

Floating-Rate Loan Market Monitor

Floating-Rate Loan Investment Team

Q4 2025

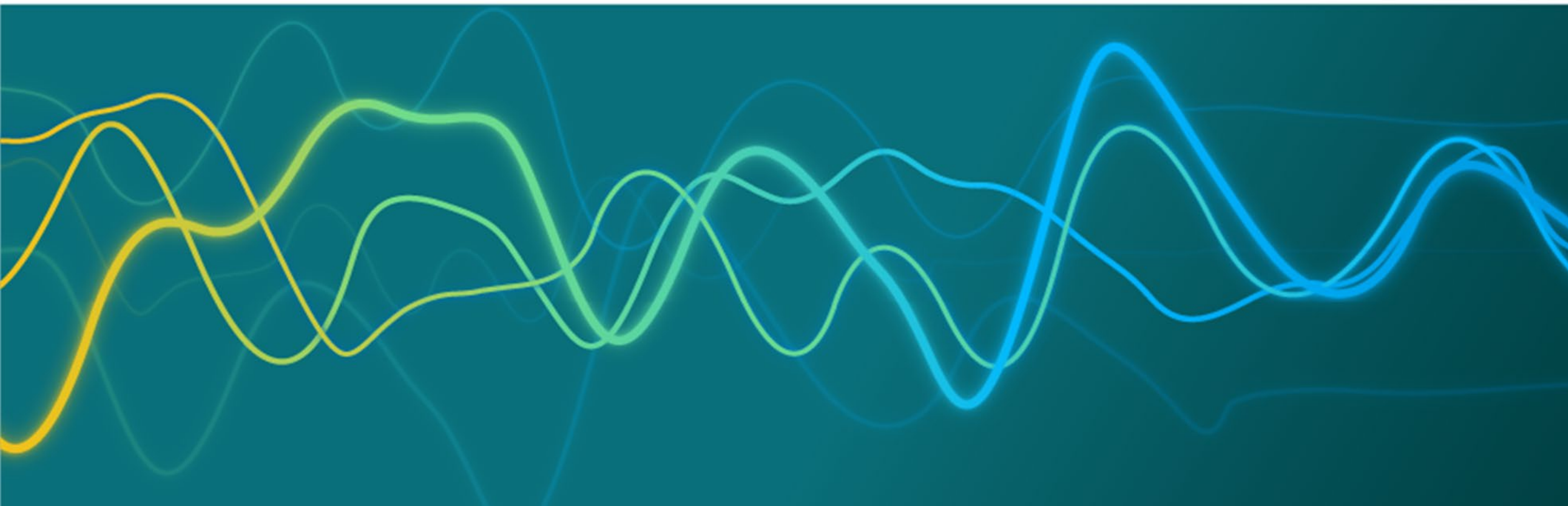


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A leader in floating-rate loan investment management, Morgan Stanley Investment Management (MSIM) presents Floating-Rate Loan Market Monitor, an in-depth review of the loan market through clear and impactful charts. Providing timely information across 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.

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If you are viewing this book on your computer or tablet, **click or tap on the title box to jump to the beginning of each section.**

Data provided is for informational use only. See end of report for important additional information.

Asset Class Review



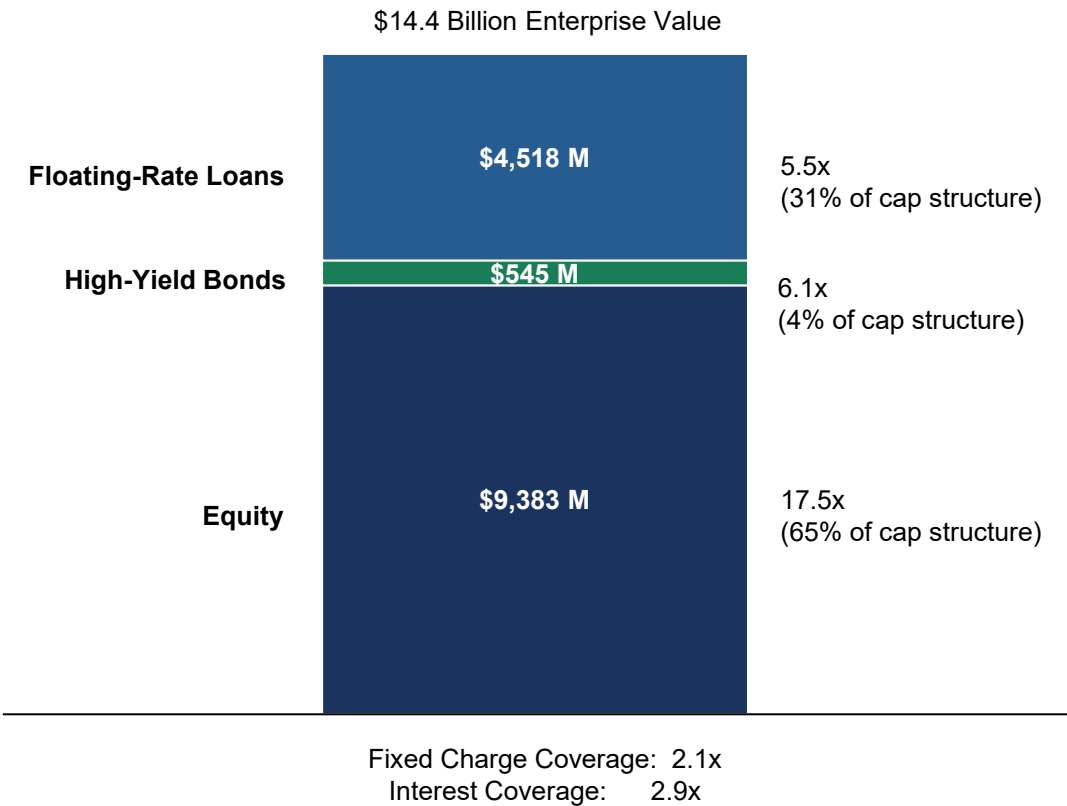
ASSET CLASS REVIEW

Floating-Rate Loan Primer

- Corporate debt issued by below-investment-grade borrowers
- Issuers are significant in size; many are familiar household names
- Loans help fund recapitalizations, acquisitions and refinancings
- Coupon income is comprised of a credit spread and floating base rate
- Loans are often referred to as “senior and secured”:
 - Loans represent a senior layer of issuer capital structure
 - They are secured by specific collateral (property, plant, equipment, etc.) as well as overall enterprise value
 - Substantial junior capital cushion provides low loan-to-value
- Other common monikers: bank loans, leveraged loans, broadly syndicated loans, senior loans (all are synonymous)

Weighted Average Company Capital Structure

\$4.2B Revenue & \$826M EBITDA



Source: MSIM, December 31, 2025. 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 MSIM loan platform as of December 31, 2025. Does not represent any particular issuer or product. EBITDA is defined as earnings before interest taxes depreciation and amortization.

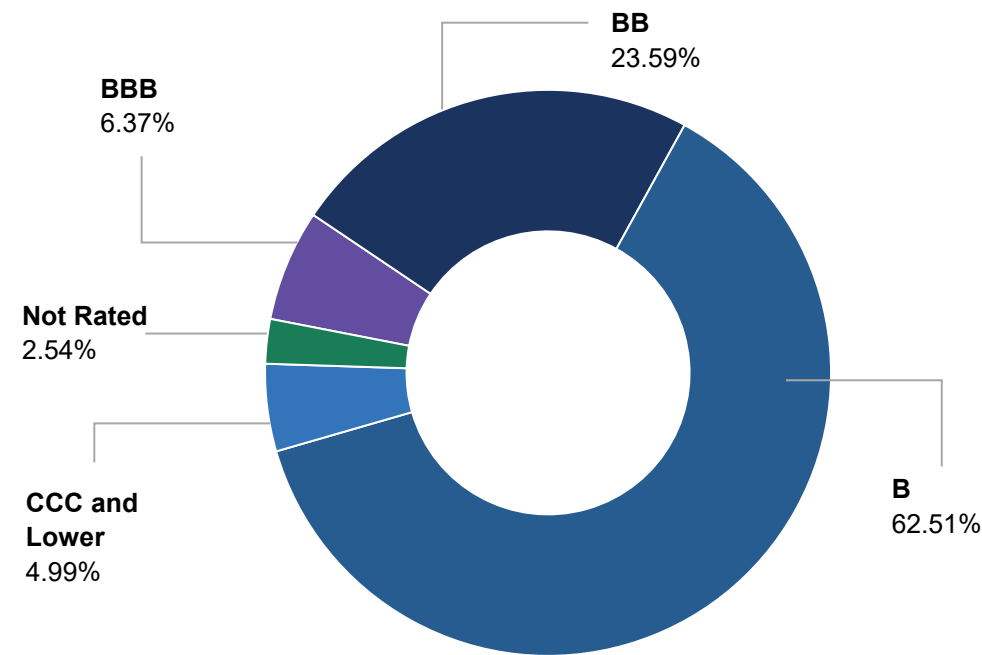
ASSET CLASS REVIEW

Floating-Rate Loan Market Dashboard

Index Statistics

Total Par Outstanding (\$b)	\$1,548.69
Number of Issuers	1,153
Number of Facilities	1,363
Bid Price	\$96.64
Nominal Spread	319 bps
Discounted Spread (3 years)	429 bps
Years to Maturity	4.60 yrs.
Yield to Maturity	7.86%
Default Rate	1.23%

Index Rating Composition (at Market Value)

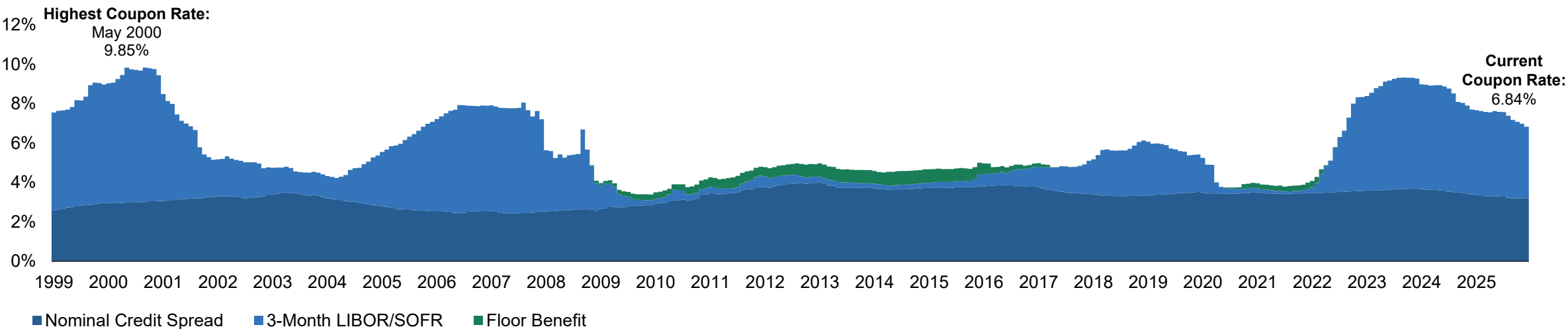


Source: Leveraged Commentary & Data (LCD), December 31, 2025. All data reflects the Morningstar LSTA US Leveraged Loan Index. Data provided is for informational and illustrative purposes only. It is not possible to invest directly in an index. See end of material for important additional information and disclosures. Spread, yield and maturity data excludes defaults. Index spread data includes the benefit of LIBOR floors. Default rate is by principal amount and measures the trailing 12-month period.

ASSET CLASS REVIEW

Floating-Rate Loan Income Composition

All-In Coupon Rate



	Nominal Credit Spread	3-month LIBOR/SOFR	Floor Benefit	All-in Coupon Rate
Current	3.19%	3.65%	0.00%	6.84%
Max Credit Spread (Jan 2013)	4.00%	0.30%	0.68%	4.97%
Min Credit Spread (June 2007)	2.42%	5.36%	0.00%	7.78%
Long-term Averages	3.28%	2.39%	0.18%	5.83%
Post-crisis Averages	3.55%	1.66%	0.31%	5.47%

Sources: MSIM, Macrobond, FactSet, and Leveraged Commentary & Data (LCD), December 31, 2025. All spread and floor benefit data reflects the Morningstar LSTA US Leveraged Loan Index. Data reflects 3-month LIBOR rates until December 31, 2023, and 3-month term SOFR thereafter. Data provided is for informational use only. Credit spread and floor benefit data are shown on a weighted average basis. Floors are a minimum base rate to be paid by a borrower before the fixed credit spread. The floor benefit measures the difference between prevailing LIBOR/SOFR rates and the average floor. Data excludes facilities in default. Long-term and post-crisis averages measure the credit spread, 3-month LIBOR/SOFR, the floor benefit, and the all-in coupon rate independently and therefore the individual components will not sum to the all-in coupon rate.

ASSET CLASS REVIEW

Top Loan Market Industries & Issuers

Top 20 Industries	% of Index	Top 3 Issuers by Industry		
Software	12.59%	Cloud Software Group Inc.	Gen Digital Inc	UKG Inc
Hotels, Restaurants & Leisure	5.84%	Flutter Entertainment plc	Caesars Entertainment Inc	Restaurant Brands International
Health Care Providers & Services	5.20%	Global Medical Response	Ensemble Health Partners	Southern Veterinary Partners
Capital Markets	4.39%	Jane Street Group	Promontory Interfinancial Network	Focus Financial Partners LLC
Machinery	4.29%	Culligan International Company	ThyssenKrupp Elevator Technology	Madison IAQ LLC
IT Services	3.89%	Asurion Corporation	Peraton	Sedgwick CMS Holdings Inc
Commercial Services & Supplies	3.82%	AlliedUniversal	Prime Security Services/ADT	Aramark Corp
Professional Services	3.80%	Nielsen Company	CoreLogic Inc	TransUnion LLC
Insurance	3.72%	Acrisure LLC	HUB International Ltd	Hyperion Insurance Group Ltd
Chemicals	3.25%	Ineos Group Ltd	Akzo Nobel Chemicals	INEOS Quattro
Media	2.82%	Authentic Brands	Charter Communications Holding	Cablevision Systems
Specialty Retail	2.45%	Bass Pro Shops Inc	Mavis Tire Express Services Corp	Harbor Freight Tools USA Inc
Trading Companies & Distributors	2.38%	White Cap	Univar NV	Imperial Dade
Oil, Gas & Consumable Fuels	2.37%	Colonial Pipeline Company	Oryx Midstream Services	Buckeye Partners LP
Diversified Telecommunication Services	2.26%	Altice France SA	Virgin Media Finance	Lumen Technologies Inc
Entertainment	2.09%	Ultimate Fighting Championship Ltd	IMG Worldwide Inc	Formula One
Containers & Packaging	1.97%	Clydesdale Acquisition Holdings Inc	Proampac PG Borrower LLC	Berlin Packaging
Aerospace & Defense	1.83%	TransDigm Inc	Kaman Corp	Standard Aero Holdings Inc
Financial Services	1.80%	Fleetcor Technologies Inc	Creative Planning LLC	Nuvei Technologies Corp
Health Care Technology	1.77%	Cotiviti Inc	athenahealth Inc	Zelis Healthcare Corp

Source: Leveraged Commentary & Data (LCD), December 31, 2025. 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 the largest industries by market value in the Morningstar LSTA US Leveraged Loan Index, and the largest issuers within those industries based on market value. This information is not to be construed as investment advice or a recommendation to buy or sell any particular security.

