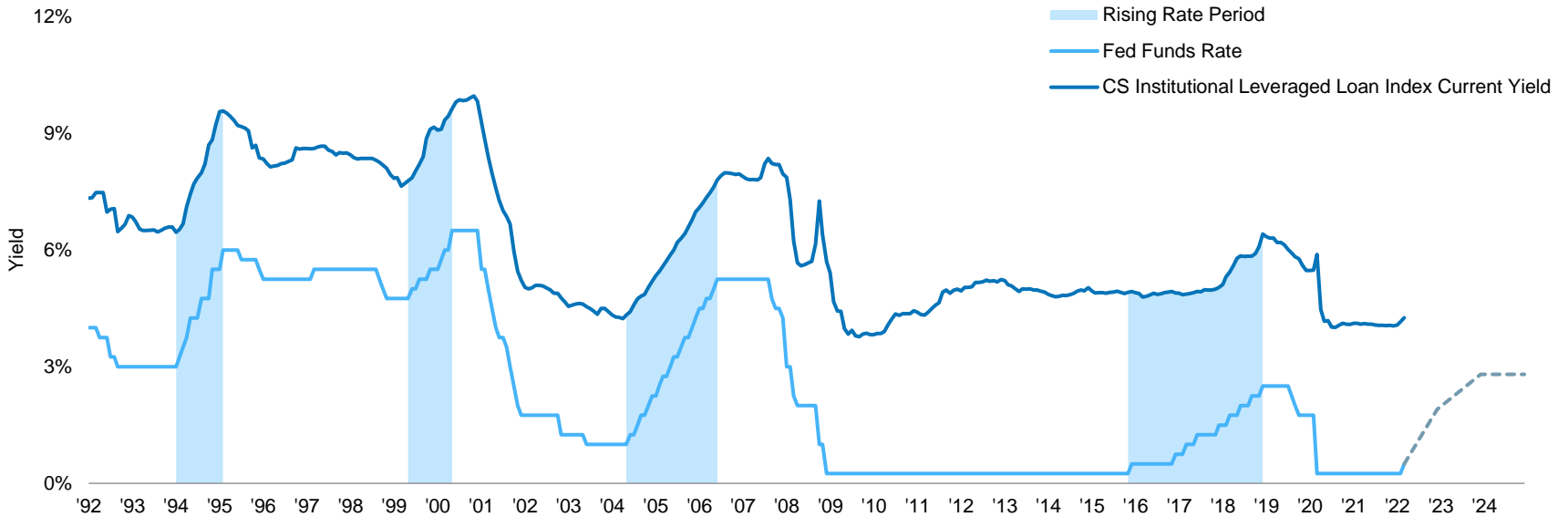


Sources: LCD, an offering of S&P Global Market Intelligence, Bloomberg, ICE Data Indices, LLC, J.P. Morgan, March 31, 2022. **Past performance is not a reliable indicator of future results.** Data provided is for informational use only. Loans represents the S&P/LSTA Leveraged Loan Index. High-Yield Bonds presents the ICE BofA US High Yield Index. Emerging Markets represents the J.P. Morgan EMBI Global Diversified. US Aggregate represents the Bloomberg US Aggregate Bond Index. ¹Yield to maturity is shown for loans.



