Eaton Vance Floating-Rate Loan Funds

Market Update as of 02/28/2026

The senior loan market experienced further weakness in February, once again under pressure due to stress in the software space. The Morningstar LSTA US Leveraged Loan Index (the Index) posted a -0.78% return, the worst monthly performance since September 2022. February's results extended January's decline, with a year-to-date return of -1.08% to start 2026.*

Key Drivers

- Software performance weak again: The largest sector in the Index returned -4.2% in February, bringing year-to-date losses to -7.0%, as the average price for software loans has fallen to $87.64, the lowest level since the COVID-19 crisis in March 2020.
- Flight to quality: The Index's average price fell to $94.59, the lowest level since June 2023, with higher quality BB loans sharply outperforming lower quality credit tiers.
- Supply constrained: The primary market saw $36.1 billion in total issuance, a nine-month low, with new money issuance summing to just $12.2 billion.

Credit Quality & Performance

- BB-rated loans outperform: BB loans (23% of the Index) returned 0.17%, while single-Bs (63% of the market) returned -1.11% in February. Loans rated CCC (4% of the market) lagged the most, returning -3.06%.
- Spreads, yields rise: The discounted spread-to-three years increased to 507 basis points (bps), a level not seen since November 2023, while the yield to maturity of the Index increased to 8.33%, the highest since August 2025.
- Non-technology areas outperform: Amid the stress around the software segment, sectors such as chemicals (+2.2%), oil and gas (+0.9%), and containers and packaging (+0.5%) outperformed for the month.

Market Technicals

- Primary market slows: Primary activity of $36.1 billion included $12.1 billion in new issuance, as tech-related deals decelerated from last year's pace.
- New issue spreads widen: Spreads on new issue loans rated BB/BB- widened by 34 bps, while B+/B spreads increased by 53 bps, reversing the recent tightening trend.
- Institutional demand remains supportive: Collateralized loan obligation (CLO) issuance totaled $19.5 billion in February, while leveraged loan retail funds saw an estimated outflow of $4.5 billion.

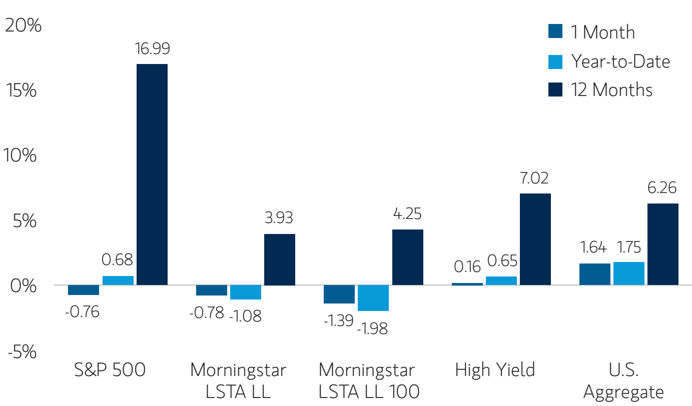
Fundamental Factors

- Default rates: At month-end, the trailing 12-month default rate stood at 1.38% by amount (up from 0.81% a year ago) and 1.36% by issuer count (up from 1.13%). Including liability management exercises (LMEs), the default rate by issuer count totaled 3.54%, down 64 bps year-over-year.
- Distress ratios: Loans trading under $80 climbed to 6.4% of the market in February, the highest level since May 2023. Software issuers represent a third of this distressed bucket.

* All data sourced from Leveraged Commentary & Data (LCD) as of February 28, 2026.

Market Snapshot (as of 02/28/2026)

Performance Across Asset Classes[1]



Select Market Data[2]

	Dec-25	Jan-26	Feb-26
Spread-to-3-Year (bps)			
All Loans	429	462	507
BB Loans	263	279	267
B Loans	414	452	520
CCC Loans	1689	1880	2053
Average Price ($)			
All Loans	96.64	95.74	94.59
BB Loans	99.44	98.97	99.22
B Loans	98.07	97.04	95.24
CCC Loans	75.87	73.06	70.71
D Loans	20.07	24.91	26.85
Other Statistics			
% Default Rate (LTM by Principal Amount)	1.23	1.29	1.38
Market Outstandings ($B)	1548.69	1531.90	1539.72