Market Update



MARKET UPDATE

Loan Market Performance & Characteristics in Context

Past Performance is Not a Reliable Indicator of Future Results

Index	Averages						Total Returns (%)					
	Coupon (%)	Price (\$)	Yield to Worst (%)	Spread (bps)	Maturity (Yrs.)	Duration (Yrs.)	3-mo.	YTD	1Y	3Y	5Y	10Y
Floating-Rate Loans												
Morningstar LSTA U.S. Leveraged Loan Index	S+3.19	96.6	7.86	429	4.6	–	1.22	5.90	5.90	9.35	6.42	5.83
BBB Index	S+1.86	100.3	5.59	176	4.9	-	1.69	6.51	6.51	7.60	5.64	4.68
BB Index	S+2.43	99.4	6.38	263	5.0	-	1.47	6.26	6.26	8.18	6.07	5.03
B Index	S+3.42	98.1	7.79	414	4.6	-	1.40	6.18	6.18	10.12	6.78	6.22
CCC Index	S+4.77	75.9	20.64	1689	3.4	-	-1.59	1.81	1.81	9.21	5.15	7.33
D Index	-	20.1	-	-	-	-	-36.03	-43.52	-43.52	-25.12	-26.39	-18.19
Morningstar LSTA U.S. Leveraged Loan 100 Index	S+2.86	99.3	6.86	312	4.7	–	1.84	7.24	7.24	9.69	6.29	5.80
Morningstar European Leveraged Loan Index	E+3.68	96.7	6.58	484	4.5	–	0.80	4.28	4.28	8.82	5.50	4.58
Global Fixed Income Markets												
Bloomberg U.S. Aggregate Index	3.65	94.1	4.32	27	8.2	6.0	1.10	7.30	7.30	4.66	-0.36	2.01
U.S. Treasury	3.26	94.1	3.89	–	7.7	5.9	0.90	6.32	6.32	3.62	-0.99	1.36
U.S. Mortgage-Backed Securities	3.52	92.2	4.63	22	7.3	5.6	1.71	8.58	8.58	4.90	0.15	1.59
U.S. Asset Backed Securities	4.57	100.4	4.09	52	3.9	2.8	1.25	5.93	5.93	5.49	2.29	2.58
U.S. Commercial Mortgage-Backed Securities	3.55	96.6	4.43	75	4.3	3.9	1.34	7.75	7.75	5.94	0.92	2.81
U.S. Corp. Investment Grade	4.47	95.2	4.81	78	10.4	6.8	0.84	7.77	7.77	6.10	-0.09	3.27
Bloomberg Global Aggregate Ex-U.S. Index	2.40	94.9	2.84	25	8.2	6.7	-0.47	8.85	8.85	3.29	-3.59	0.56
Bloomberg Municipal Bond Index	4.66	102.5	3.60	–	13.5	6.7	1.56	4.25	4.25	3.88	0.80	2.34
ICE BofA Preferred Index (Fixed Rate)	5.59	90.4	5.98	114	–	6.8	-0.31	5.13	5.13	7.44	1.61	3.97
ICE BofA US High Yield Index	6.62	98.1	6.62	281	4.8	2.9	1.35	8.50	8.50	10.03	4.50	6.45
J.P. Morgan EM Bond Index (EMBI) Global Diversified	5.60	93.1	6.80	253	–	6.6	3.29	14.30	14.30	10.60	1.78	4.40
J.P. Morgan Corp. EM Bond Index (CEMBI) Broad Diversified	5.56	98.2	5.90	188	–	4.5	1.29	8.73	8.73	8.48	2.48	4.77
J.P. Morgan Govt. Bond Index-EM (GBI-EM) Global Diversified	5.68	–	5.87	–	–	5.4	3.34	19.26	19.26	9.48	1.12	3.88

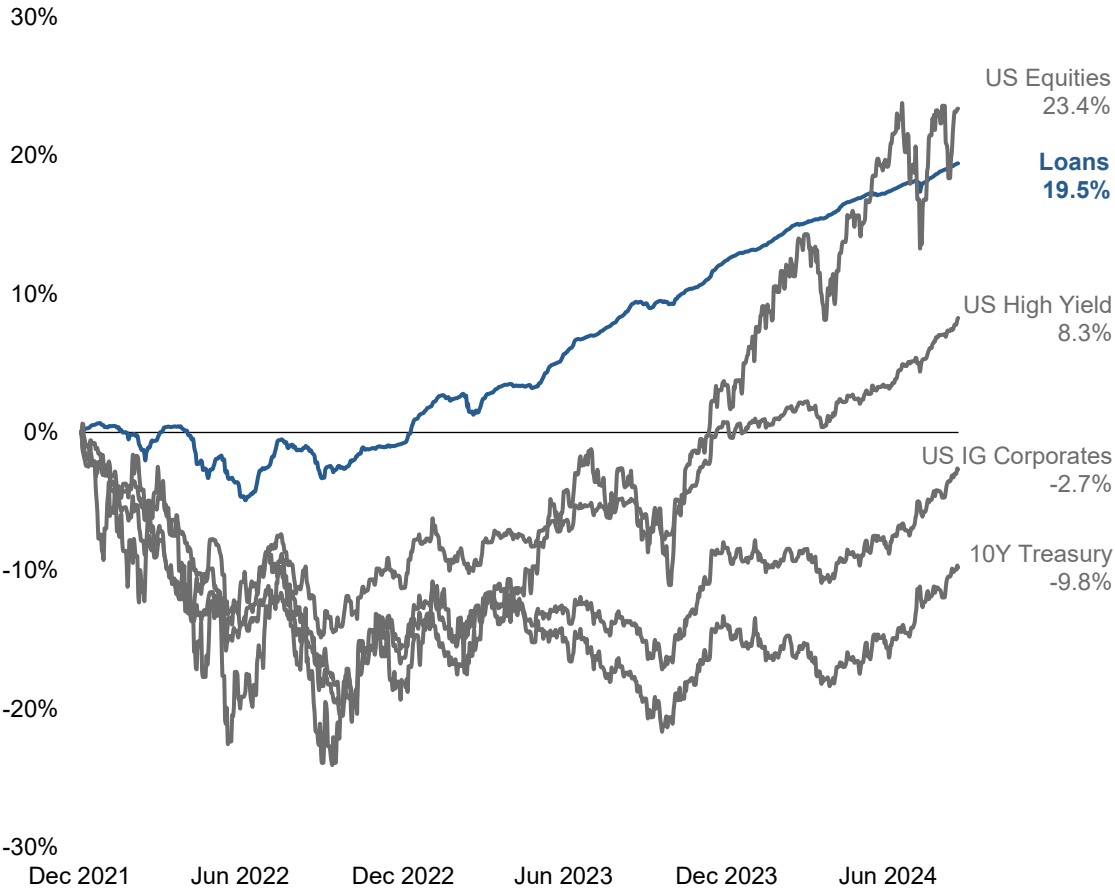
Source: Bloomberg, J.P. Morgan, ICE BofA Data Indices, LLC, Factset, and Leveraged Commentary & Data (LCD), as of December 31, 2025. **Past performance is not a reliable indicator of future results.** Data provided is for informational use only. Indexes are unmanaged, do not reflect the deduction of fees and expenses, and are not available for direct investment. See end of material for important additional information and disclosures. Morningstar European Leveraged Loan Index returns are calculated ex-currency. S+ refers to SOFR as the base rate. E+ refers to Euribor as the base rate. Loan spreads measure the discounted spread to 3 years.

MARKET UPDATE

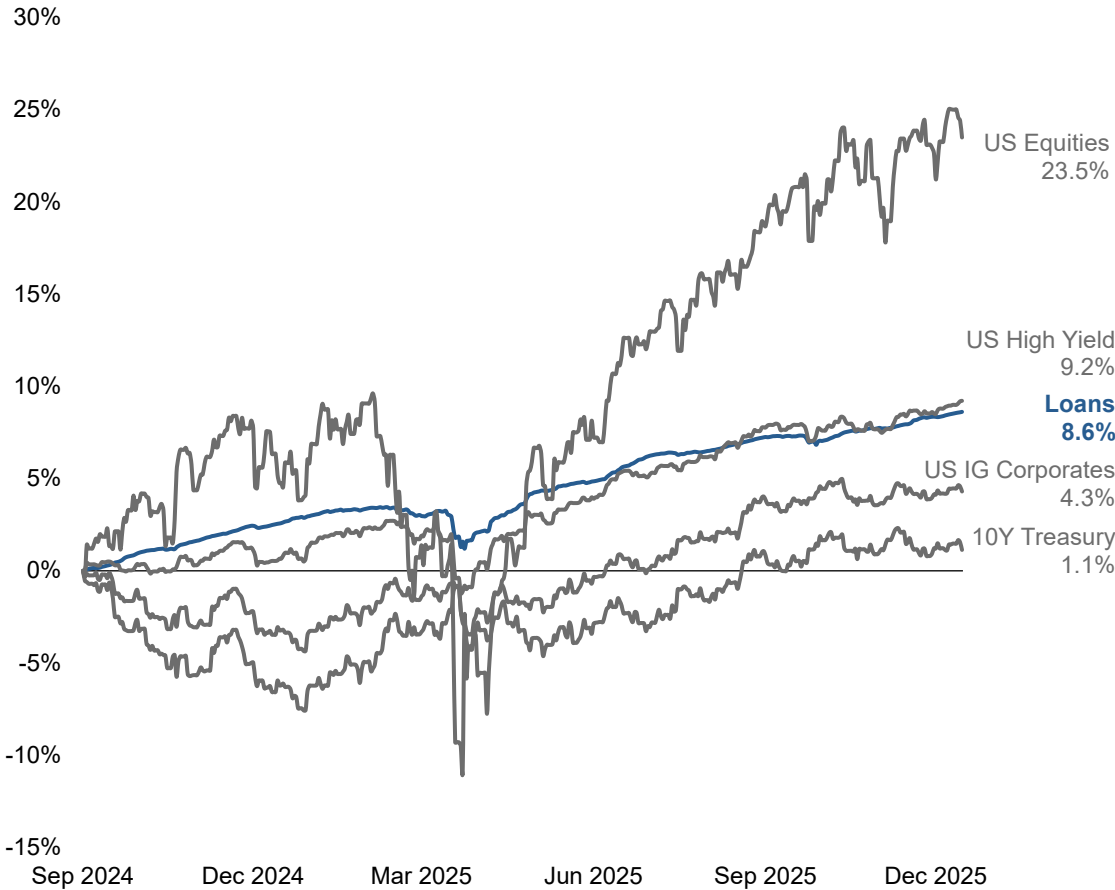
Performance Analysis: Comparative Returns Since Federal Reserve Began Rate Cutting Cycle

Past Performance is Not a Reliable Indicator of Future Results

Cumulative Performance Over Rate Hiking Cycle



Cumulative Performance Since First Rate Cut



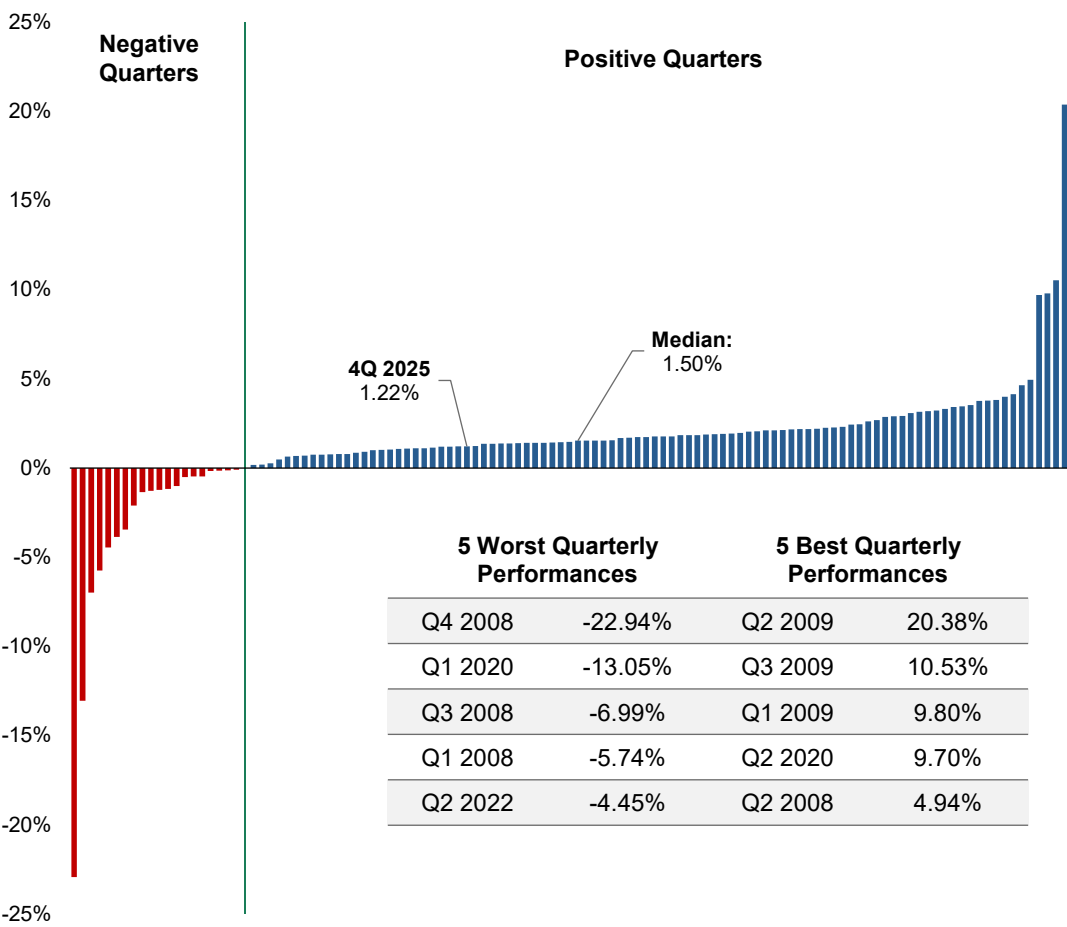
Source: Morningstar, Leveraged Commentary & Data (LCD), ICE Data Indices, LLC, December 31, 2025. First rate cut by the Federal Reserve occurred on September 18, 2024. Data provided is for informational use only. Indexes are unmanaged, do not reflect the deduction of fees and expenses, and are not available for direct investment. See end of material for important additional information and disclosures. Loans represented by Morningstar LSTA US Leveraged Loan Index. US Equities represented by S&P 500. US High Yield represented by ICE BofA US High Yield Index. US IG Corporates represented by ICE BofA US Corporate Index. 10Y Treasury represented by ICE BofA Current 10Y US Treasury Index.