Portfolio applications

Historical loan yields and short-term rates



The Federal Reserve is projecting a fed funds rate of 2.8% in 2023

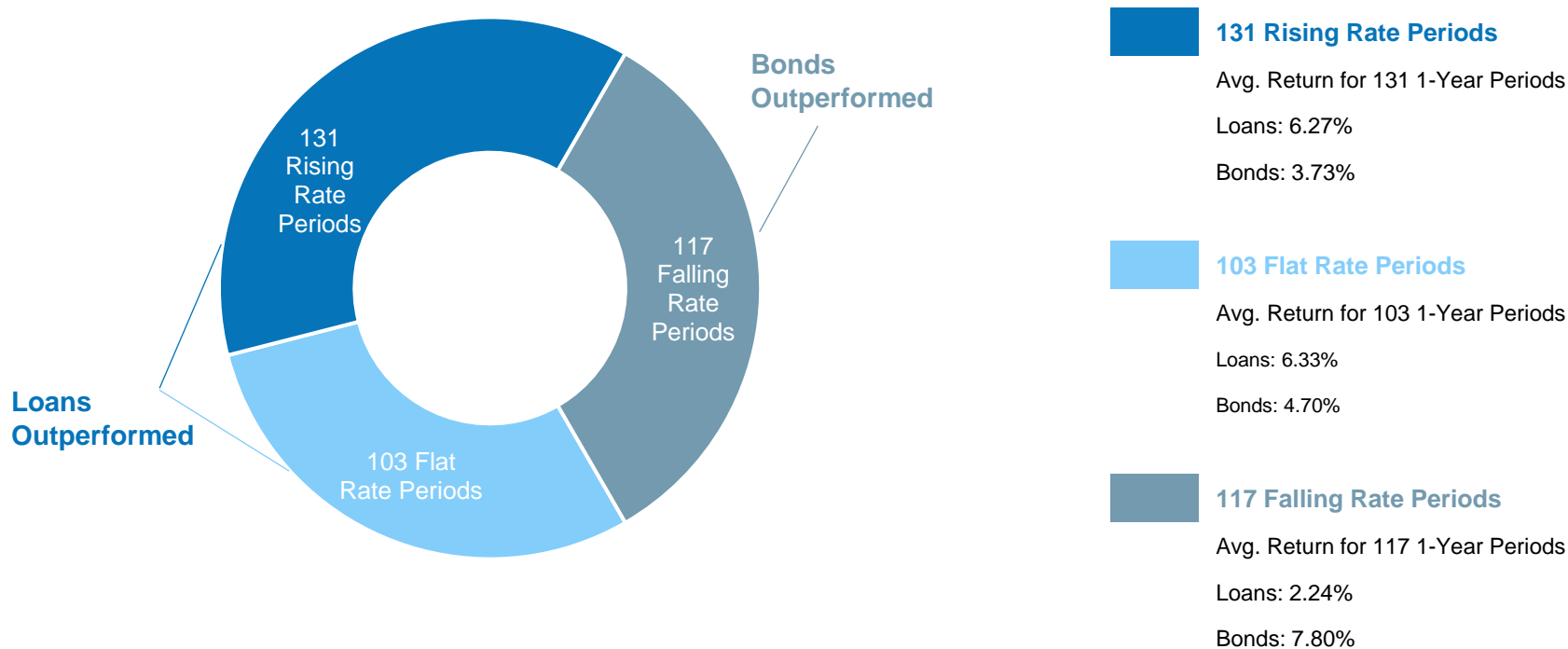
Sources: Eaton Vance, Credit Suisse, Federal Reserve, and Morningstar, March 31, 2022. **Past performance is not a reliable indicator of future results.** Data provided is for informational use only. Performance is cumulative and rising rates are defined as any period where the fed funds rate increased at least 1%. Loan performance is represented by Credit Suisse Institutional Leveraged Loan Index (which has a longer history than the S&P/LSTA Leveraged Loan Index). Agg performance is represented by Bloomberg Barclays U.S. Aggregate Index.



Portfolio applications

Loan vs. bond performance in various interest-rate environments

Distribution of All Rolling 1-Year Return Periods: 1992 – Q1 2022



Sources: Eaton Vance, Credit Suisse, Bloomberg, Federal Reserve, March 31, 2022. **Past performance is not a reliable indicator of future results.** Data provided is for informational use only. It is not possible to invest directly in an Index. See end of report for important additional information. Loans are represented by Credit Suisse Institutional Leveraged Loan Index and bonds are represented by the Bloomberg U.S. Aggregate Index. Analysis includes all rolling one-year periods since inception of Credit Suisse Institutional Leveraged Loan Index in 1992. Interest rate periods measures the year-over-year change in the fed funds rate.