[1]Source: Eaton Vance, Leveraged Commentary and Data (LCD), 02/28/2026. LCD is a data provider to banks and other institutions in the U.S. leveraged loan market. The company also provides five market value-weighted indexes: 1) the S&P 500®, 2) the Morningstar LSTA US Leveraged Loan TR USD Index, 3) the Morningstar LSTA US Leveraged Loan 100 TR USD Index, 4) the ICE® BofA® U.S. High Yield Index, 5) the Bloomberg U.S. Aggregate Bond Index. Unless otherwise stated, index returns do not reflect the effect of any applicable sales charges, commissions, expenses, taxes or leverage, as applicable. It is not possible to invest directly in an index. Historical performance of the index illustrates market trends and does not represent the past or future performance of the fund.

[2]The Morningstar LSTA Leveraged Loan TR USD Index.

Performance

Average Annual Total Returns (%)

	As of 02/28/2026						As of 12/31/2025					
	3 Mo	YTD	1 Yr	3 Yr	5 Yr	10 Yr	3 Mo	YTD	1 Yr	3 Yr	5 Yr	10 Yr
Floating-Rate Fund – Class I	-0.84	-0.82	2.26	6.56	4.61	5.15	0.40	3.86	3.86	7.99	5.10	5.09
Floating-Rate & High Income Fund – Class I	-0.36	-0.57	2.98	6.85	4.68	5.28	0.61	4.55	4.55	8.15	5.11	5.24
Floating-Rate Advantage Fund – Class I	-1.20	-1.36	2.27	7.30	5.19	5.82	0.70	4.49	4.49	9.17	5.88	5.81
Morningstar™ Bank Loan Category Average[3]	-0.38	-0.94	3.46	7.15	4.87	4.77	1.10	5.19	5.19	8.53	5.39	4.74
Morningstar™ LSTA US Leveraged Loan TR USD Index	-0.45	-1.08	3.93	7.79	5.81	5.83	1.22	5.90	5.90	9.34	6.42	5.82
BB Sub-Index	0.89	0.24	5.62	7.51	5.90	5.09	1.47	6.26	6.26	8.18	6.07	5.03
B Sub-Index	-0.84	-1.50	3.80	8.25	6.11	6.23	1.40	6.18	6.18	10.12	6.78	6.22
CCC Sub-Index	-4.90	-5.10	-4.63	5.26	2.95	7.35	-1.59	1.81	1.81	9.21	5.15	7.33
D Sub-Index	-19.89	1.88	-37.96	-24.07	-26.38	-17.29	-36.03	-43.52	-43.52	-25.12	-26.39	-18.19

Monthly Returns (%) – Past 12 Months

	25-Mar	25-Apr	25-May	25-Jun	25-Jul	25-Aug	25-Sep	25-Oct	25-Nov	25-Dec	26-Jan	26-Feb
Floating-Rate Fund – Class I	-0.67	-0.19	1.49	0.73	0.38	0.37	0.57	0.12	0.31	-0.03	-0.06	-0.76
Floating-Rate & High Income Fund – Class I	-0.70	-0.11	1.48	0.84	0.37	0.48	0.57	0.09	0.30	0.21	-0.07	-0.50
Floating-Rate Advantage Fund – Class I	-0.91	-0.22	1.93	0.76	0.45	0.44	0.49	0.24	0.29	0.17	-0.33	-1.04
Morningstar™ Bank Loan Category Average[3]	-0.51	-0.18	1.64	0.77	0.73	0.44	0.40	0.19	0.31	0.56	-0.10	-0.84
Morningstar LSTA US Leveraged Loan Index	-0.31	-0.05	1.55	0.80	0.88	0.45	0.44	0.22	0.36	0.64	-0.31	-0.78
BB Sub-Index	0.09	0.00	1.39	0.72	0.59	0.50	0.49	0.32	0.49	0.65	0.06	0.17
B Sub-Index	-0.41	0.00	1.57	0.87	0.97	0.52	0.35	0.28	0.44	0.67	-0.39	-1.11
CCC Sub-Index	-1.84	-1.74	2.98	1.11	1.50	-0.76	0.97	-0.20	-1.61	0.22	-2.11	-3.06
D Sub-Index	-2.38	-4.58	-0.38	-4.04	3.15	0.66	2.97	-12.80	-6.71	-21.37	-2.39	4.38