MARKET UPDATE

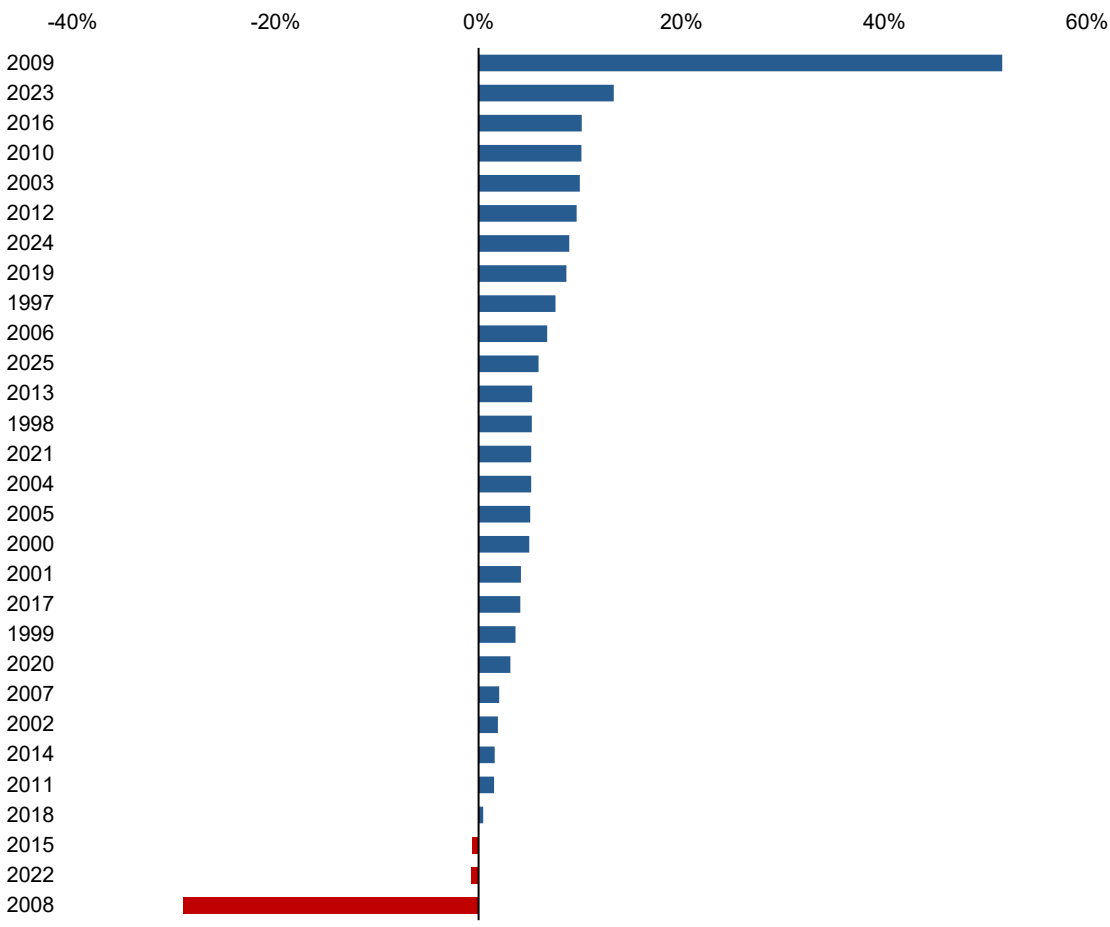
Performance Analysis: Distribution of Quarterly & Annual Returns

Past Performance is Not a Reliable Indicator of Future Results

Quarterly Returns



Annual Returns



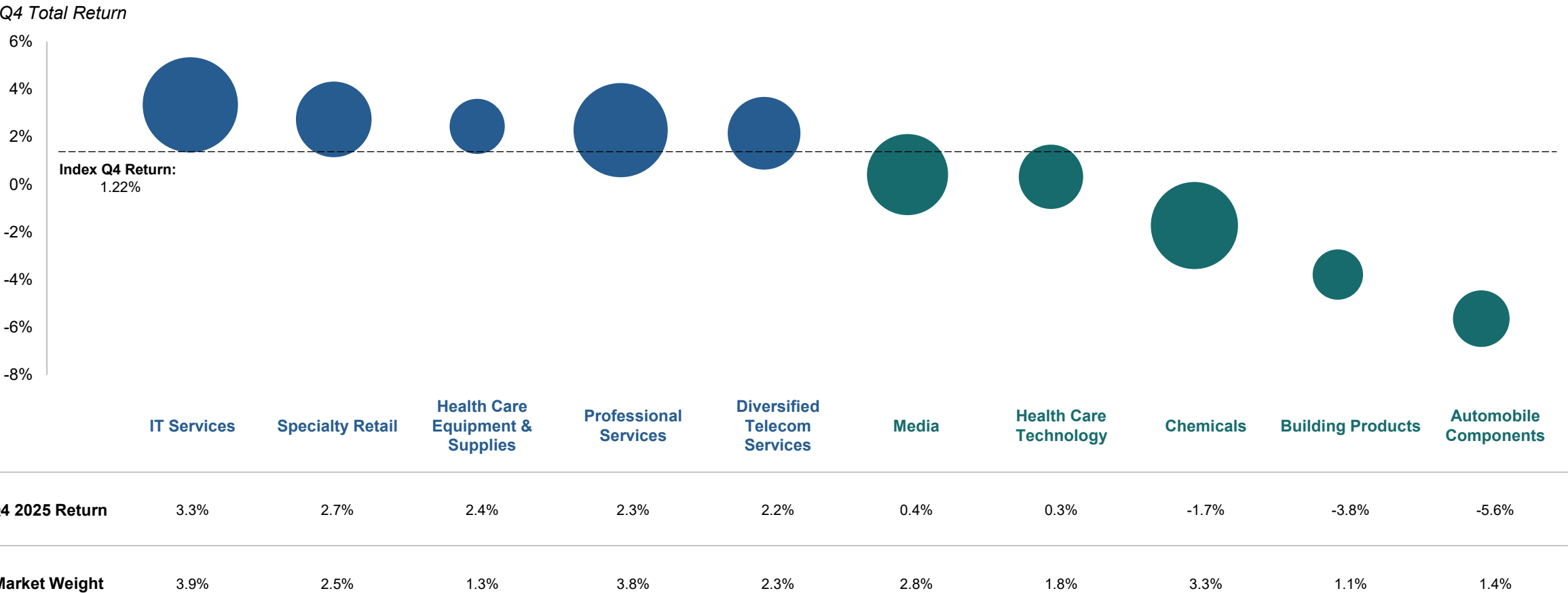
Source: Leveraged Commentary & Data (LCD), December 31, 2025. Performance measures all quarterly and annual returns of the Morningstar LSTA US Leveraged Loan Index back to its inception in January 1997 and sorts them from lowest to highest. Data provided is for informational use only. Indexes are unmanaged, do not reflect the deduction of fees and expenses, and are not available for direct investment.

MARKET UPDATE

Performance Analysis: Top & Bottom Industry Returns

Past Performance is Not a Reliable Indicator of Future Results

Industry Returns

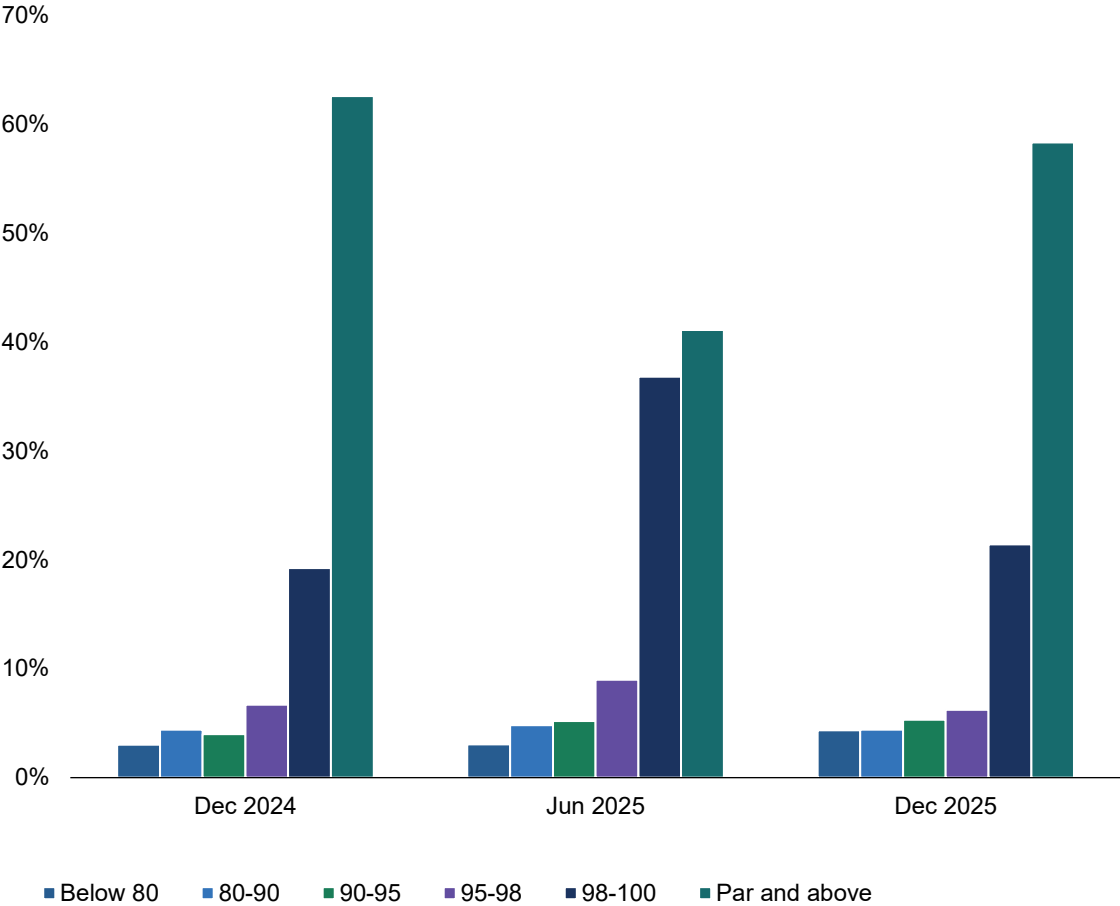


Source: Leveraged Commentary & Data (LCD), December 31, 2025. Performance measures top and bottom five ranked quarterly returns of the various GICS III industries of the Morningstar LSTA US Leveraged Loan Index with a market value of greater than 1%. Data provided is for informational use only. Indexes are unmanaged, do not reflect the deduction of fees and expenses, and are not available for direct investment. Bubble size reflects market weight of the industry in the Index.

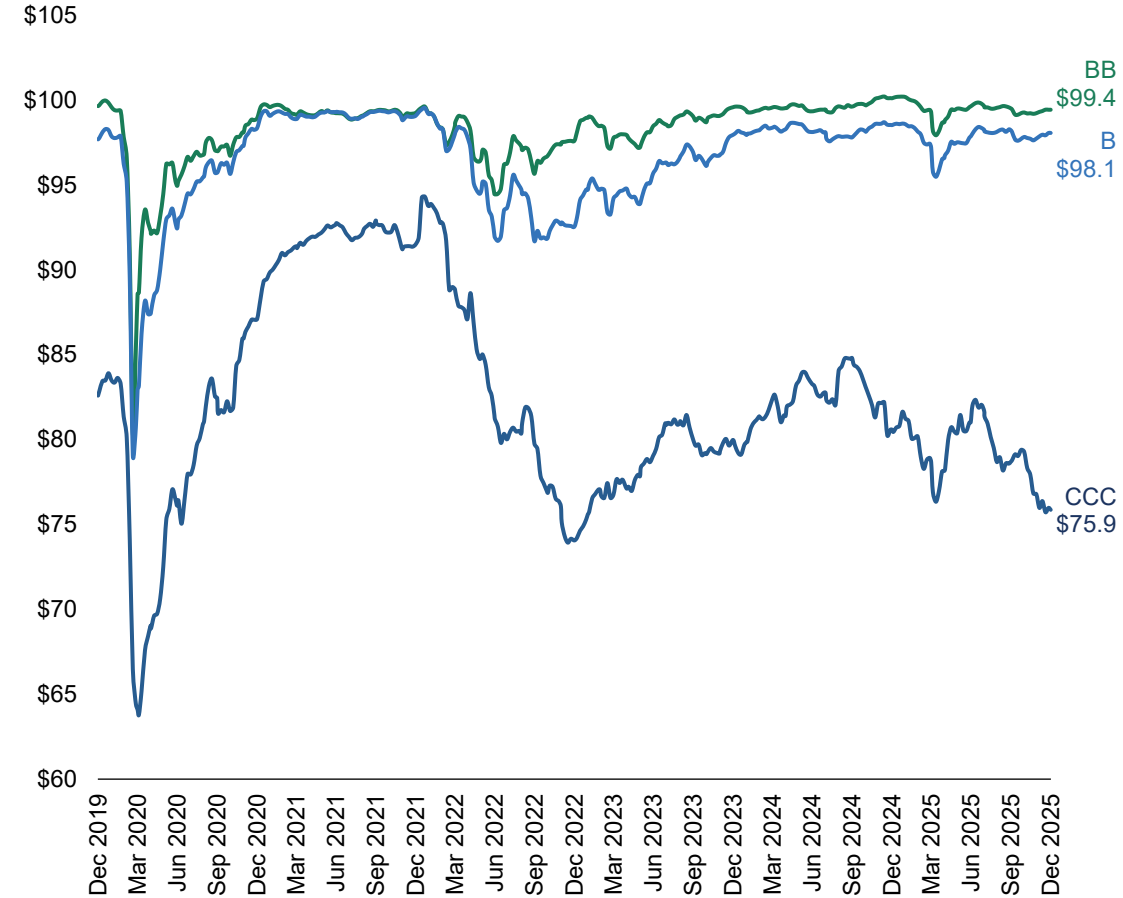
MARKET UPDATE

Floating-Rate Loan Price Composition

Price Distribution



Price by Credit Tier

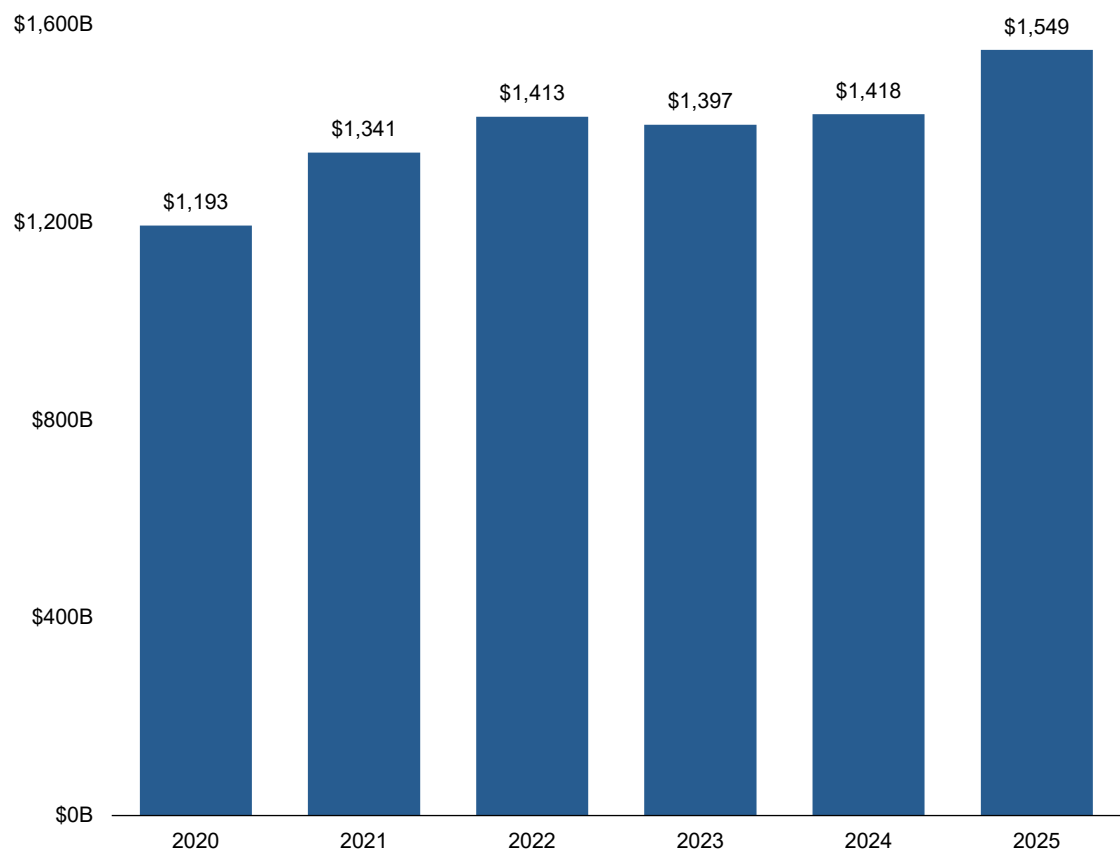


Source: Leveraged Commentary & Data (LCD), December 31, 2025. Data provided is for informational and illustrative purposes only. It is not possible to invest directly in an index. See end of material for important additional information and disclosures. Data includes performing loans only in the Morningstar LSTA US Leveraged Loan Index.