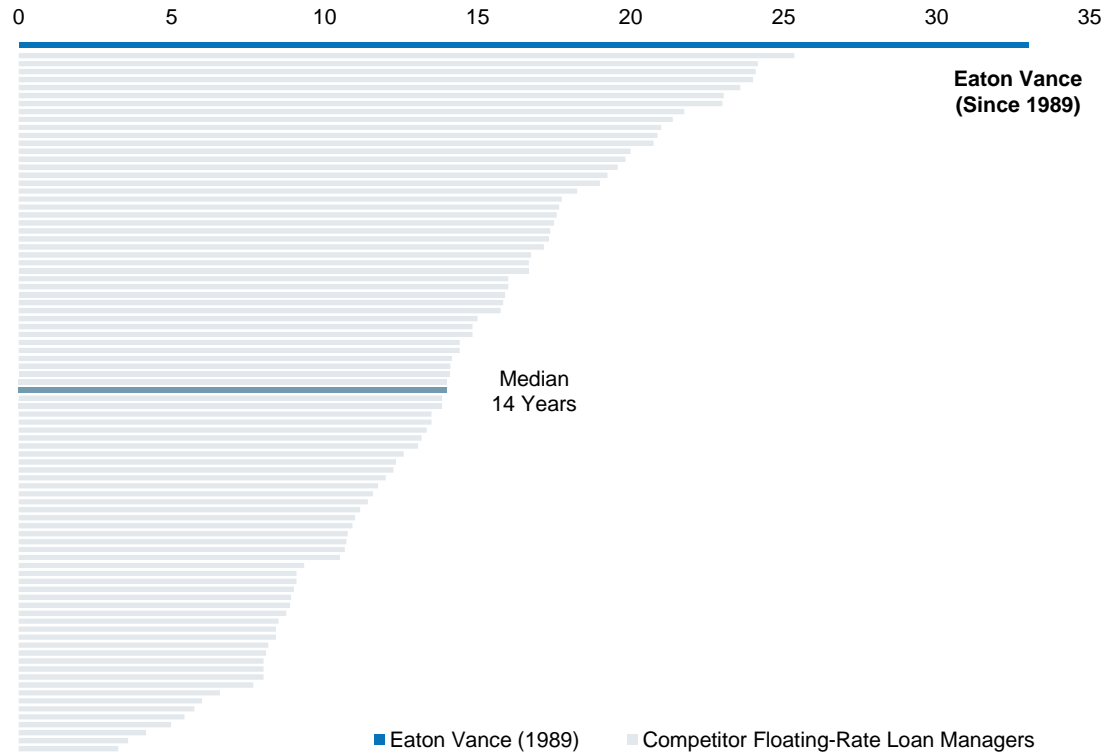
About Eaton Vance



Eaton Vance for floating-rate loans

The advantage of Eaton Vance's experience

- Measurable track record since 1989
- Significant floating-rate loan investment resources and specialization
- Extensive contiguous experience of investment team
- Long-term record of delivering incremental outperformance with lower volatility than the S&P/LSTA Leveraged Loan Index
- Continuity of philosophy, process and team over time
- Systematic risk-weighted portfolio construction underpinned by bottom-up credit research



Source: eVestment, December 31, 2021. **Past performance is not a reliable indicator of future results.** Data provided is for informational use only. It is not possible to invest directly in an Index. See end of material for important additional information and disclosures. Based on eVestment Floating-Rate Bank Loan Fixed Income universe using oldest investment offering for each firm.