Floating-Rate Fund – Class I Expense Ratio: Gross: 0.81% Net: 0.81%
Floating-Rate & High Income Fund – Class I Expense Ratio: Gross: 0.82% Net: 0.82%
Floating-Rate Advantage Fund – Class I Expense Ratio: Gross: 2.41% Net: 2.41%, Adjusted Expense Ratio: Gross: 0.74% Net: 0.74%

Adjusted Expense Ratio excludes certain investment expenses, such as interest expense from borrowings and repurchase agreements and dividend expense from expenses on short sales, incurred directly by the Fund or indirectly through the Fund's investment in underlying Eaton Vance Funds (if applicable), none of which are paid to Eaton Vance. Interest costs can change over time. Adjusted expenses do not include all expenses paid by investor.

Expenses are based on the fund's current prospectus, in effect as of the date of this material. For information on the applicable fund's current fees and expenses, please see the fund's current prospectus.

Risk Measures (%)[4]

	3 Year		5 Year		10 Year	
	Return	Standard Deviation	Return	Standard Deviation	Return	Standard Deviation
Floating-Rate Fund – Class I	6.56	2.10	4.61	3.35	5.15	5.09
Floating-Rate & High Income Fund – Class I	6.85	2.15	4.68	3.57	5.29	5.26
Floating-Rate Advantage Fund – Class I	7.30	2.68	5.19	4.13	5.83	6.51
Morningstar™ Bank Loan Category Average[3]	7.08	2.11	4.81	3.25	4.77	5.04
Morningstar LSTA US Leveraged Loan TR USD Index	7.80	2.09	5.81	3.16	5.84	5.37

***Past performance is no guarantee of future results.** Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Performance is for the stated time period only; due to market volatility, the Fund's current performance may be lower or higher than quoted. For the Fund's performance as of the most recent month end, please refer to eatonvance.com. Returns are historical and are calculated by determining the percentage change in net asset value (NAV) with all distributions reinvested. Returns for other classes of shares offered by the Fund are different. Performance less than or equal to one year is cumulative. The minimum investment is $1,000,000 for I Shares. Minimums may be waived in certain situations. Please see the prospectus for additional information. I shares are offered without sales charge.*

[3]The Morningstar™ Bank Loan Category includes funds that invest primarily in floating-rate bank loans, instead of bonds, with interest payments that typically float above a common benchmark.

[4]Source: Morningstar.

Portfolio Characteristics & Composition as of 02/28/2026

Portfolio Characteristics	Floating-Rate Fund	Floating-Rate & High Income Fund	Floating-Rate Advantage Fund	Morningstar LSTA US Leveraged Loan Index
Average Loan Base Rate	3.72%	3.72%[5]	3.70%	—
Average Loan Spread**	3.23%	3.23%[5]	3.11%	3.15%
Average Loan Spread to 3-Year	5.81%	5.81%[5]	5.01%	5.07%
Average Duration (yrs)	0.26	0.57	0.28	—
Average Price	$93.81	$94.49	$95.39	$94.59
Average Days to Reset (Loans)	39	39	39	—
Number of Loan Issuers	371	371	398	1155

Asset Mix (%)

	Floating-Rate Fund	Floating-Rate & High Income Fund	Floating-Rate Advantage Fund	Morningstar LSTA US Leveraged Loan Index
Floating-Rate Loans	84.30	73.75	87.84	100.00
U.S. Corporate Bonds	6.34	16.74	6.86	—
CLO Debt	2.84	2.74	2.54	—
Cash & Equivalents	2.76	2.97	0.42	—
Other	3.75	3.79	2.34	—

Credit Quality† (%)

	Floating-Rate Fund	Floating-Rate & High Income Fund	Floating-Rate Advantage Fund	Morningstar LSTA US Leveraged Loan Index
BBB	2.75	2.76	4.53	6.70
BB	19.35	22.79	20.91	23.07
B	69.01	64.58	67.58	63.37
CCC or Lower	4.18	4.84	3.33	4.49
Not Rated	4.70	5.02	3.65	2.36

Country and Currency Exposure (%)