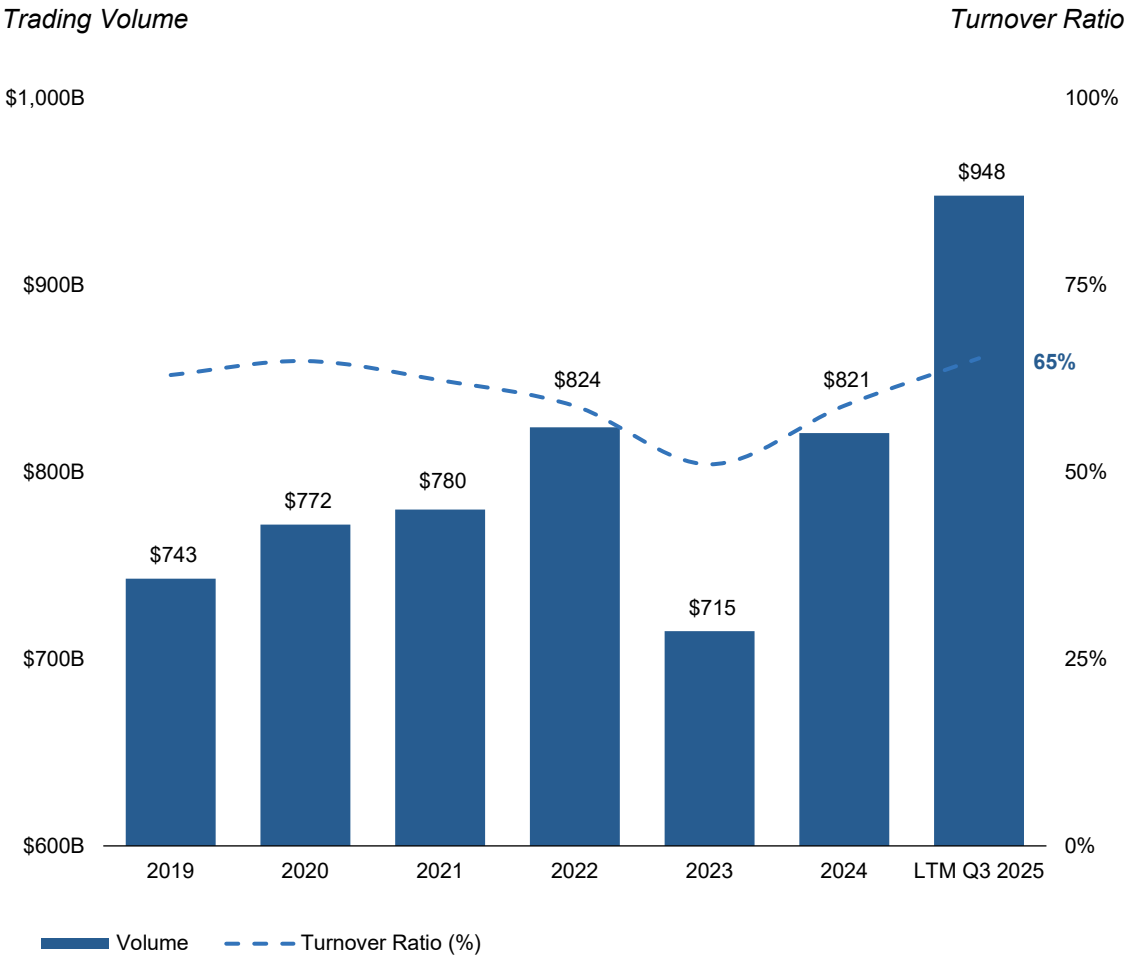
MARKET UPDATE

Technical Factors: Market Size & Trading Volume

Par Amount of Outstanding Loan Market



Trading Volume and Annual Turnover

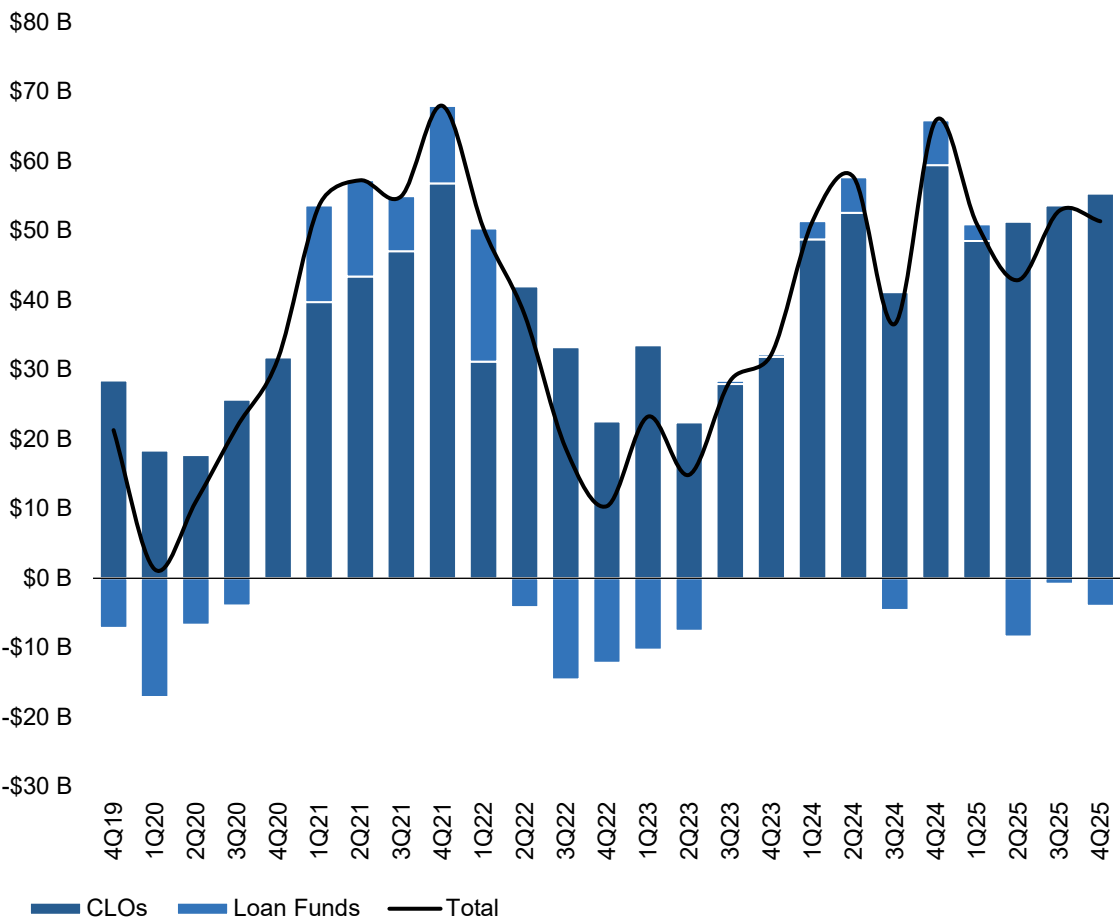


Source: Leveraged Commentary & Data (LCD), LSTA Trade Data Study. Par amount outstanding as December 31, 2025. Trading and turnover as of Q3 2025. Data provided is for informational use only. Amount of outstandings measures the Morningstar LSTA US Leveraged Loan Index. Trading and turnover data is sourced from the top 10 largest buy-side and sell-side member institutions of the LSTA.

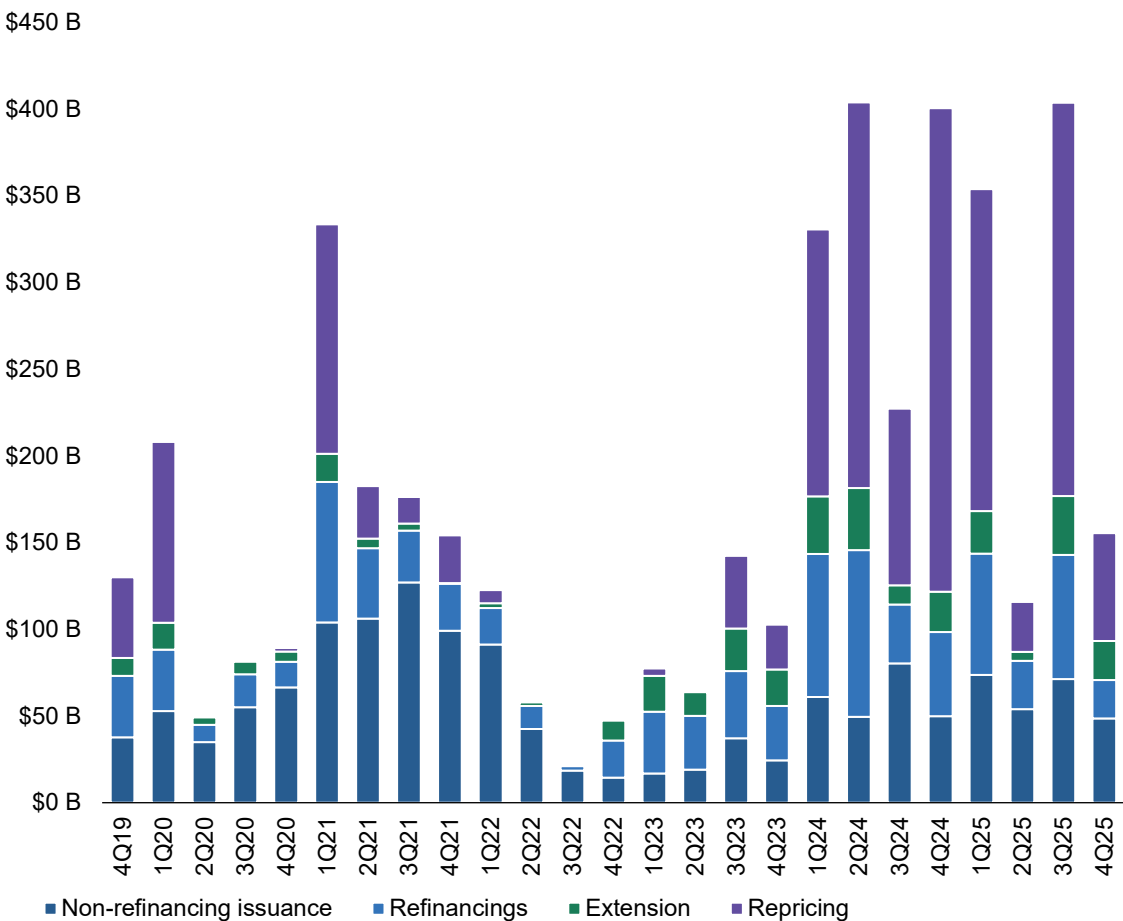
MARKET UPDATE

Technical Factors: Loan Demand and Institutional Loan Volume

Quarterly CLO Creation and Mutual Fund Flows



US Institutional Loan Activity¹

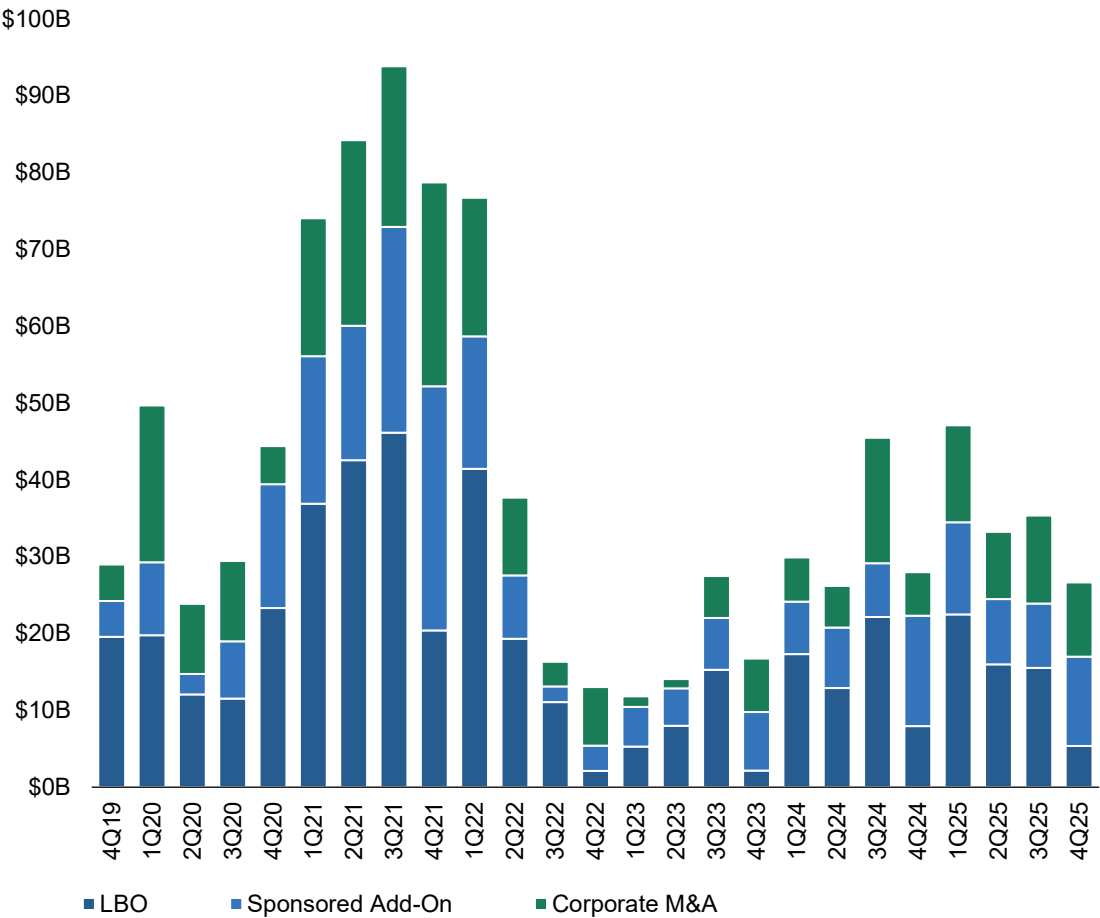


Source: Leveraged Commentary & Data (LCD), December 31, 2025. Data provided is for informational use only.
1. Reflects repricings and extensions completed via an amendment process.