Eaton Vance for floating-rate loans


Investment team with extensive contiguous experience


TEAM LEADERSHIP


 **Andrew Sveen, CFA**
 Head of Floating-Rate Loans, Portfolio Manager
 27 Years of Experience
 23 Years at the Firm

CREDIT RESEARCH & PORTFOLIO MANAGEMENT


 **Craig Russ**
 Portfolio Manager
 36 Years of Experience
 25 Years at the Firm

 **Ralph Hinckley, CFA**
 Senior Credit Analyst, Portfolio Manager
 24 Years of Experience
 18 Years at the Firm


 **Catherine McDermott**
 Senior Credit Analyst, Portfolio Manager
 33 Years of Experience
 21 Years at the Firm


 **Michael Turgel, CFA**
 Senior Credit Analyst, Portfolio Manager
 19 Years of Experience
 15 Years at the Firm


 **John Redding**
 Portfolio Manager
 37 Years of Experience
 24 Years at the Firm


 **Jeff Hesselbein, CFA**
 Senior Credit Analyst, Portfolio Manager
 25 Years of Experience
 22 Years at the Firm


 **Heath Christensen, CFA**
 Senior Credit Analyst, Portfolio Manager
 22 Years of Experience
 18 Years at the Firm


 **Brian Hickey, CFA**
 Senior Credit Analyst
 24 Years of Experience
 2 Years at the Firm

 **Audrey Grant**
 Credit Analyst
 5 Years of Experience
 5 Years at the Firm


 **Sarah Choi**
 Senior Credit Analyst
 14 Years of Experience
 2 Years at the Firm


 **Anna Gribovsky**
 Senior Credit Analyst
 13 Years of Experience
 9 Years at the Firm


 **Daniel McElaney, CFA**
 Senior Credit Analyst, Portfolio Manager
 18 Years of Experience
 17 Years at the Firm

 **Victoria Moore**
 Credit Analyst
 4 Years of Experience
 <1 Year at the Firm

 **Erik Manditch**
 Associate Credit Analyst
 3 Years of Experience
 3 Years at the Firm

 **Anish Guha**
 Associate Credit Analyst
 3 Years of Experience
 3 Years at the Firm

 **Ellen Green**
 Research Associate
 2 Years of Experience
 2 Years at the Firm

 **Jimmy Jiang**
 Research Associate
 1 Year of Experience
 1 Year at the Firm

STRUCTURED PRODUCTS

 **Michael Kinahan, CFA**
 Head of Structured Products
 34 Years of Experience
 23 Years at the Firm

 **John Brodbine**
 Senior Structured Portfolio Analyst
 21 Years of Experience
 17 Years at the Firm

 **Phil Dillon**
 Senior Structured Portfolio Analyst
 11 Years of Experience
 1 Year at the Firm

 **Edward Greenaway, CFA**
 Senior Structured Portfolio Analyst,
 Portfolio Manager
 15 Years of Experience
 13 Years at the Firm

 **Stephen Monrad**
 Structured Portfolio Associate
 2 Years of Experience
 2 Years at the Firm

 **Karthik Shankar**
 Senior Structured Portfolio Analyst
 26 Years of Experience
 14 Years at the Firm

 **Sheetal Shroff**
 Senior Structured Portfolio Specialist
 16 Years of Experience
 14 Years at the Firm

CREDIT ADVISORY

 **Patrick Danielo**
 Credit Advisory
 34 Years of Experience
 2 Years at the Firm


OPERATIONS

 **Michael Botthof**
 Director of Bank Loan Operations
 32 Years of Experience
 24 Years at the Firm


 6 Operations/Compliance Professionals

TRADING

 **Jake Lemle, CFA**
 Director of Loan Trading & Capital Markets,
 Portfolio Manager
 14 Years of Experience
 14 Years at the Firm


 **Kathryn Thompson**
 Trader
 9 Years of Experience
 2 Years at the Firm

 **Christopher Reese**
 Trader
 3 Years of Experience
 <1 Year at the Firm

 **Elizabeth McDonough**
 Trading Associate
 8 Years of Experience
 8 Years at the Firm

PRODUCT & PORTFOLIO STRATEGY

 **Christopher Remington**
 Institutional Portfolio Manager
 21 Years of Experience
 13 Years at the Firm

 **Robert Holmes, CFA**
 Senior Portfolio Specialist
 10 Years of Experience
 10 Years at the Firm



Additional Information



Important information and disclosure

ABOUT RISK:

Floating-Rate Loans: An imbalance in supply and demand in the income market may result in valuation uncertainties and greater volatility, less liquidity, widening credit spreads and a lack of price transparency in the market. There can be no assurance that the liquidation of collateral securing an investment will satisfy the issuer's obligation in the event of nonpayment or that collateral can be readily liquidated. The ability to realize the benefits of any collateral may be delayed or limited.