	Floating-Rate Fund	Floating-Rate & High Income Fund	Floating-Rate Advantage Fund	Morningstar LSTA US Leveraged Loan Index
By Domicile				
U.S.	83.40	92.49	81.93	84.17
Non-U.S.	16.60	7.51	18.07	15.83
By Currency				
USD	81.66	81.66[5]	82.34	100.00
Non-USD	18.34	18.34[5]	17.66	—

Loan Type (%)

	Floating-Rate Fund	Floating-Rate & High Income Fund	Floating-Rate Advantage Fund	Morningstar LSTA US Leveraged Loan Index
First-Lien	99.33	99.33[5]	99.52	98.75
Covenant-Lite	86.68	86.68[5]	87.19	92.96
Second-Lien	0.67	0.67[5]	0.48	1.25

Outlook as of 02/28/2026

While we have continued conviction in the loan market's relatively healthy credit picture, the geopolitical situation in the Middle East as well as the continued stress in the software segment certainly cloud the outlook.

At the outset of 2026, our expectations for a positive year in loans were guided by robust economic activity, a strengthening labor market and low credit stress, as outlined below.

Macro Backdrop: Slower Growth, Persistent Inflation, Policy Support

- Economic growth has clearly cooled from post-pandemic highs, but the prevailing environment remains one of deceleration rather than contraction, which historically has been more supportive for senior secured credit than for equities.
- Inflation has moderated from peak levels, but progress has been uneven, particularly in services and labor-intensive sectors. Wage dynamics, supply constraints and pricing power in certain industries continue to limit the pace of disinflation.
- Global central banks, led by the Federal Reserve, appear to be past peak restrictiveness, with policy moving from outright tightening toward a more neutral or easing stance.

Credit Fundamentals: Resilient on Average, Increasingly Dispersed

- Earnings growth among leveraged issuers has moderated but remains positive on average, with notable variation across sectors and business models.
- Default activity remains manageable in a historical context, with stress concentrated in a relatively small subset of issuers rather than broadly distributed across the market.
- Liability management exercises have become more common, reflecting issuer efforts to extend maturities or address capital structure challenges proactively.

Technical Factors: Supportive but Worth Monitoring

- Merger and acquisition related supply has remained below expectations, constrained by valuation discipline, macro uncertainty and a still-cautious sponsor community.
- More aggressive transactions have found a home in private credit markets, helping preserve overall credit quality in the broadly syndicated loan market.
- CLO formation continues to provide a steady bid for loans, even as issuance normalizes from exceptionally strong levels.

[5]Data is shown as a percentage of Floating Rate Portfolio's total investments. Portfolio profile subject to change due to active management.

[6]Source: U.S. Bureau of Economic Analysis.

†Credit quality ratings on underlying securities of the fund are provided by S&P, Moody's and Fitch. This breakdown assigns a numeric equivalent to the ratings from the aforementioned agencies and the mean is rounded to the nearest integer and converted to an equivalent S&P major rating category Ratings, which are subject to change, apply to the creditworthiness of the issuers of the underlying securities and not to the Fund or its shares. Source: U.S. Bureau of Economic Analysis.

Outlook as of 02/28/2026 (continued)

This was our baseline thesis and, to a large extent, it remains so now. But like capital markets at large, it is suddenly subject to the vagaries of the Iran war's impact on commodity prices, supply chains and other known and unknown variables — including the one that matters perhaps most in the short run: investor confidence.

While no credit market is immune to risk, loans continue to stand out for their unique mix of senior secured positioning, floating-rate income, liquidity, and historically attractive starting yields. Though risks remain, we believe loans offer a differentiated solution to many of today's portfolio challenges, including uncertain bond returns, persistent inflation, and growing reliance on alternatives. Even so, the current backdrop underscores the importance of credit selection, structure and documentation, as dispersion continues to increase across the loan universe.