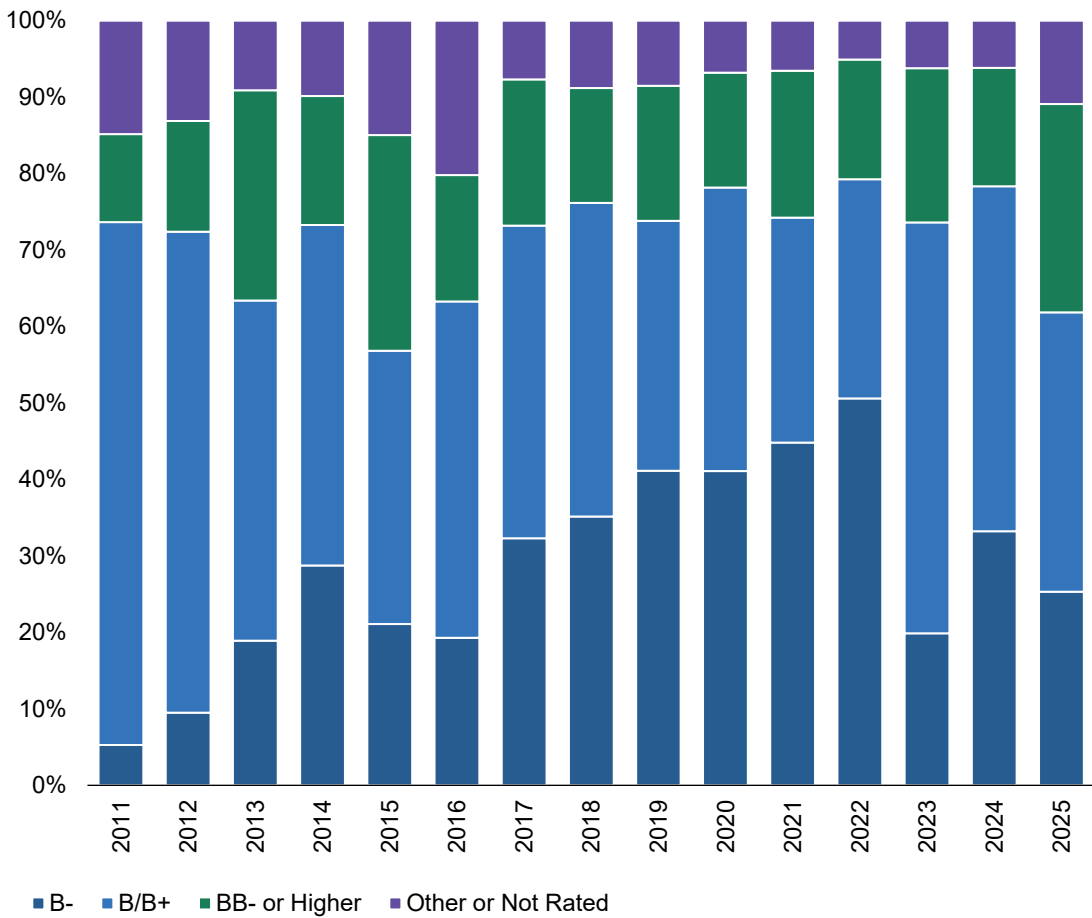
MARKET UPDATE

Technical Factors: M&A-Related Issuance

M&A-Related Loan Volume



M&A-Related Loan Volume By Borrower Rating

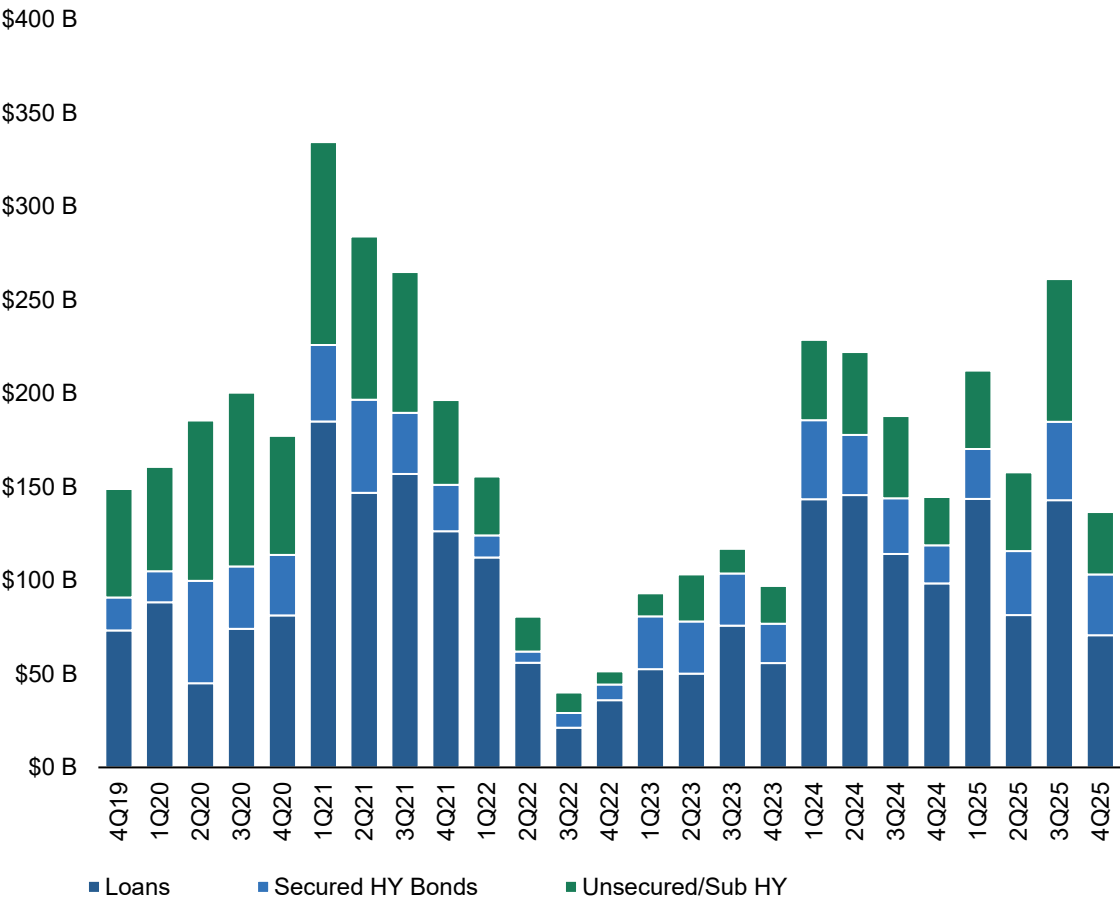


Source: Leveraged Commentary & Data (LCD), December 31, 2025. Data provided is for informational use only.

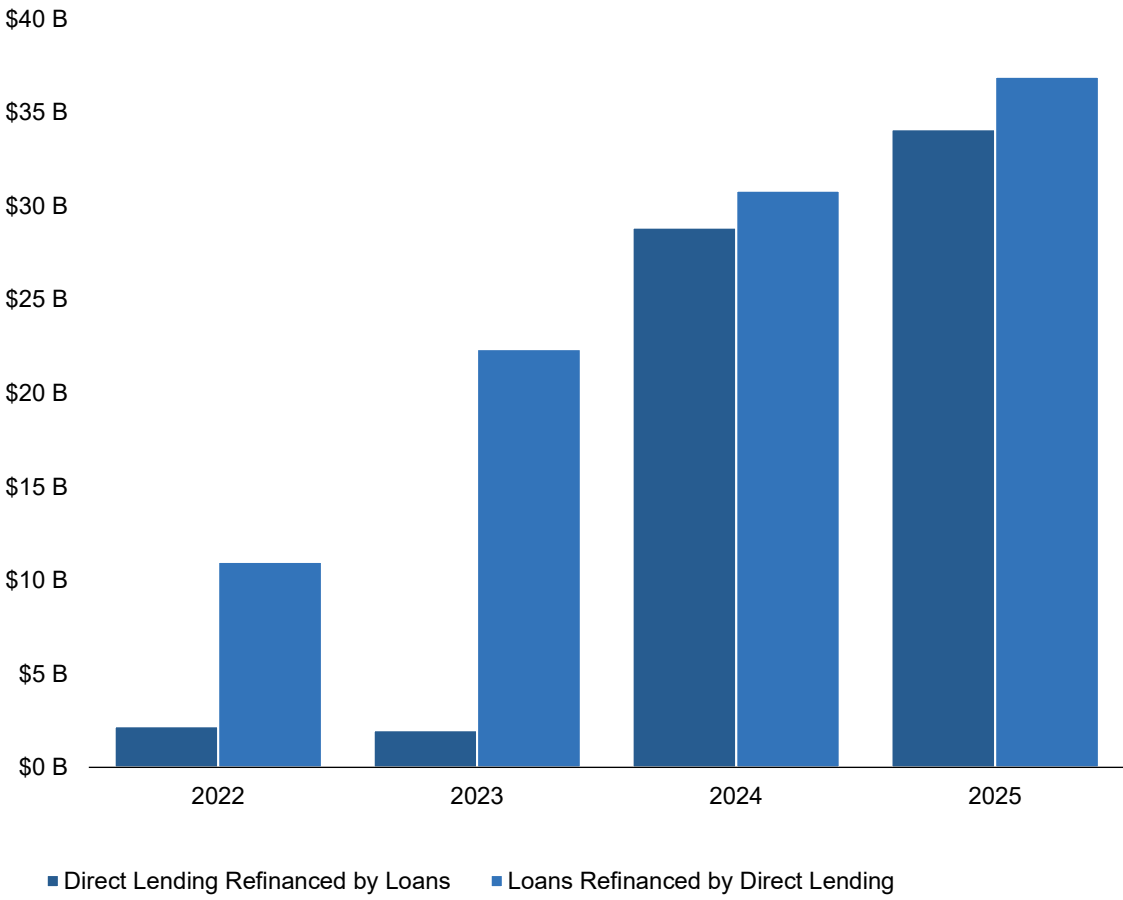
MARKET UPDATE

Technical Factors: Loan Issuance Relative to High Yield and Private Credit

Leveraged Finance New Issue Volume ¹



Loans and Direct Lending Takeouts

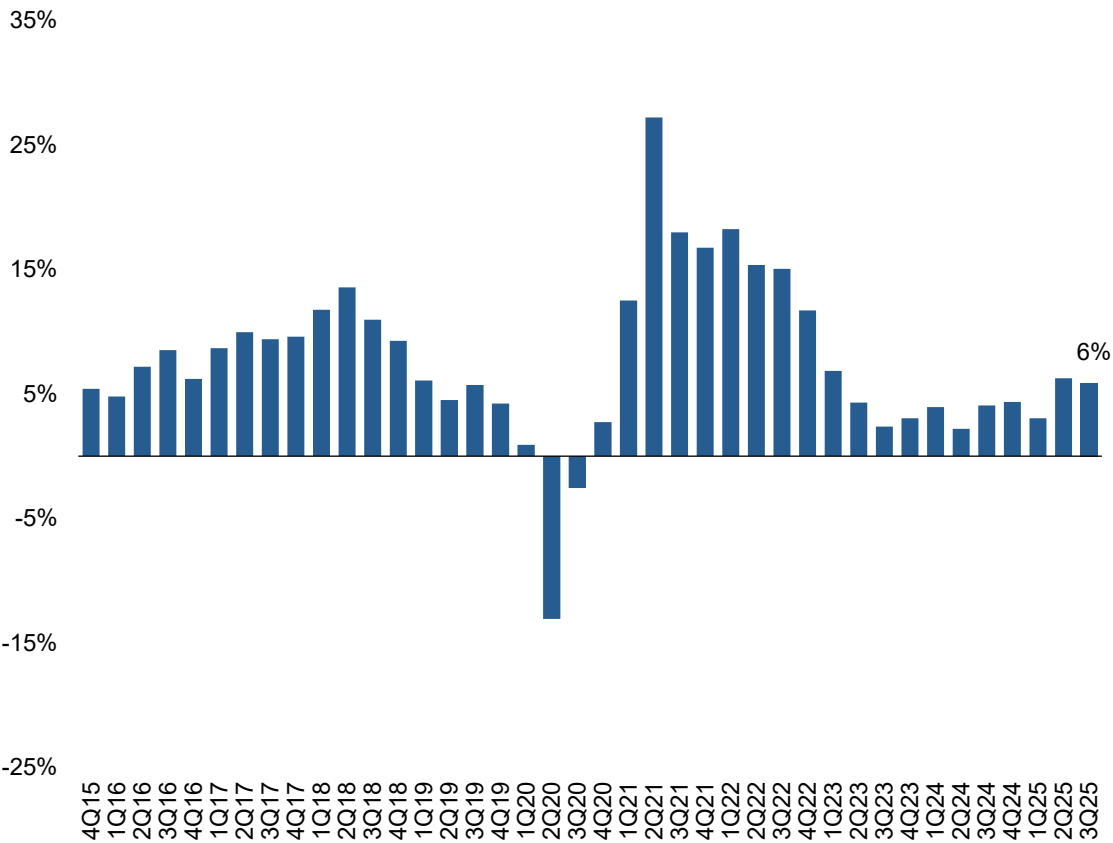


Source: Leveraged Commentary & Data (LCD), December 31, 2025. Data provided is for informational use only.
1. Excludes loan repricings and extensions.