Investments in income securities may be affected by changes in the creditworthiness of the issuer and are subject to the risk of non-payment of principal and interest. The value of income securities also may decline because of real or perceived concerns about the issuer's ability to make principal and interest payments. Borrowing to increase investments (leverage) will exaggerate the effect of any increase or decrease in the value of investments. Investments rated below investment grade (typically referred to as "junk") are generally subject to greater price volatility and illiquidity than higher rated investments. As interest rates rise, the value of certain income investments is likely to decline. Bank loans are subject to prepayment risk. Investments in foreign instruments or currencies can involve greater risk and volatility than U.S. investments because of adverse market, economic, political, regulatory, geopolitical or other conditions. Changes in the value of investments entered for hedging purposes may not match those of the position being hedged.

Duration – Securities with longer durations tend to be more sensitive to interest rate changes than securities with shorter durations. Equity – Equity investment values are sensitive to stock market volatility. Gov't Agency – While certain U.S. Government-sponsored agencies may be chartered or sponsored by acts of Congress, their securities are neither issued nor guaranteed by the U.S. Treasury. Maturity – Longer-term bonds typically are more sensitive to interest rate changes than shorter-term bonds. Prepayment – MBS – Mortgage-backed securities are subject to prepayment risk. Smaller Companies – Smaller companies are generally subject to greater price fluctuations, limited liquidity, higher transaction costs and higher investment risk than larger, established companies.

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Bloomberg Municipal Bond Index is an unmanaged index of municipal bonds traded in the U.S.

Bloomberg U.S. Aggregate Index is an unmanaged index of domestic investment-grade bonds, including corporate, government and mortgage-backed securities.

Bloomberg U.S. Corporate Index is an unmanaged index that measures the performance of investment-grade corporate securities within the Bloomberg U.S. Aggregate Index.

Bloomberg U.S. Mortgage Backed Securities (MBS) Index measures agency mortgage-backed pass-through securities issued by GNMA, FNMA, and FHLMC.

Bloomberg U.S. Treasury Index measures public debt instruments issued by the U.S. Treasury.

Credit Suisse Institutional Leveraged Loan Index is an unmanaged index of the institutional leveraged loan market.

ICE BofA Current 10-Year US Treasury Index is a one-security index comprised of the most recently issued 10-year US Treasury note.

ICE BofA US Corporate Index tracks the performance of US dollar denominated investment grade corporate debt publicly issued in the US domestic market.

ICE BofA US High Yield Index tracks the performance of US dollar denominated below investment grade corporate debt publicly issued in the US domestic market.

J.P. Morgan EM Bond Index (EMBI) Global Diversified Index is an unmanaged index of the institutional leveraged loan market.

Standard & Poor's 500 Index is an unmanaged index of large-cap stocks commonly used as a measure of U.S. stock market performance.

S&P/LSTA Leveraged Loan Index is an unmanaged index of the institutional leveraged loan market.



Important information and disclosure

ABOUT ASSET CLASS COMPARISONS:

Elements of this report include comparisons of different asset classes, each of which has distinct risk and return characteristics. Every investment carries risk, and principal values and performance will fluctuate with all asset classes shown, sometimes substantially. Asset classes shown are not insured by the FDIC and are not deposits or other obligations of, or guaranteed by, any depository institution. All asset classes shown are subject to risks, including possible loss of principal invested.

The principal risks involved with investing in the asset classes shown are interest-rate risk, credit risk and liquidity risk, with each asset class shown offering a distinct combination of these risks. Generally, considered along a spectrum of risks and return potential, U.S. Treasury securities (which are guaranteed as to the payment of principal and interest by the U.S. government) offer lower credit risk, higher levels of liquidity, higher interest-rate risk and lower return potential, whereas asset classes such as high-yield corporate bonds and emerging market bonds offer higher credit risk, lower levels of liquidity, lower interest-rate risk and higher return potential. Other asset classes shown carry different levels of each of these risk and return characteristics, and as a result generally fall varying degrees along the risk/return spectrum.

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Important additional information and disclosure

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