Portfolio Characteristics & Composition (as of 02/28/2026)

Top 10 Industries[7]

Floating-Rate Fund	%Weight	Floating-Rate & High Income Fund[5]	%Weight	Floating-Rate Advantage Fund	%Weight	Morningstar LSTA US Leveraged Loan Index	%Weight
Software	8.66	Software	8.66	Software	9.11	Software	11.98
Machinery	6.01	Machinery	6.01	Machinery	6.56	Hotels, Restaurants & Leisure	6.12
Health Care Providers & Services	5.52	Health Care Providers & Services	5.52	Health Care Providers & Services	5.68	Health Care Providers & Services	5.25
Professional Services	4.46	Professional Services	4.46	Insurance	5.00	Capital Markets	4.54
Hotels, Restaurants & Leisure	4.44	Hotels, Restaurants & Leisure	4.44	Hotels, Restaurants & Leisure	4.94	Machinery	4.47
Insurance	4.31	Insurance	4.31	Commercial Services & Supplies	4.27	Commercial Services & Supplies	4.02
Commercial Services & Supplies	4.11	Commercial Services & Supplies	4.11	Professional Services	4.18	Insurance	3.86
Capital Markets	2.93	Capital Markets	2.93	Capital Markets	3.71	Professional Services	3.68
Trading Companies & Distributors	2.85	Trading Companies & Distributors	2.85	Trading Companies & Distributors	2.96	IT Services	3.38
IT Services	2.57	IT Services	2.57	Aerospace & Defense	2.59	Chemicals	3.31

Top 10 Issuers[7]

Floating-Rate Fund	%Weight	Floating-Rate & High Income Fund[5]	%Weight	Floating-Rate Advantage Fund	%Weight	Morningstar LSTA US Leveraged Loan Index	%Weight
TransDigm, Inc.	1.20	TransDigm, Inc.	1.20	TransDigm, Inc.	1.42	TransDigm Inc	0.82
Serta Simmons Bedding, LLC	0.87	Serta Simmons Bedding, LLC	0.87	American Airlines, Inc.	1.05	Quikrete Holdings Inc	0.54
Fertitta Entertainment, LLC	0.85	Fertitta Entertainment, LLC	0.85	TK Elevator Midco GmbH	1.02	Asurion Corporation	0.51
TK Elevator Midco GmbH	0.77	TK Elevator Midco GmbH	0.77	Allied Universal Holdco LLC	0.98	X Corp.	0.45
American Airlines, Inc.	0.76	American Airlines, Inc.	0.76	Cloud Software Group, Inc.	0.82	American Airlines	0.44
EOC Borrower, LLC	0.75	EOC Borrower, LLC	0.75	EOC Borrower, LLC	0.73	Clarios Global LP	0.42
Altice France S.A.	0.75	Altice France S.A.	0.75	Altice France S.A.	0.73	Acrisure LLC	0.42
EVLN US Equity	0.73	EVLN US Equity	0.73	Peer Holding III B.V.	0.73	Gen Digital Inc	0.41
Cloud Software Group, Inc.	0.72	Cloud Software Group, Inc.	0.72	Guggenheim Partners, LLC	0.71	Cloud Software Group Inc.	0.41
Primo Brands Corporation	0.71	Primo Brands Corporation	0.71	Athenahealth Group, Inc.	0.71	Peraton	0.40

[7]Percent of total net assets. Portfolio profiles subject to change due to active management.

DEFINITIONS

Credit ratings measure the quality of a bond based on the issuer's creditworthiness, with ratings ranging from AAA, being the highest, to D, being the lowest based on S&P's measures. Ratings of BBB or higher by S&P or Fitch (Baa or higher by Moody's) are considered to be investment grade quality. Credit ratings are based largely on the rating agency's analysis at the time of rating. The rating assigned to any particular security is not necessarily a reflection of the issuer's current financial condition and does not necessarily reflect its assessment of the volatility of a security's market value or of the liquidity of an investment in the security. Holdings designated as "Not Rated" are not rated by the national rating agencies stated above.

Standard deviation measures how widely individual performance returns, within a performance series, are dispersed from the average or mean value.

Morningstar LSTA US Leveraged Loan TR USD Index is an unmanaged index of the institutional leveraged loan market. Prior to August 29, 2022, the index name was S&P/LSTA Leveraged Loan Index.

S&P 500® is an unmanaged index of large-cap stocks commonly used as a measure of U.S. stock market performance.

Morningstar LSTA US Leveraged Loan 100 index is designed to measure the performance of the liquid U.S. leveraged loan market.