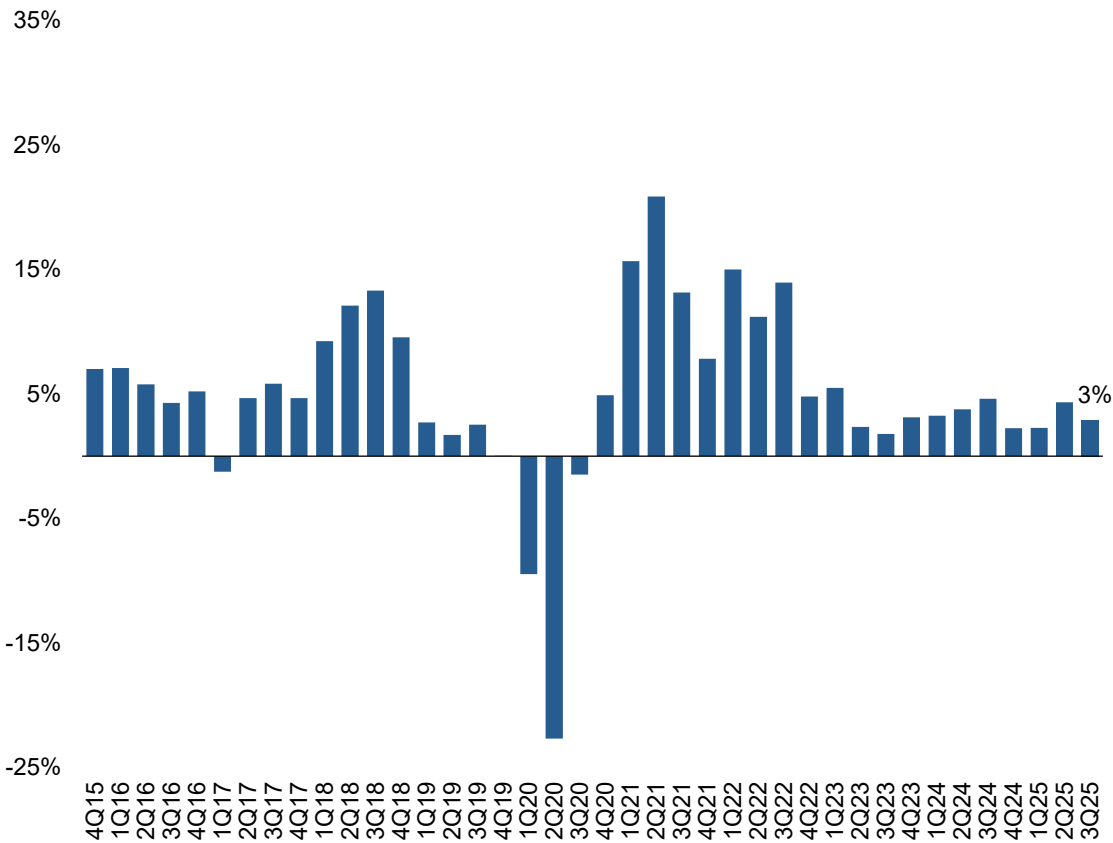
MARKET UPDATE

Fundamental Conditions: Revenue & Earnings Growth

Year-Over-Year Revenue Growth



Year-Over-Year EBITDA Growth

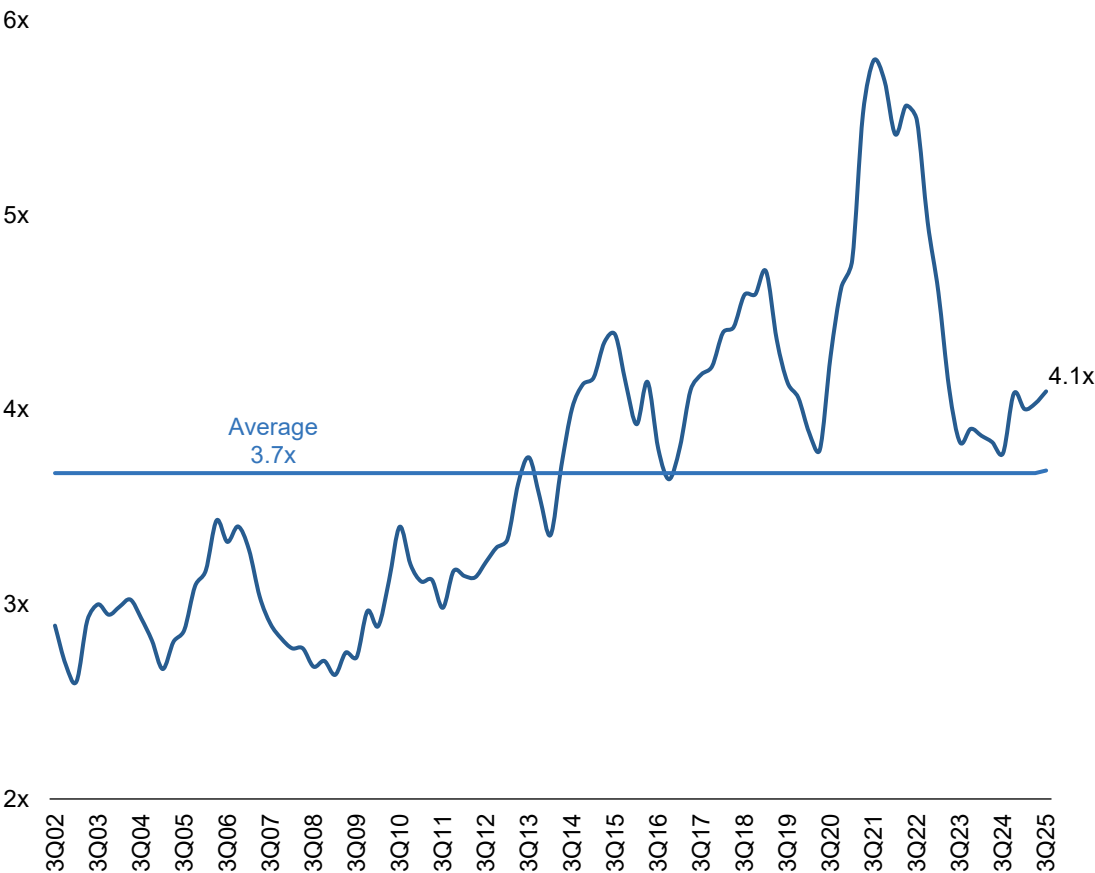


Source: Leveraged Commentary & Data (LCD), most recent data available as of Q3 2025. Data provided is for informational use only. EBITDA refers to earnings before interest, taxes, depreciation and amortization. The data are based on approximately 150 public issuers included in the Morningstar LSTA US Leveraged Loan Index. See end of material for important additional information and disclosures.

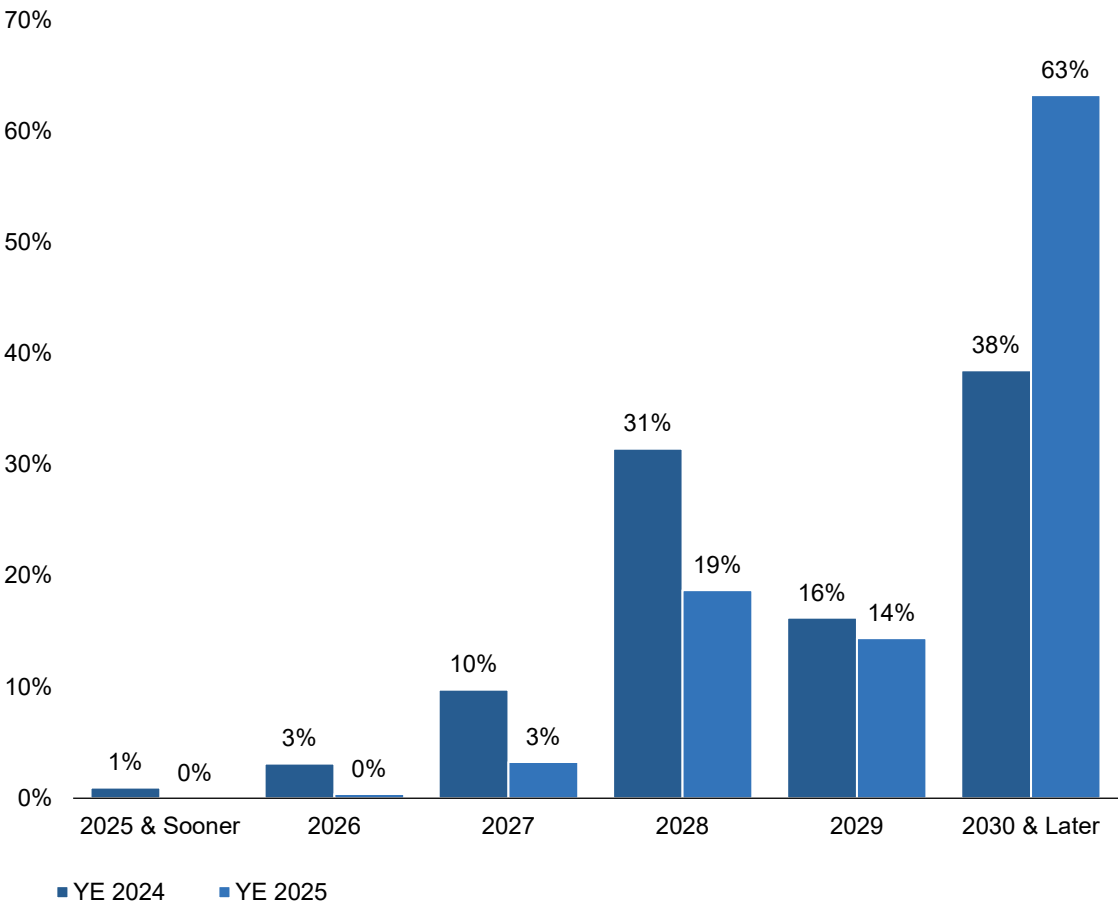
MARKET UPDATE

Fundamental Conditions: Interest Coverage & Maturity Profile

Interest Coverage



Maturity Distribution

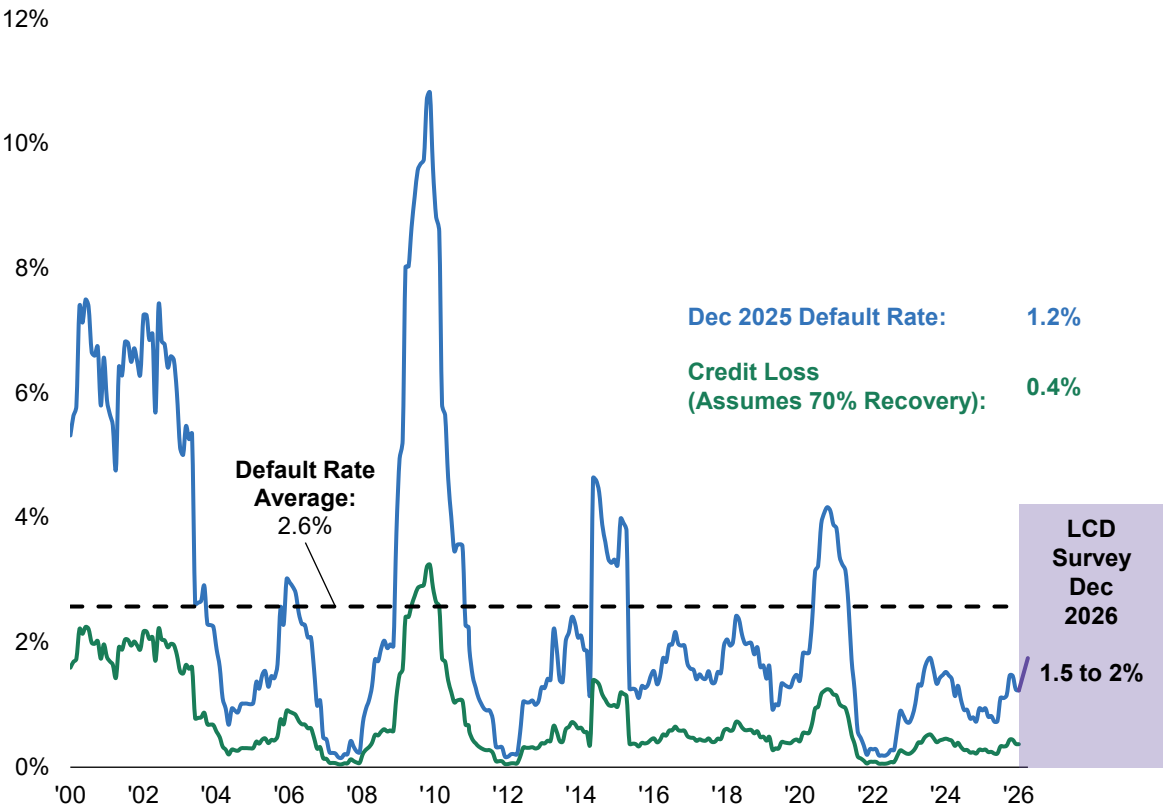


Source: Leveraged Commentary & Data (LCD). Interest coverage most recent data available as of Q3 2025. Maturity distribution as of December 31, 2025. Data provided is for informational use only. See end of material for important additional information and disclosures. Interest coverage is a weighted average based on approximately 150 public issuers in the Morningstar LSTA US Leveraged Loan Index. Maturity profile is based on the Morningstar LSTA US Leveraged Loan Index, excludes defaulted facilities, and is based on par amount outstanding.