ICE® BofA® U.S. High Yield Index is an unmanaged index of below-investment grade U.S. corporate bonds.

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

RISK CONSIDERATIONS

The value of investments held by the Fund may increase or decrease in response to economic, and financial events (whether real, expected or perceived) in the U.S. and global markets. Loans are traded in a private, unregulated inter-dealer or inter-bank resale market and are generally subject to contractual restrictions that must be satisfied before a loan can be bought or sold. These restrictions may impede the Fund's ability to buy or sell loans (thus affecting their liquidity) and may negatively impact the transaction price. It may take longer than seven days for transactions in loans to settle. Due to the possibility of an extended loan settlement process, the Fund may hold cash, sell investments or temporarily borrow from banks or other lenders to meet short-term liquidity needs. Loans may be structured such that they are not securities under securities law, and in the event of fraud or misrepresentation by a borrower, lenders may not have the protection of the anti-fraud provisions of the federal securities laws. Loans are also subject to risks associated with other types of income investments. Investments in debt instruments 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. Investments rated below investment grade (sometimes referred to as "junk") are typically 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. 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, currency exchange rates or other conditions. Changes in the value of investments entered for hedging purposes may not match those of the position being hedged. The Funds are exposed to liquidity risk when trading volume, lack of a market maker or trading partner, large position size, market conditions, or legal restrictions impair its ability to sell particular investments or to sell them at advantageous market prices. The impact of the coronavirus on global markets could last for an extended period and could adversely affect the Fund's performance. No fund is a complete investment program and you may lose money investing in a fund. The Fund may engage in other investment practices that may involve additional risks and you should review the Fund prospectus for a complete description.

The views and opinions and/or analysis expressed are those of the investment team as of the date of preparation of this material and are subject to change at any time without notice due to market or economic conditions and may not necessarily come to pass. Furthermore, the views will not be updated or otherwise revised to reflect information that subsequently becomes available or circumstances existing, or changes occurring, after the date of publication. The views expressed do not reflect the opinions of all investment personnel at Morgan Stanley Investment Management (MSIM) and its subsidiaries and affiliates (collectively the Firm") or the views of the firm as a whole, and may not be reflected in all the strategies and products that the Firm offers.

Forecasts and/or estimates provided herein are subject to change and may not actually come to pass. Information regarding expected market returns and market outlooks is based on the research, analysis and opinions of the authors or investment team. These conclusions are speculative in nature, may not come to pass and are not intended to predict the future performance of any specific strategy or product the Firm offers. Future results may differ significantly depending on factors such as changes in securities or financial markets or general economic conditions.

This material has been prepared on the basis of publicly available information, internally developed data and other third-party sources believed to be reliable. However, no assurances are provided regarding the reliability of such information and the Firm has not sought to independently verify information taken from public and third-party sources.

This material is a general communication, which is not impartial and all information provided has been prepared solely for informational and educational purposes and does not constitute an offer or a recommendation to buy or sell any particular security or to adopt any specific investment strategy. The information herein has not been based on a consideration of any individual investor circumstances and is not investment advice, nor should it be construed in any way as tax, accounting, legal or regulatory advice. To that end, investors should seek independent legal and financial advice, including advice as to tax consequences, before making any investment decision.

Charts and graphs provided herein are for illustrative purposes only. **Past performance is no guarantee of future results.**

The indexes are unmanaged and do not include any expenses, fees or sales charges. It is not possible to invest directly in an index. Any index referred to herein is the intellectual property (including registered trademarks) of the applicable licensor. Any product based on an index is in no way sponsored, endorsed, sold or promoted by the applicable licensor and it shall not have any liability with respect thereto.

Please consider the investment objective, risks, charges and expenses of the fund carefully before investing. The prospectus contains this and other information about the fund. To obtain a prospectus (which includes the applicable fund's current fees and expenses, if different from those in effect as of the date of this monthly review), download one at https://funds.eatonvance.com/all-mutual-funds.php or contact your financial professional. Please read the prospectus carefully before investing.

Eaton Vance is part of Morgan Stanley Investment Management. Morgan Stanley Investment Management is the asset management division of Morgan Stanley.

RED 5271099 Exp. 3/31/2027 SKU 15856 26Q10704 10952973 **VER. 03.13.2026**