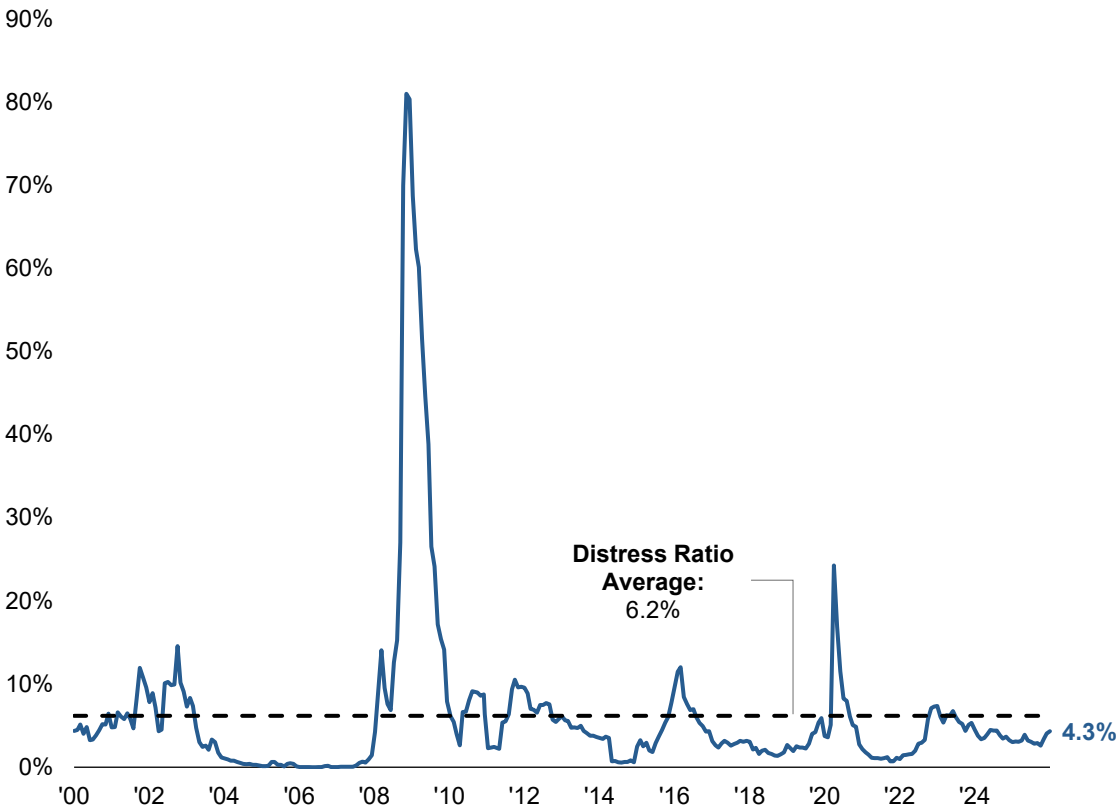
MARKET UPDATE

Fundamental Conditions: Default Rate & Distress Ratio

Default Rate



Distress Ratio

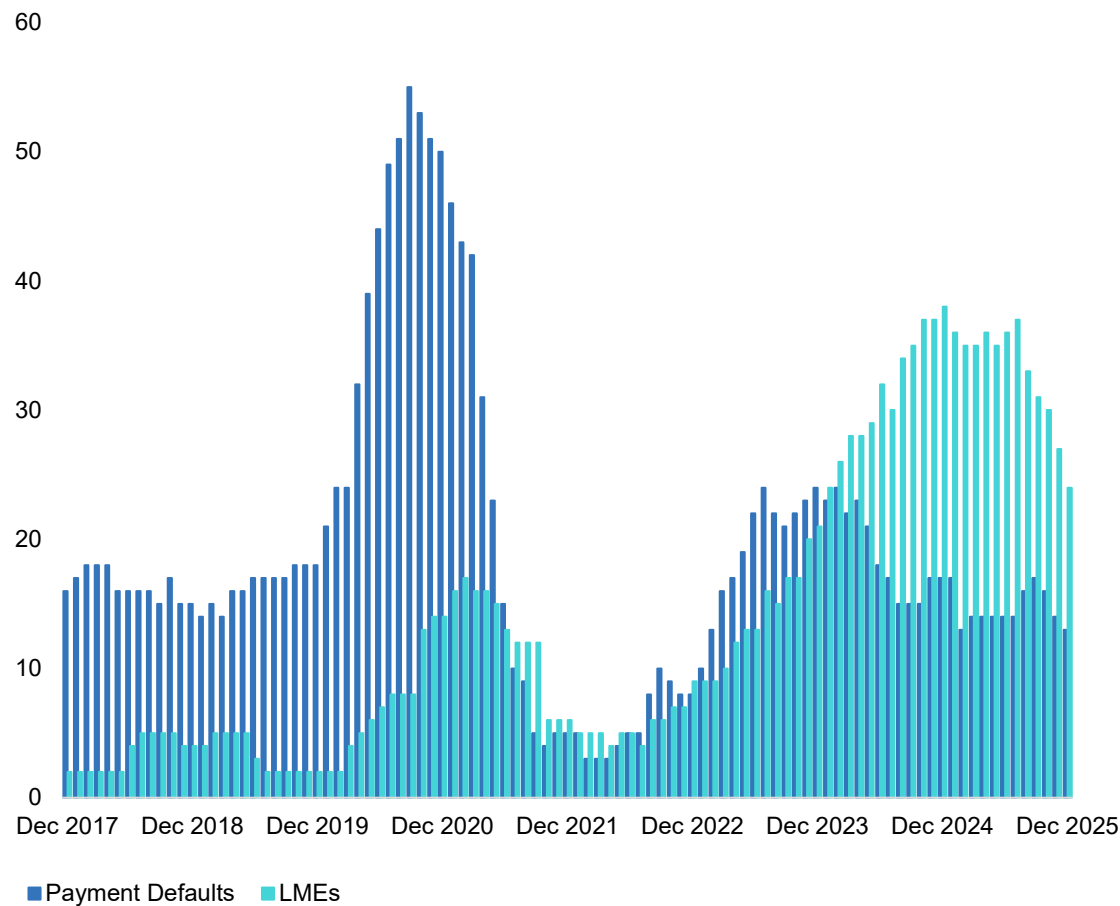


Source: Leveraged Commentary & Data (LCD), December 31, 2025. All data reflects the Morningstar LSTA US Leveraged Loan Index. Data provided is for informational use only. Default rate measures last 12 months by principal amount as of December 31, 2025. Distress ratio measures the percent of performing loans trading below \$80. LCD Survey based on most respondents expecting the 12-month default rate to fall between 1.5% and 2% by December 31, 2026.

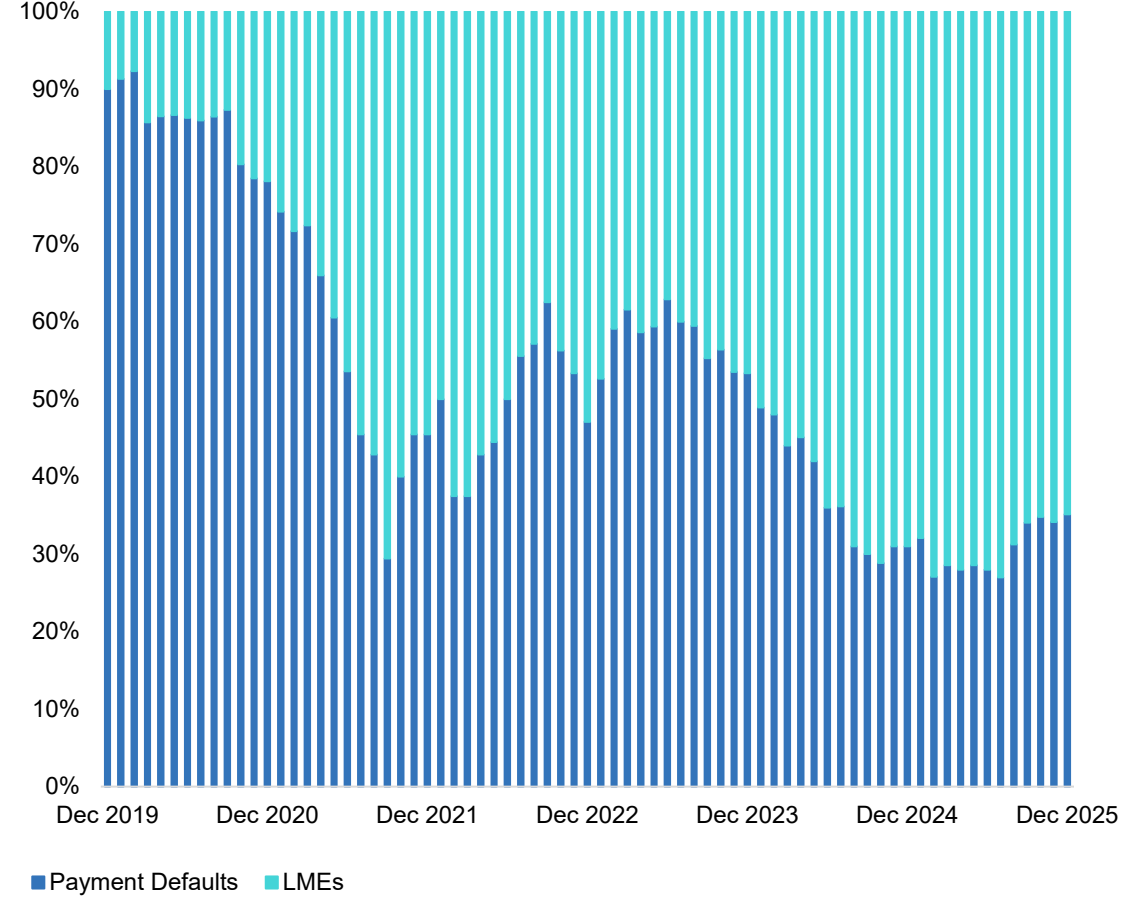
MARKET UPDATE

Fundamental Conditions: Payment Defaults & Liability Management Exercises (LMEs)

Trailing 12-Month Count of Payments Defaults vs. LMEs



LME Share of Defaults



Source: Leveraged Commentary & Data (LCD), December 31, 2025. All data reflects the Morningstar LSTA US Leveraged Loan Index. Data provided is for informational use only. Liability management exercises (LMEs), also known as distressed debt exchanges, are out-of-court restructurings of debt. Payment defaults represent a failure on the part of a borrower to pay interest or a principal payment.

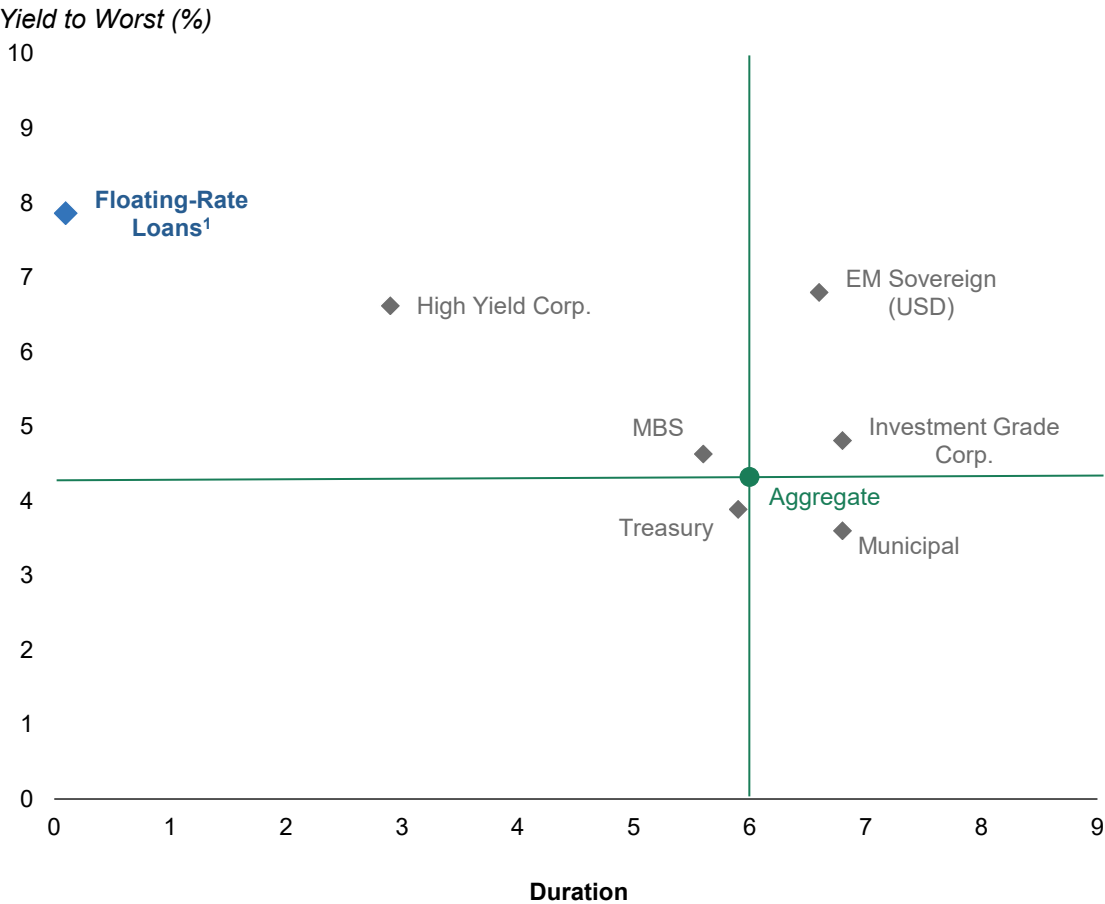
Portfolio Applications



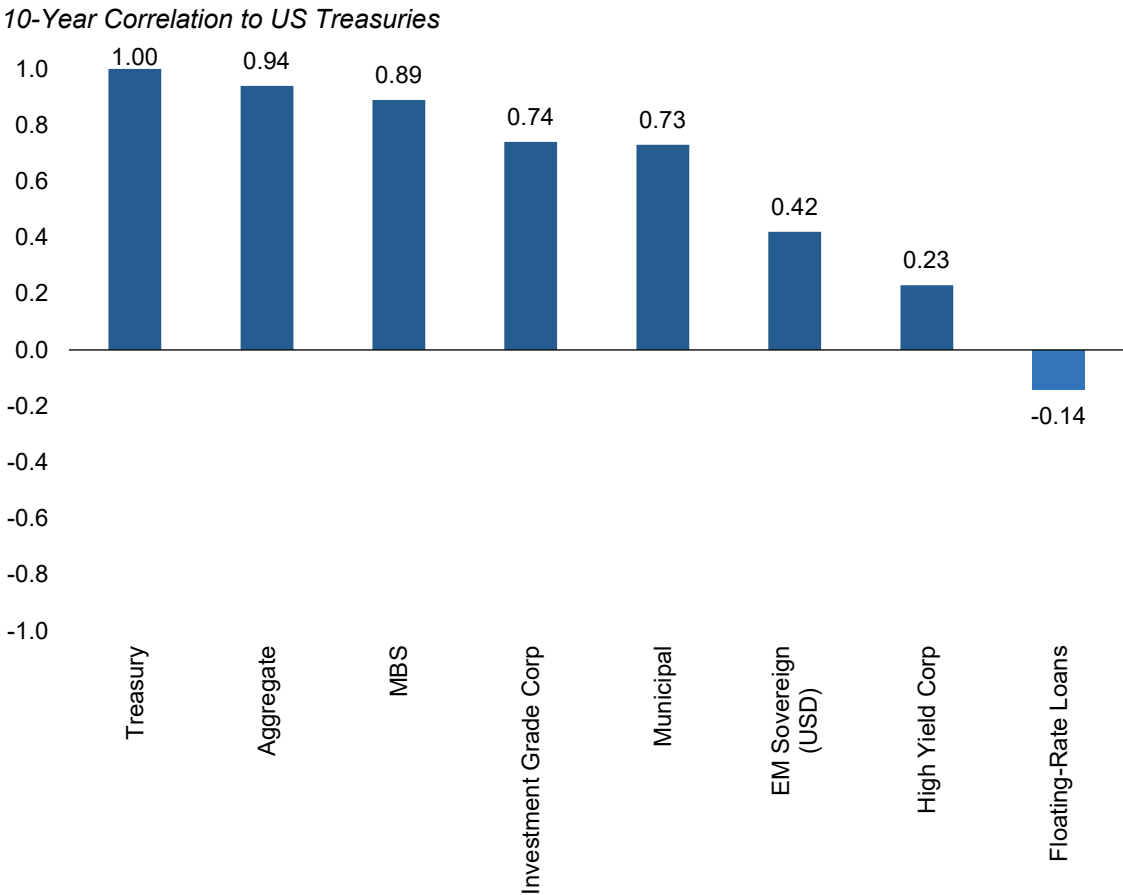
PORTFOLIO APPLICATIONS

Unique Profile May Complement Traditional Fixed-Rate Investments

Loans Historically Have High Yields and Near-Zero Duration



Negative Correlation to Core Bond Allocations



Sources: MSIM, Bloomberg, JPMorgan, ICE Data Indices, LLC, and Leveraged Commentary & Data (LCD), as of December 31, 2025. 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 defaulting. Duration is a measure of the sensitivity of a bond's price to a change in interest rates. 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 Morningstar LSTA US Leveraged Loan Index. ¹Yield to maturity is shown for loans.

PORTFOLIO APPLICATIONS

Historical Loan Returns in Context

Past Performance is Not a Reliable Indicator of Future Results

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	Municipal 3.30	High Yield 17.49	EMD (Local Currency) 15.21	Municipal 1.28	Investment Grade 14.54	Global Agg Ex-U.S. 10.11	High Yield 5.36	Bank Loan -0.77	High Yield 13.46	Bank Loan 8.95	EMD (Local Currency) 19.26
	MBS 1.51	EMD (Hard Currency) 10.19	Global Agg Ex-U.S. 10.51	MBS 0.99	EMD (Hard Currency) 14.42	Investment Grade 9.89	Bank Loan 5.20	Municipal -8.53	Bank Loan 13.32	High Yield 8.20	EMD (Hard Currency) 14.30
	EMD (Corp. Bonds) 1.30	Bank Loan 10.16	EMD (Hard Currency) 9.32	Treasury 0.86	High Yield 14.41	Treasury 8.00	Municipal 1.52	High Yield -11.22	EMD (Local Currency) 12.70	EMD (Corp. Bonds) 7.63	Global Agg Ex-U.S. 8.85
	EMD (Hard Currency) 1.23	EMD (Local Currency) 9.94	EMD (Corp. Bonds) 7.96	Bank Loan 0.44	EMD (Local Currency) 13.47	EMD (Corp. Bonds) 7.13	EMD (Corp. Bonds) 0.91	EMD (Local Currency) -11.69	EMD (Hard Currency) 11.09	EMD (Hard Currency) 6.54	EMD (Corp. Bonds) 8.73
	Treasury 0.84	EMD (Corp. Bonds) 9.65	High Yield 7.48	EMD (Corp. Bonds) -1.65	EMD (Corp. Bonds) 13.09	High Yield 6.17	Investment Grade -1.04	MBS -11.81	EMD (Corp. Bonds) 9.08	Investment Grade 2.13	MBS 8.58
	Investment Grade -0.68	Investment Grade 6.11	Investment Grade 6.42	Global Agg Ex-U.S. -2.15	Bank Loan 8.64	EMD (Hard Currency) 5.88	MBS -1.04	EMD (Corp. Bonds) -12.26	Investment Grade 8.52	MBS 1.20	High Yield 8.50
	Bank Loan -0.69	MBS 1.67	Municipal 5.45	High Yield -2.26	Municipal 7.54	Municipal 5.21	EMD (Hard Currency) -1.51	Treasury -12.46	Municipal 6.40	Municipal 1.05	Investment Grade 7.77
	High Yield -4.64	Global Agg Ex-U.S. 1.49	Bank Loan 4.12	Investment Grade -2.51	Treasury 6.86	MBS 3.87	Treasury -2.32	Investment Grade -15.76	Global Agg Ex-U.S. 5.72	Treasury 0.58	Treasury 6.32
	Global Agg Ex-U.S. -6.02	Treasury 1.04	MBS 2.47	EMD (Hard Currency) -4.61	MBS 6.35	Bank Loan 3.12	Global Agg Ex-U.S. -7.05	EMD (Hard Currency) -16.45	MBS 5.05	EMD (Local Currency) -2.38	Bank Loan 5.90
	EMD (Local Currency) -14.92	Municipal 0.25	Treasury 2.31	EMD (Local Currency) -6.21	Global Agg Ex-U.S. 5.09	EMD (Local Currency) 2.69	EMD (Local Currency) -8.75	Global Agg Ex-U.S. -18.70	Treasury 4.05	Global Agg Ex-U.S. -4.22	Municipal 4.25

Source: Morningstar as of December 31, 2025. It is not possible to invest directly in an index. Data provided is for informational use only. See end of report for important additional information. Investment Grade represented by Bloomberg U.S. Corporate Index. MBS represented by Bloomberg U.S. Mortgage-Backed Securities (MBS) Index. Treasury represented by Bloomberg U.S. Treasury Index. High Yield represented by ICE BofA US High Yield Index. Municipal represented by Bloomberg Municipal Bond Index. Bank Loan represented by Morningstar LSTA U.S. Leveraged Loan Index. Global Agg Ex-U.S. represented by Bloomberg Global Aggregate Ex-USD Index. EMD (Local Currency) represented by J.P. Morgan Government Bond Index-Emerging Markets (GBI-EM) Global Diversified. EMD (Hard Currency) represented by J.P. Morgan Emerging Markets Bond Index (EMBI) Global Diversified. EMD (Corp. Bonds) represented by J.P. Morgan Corporate Emerging Market Bond Index (CEMBI) Broad Diversified.

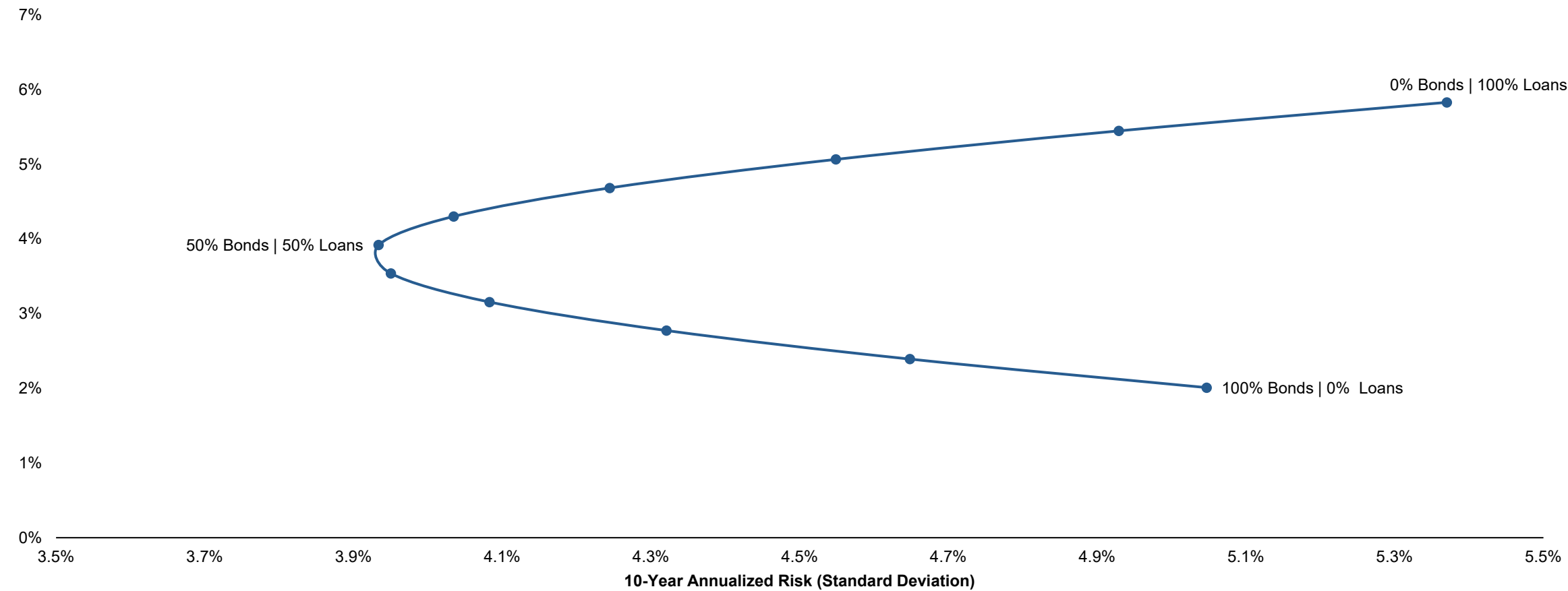
PORTFOLIO APPLICATIONS

Loan Allocations Have Historically Improved Risk/Return of a Core Fixed Income Portfolio

Past Performance is Not a Reliable Indicator of Future Results

Efficient Frontier of Loan/Bond Portfolio

10-Year Annualized Total Return



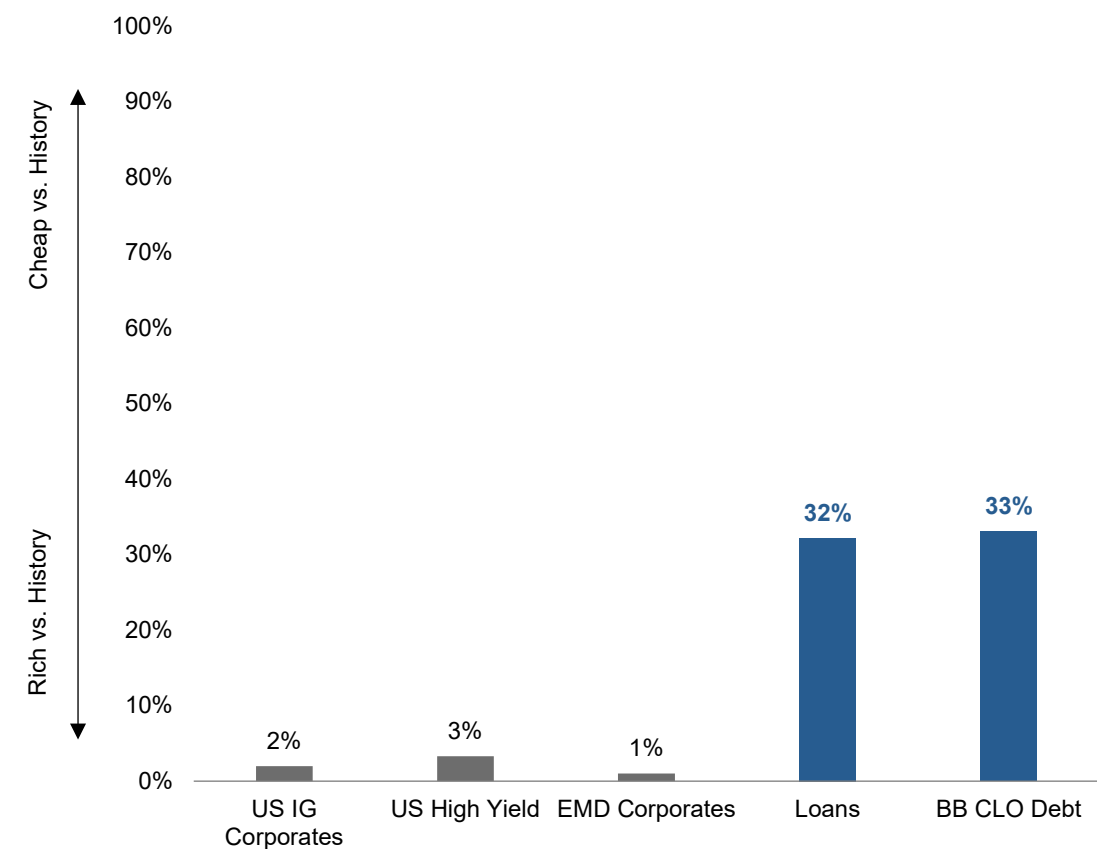
Sources: MSIM, Morningstar, December 31, 2025. Data provided is for informational use only. It is not possible to invest directly in an Index. Loans represented by the Morningstar LSTA US Leveraged Loan Index. Bonds represented by the Bloomberg US Aggregate Bond Index.

PORTFOLIO APPLICATIONS

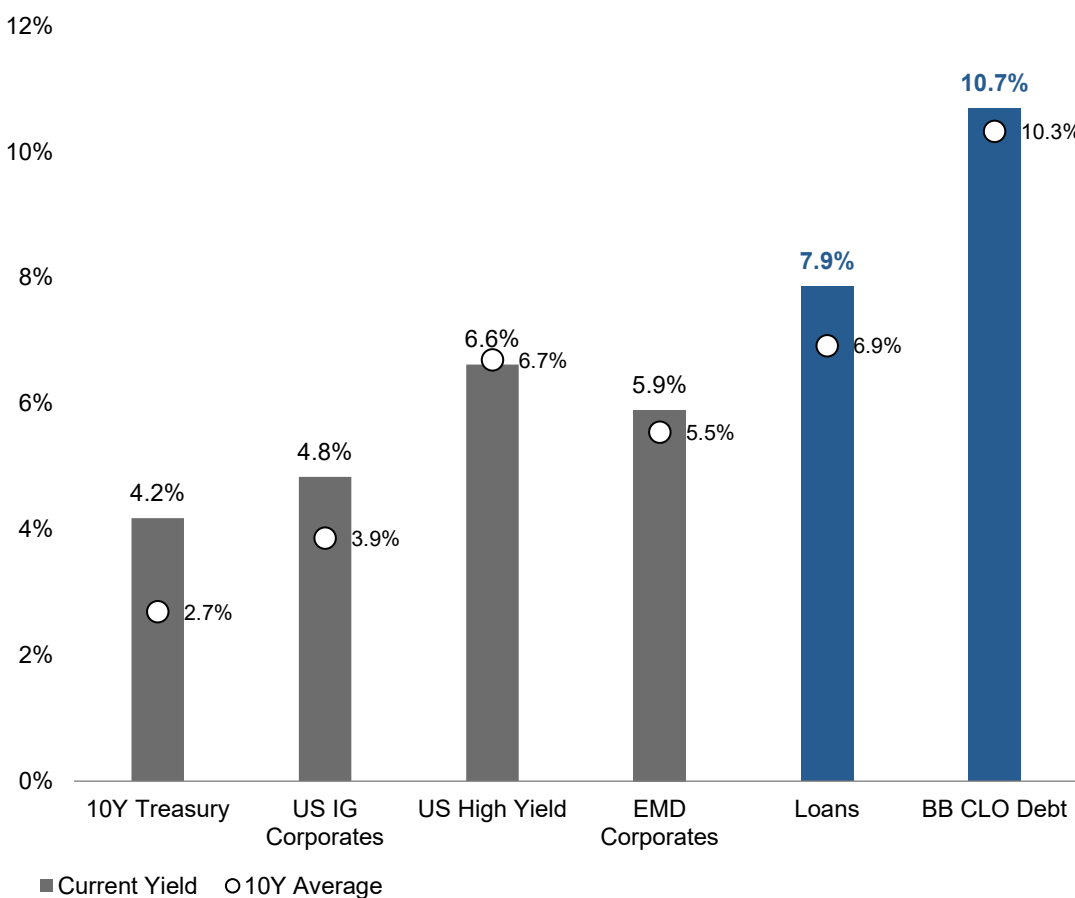
Spreads & Starting Yields: Building Blocks of Future Returns

Past Performance is Not a Reliable Indicator of Future Results

Spread Percentile Ranks vs. 10-Year History



Current Yields vs 10-Year Average



Source: Leveraged Commentary & Data (LCD), ICE Data Indices, LLC, JPMorgan. As of December 31, 2025. Data provided is for informational use only. See end of material for important additional information and disclosures. Loans represented by Morningstar LSTA US Leveraged Loan Index. US High Yield represented by ICE BofA US High Yield Index. US IG Corporates represented by ICE BofA US Corporate Index. 10Y Treasury represented by ICE BofA Current 10Y US Treasury Index. EMD Corporates represented by the J.P. Morgan Corp. EM Bond Index (CEMBI) Broad Diversified. BB CLOs represented by the BB portion of the J.P. Morgan CLOIE Post-Crisis Index. Spread data measures OAS except for loans, which uses discounted spread to 3 years.

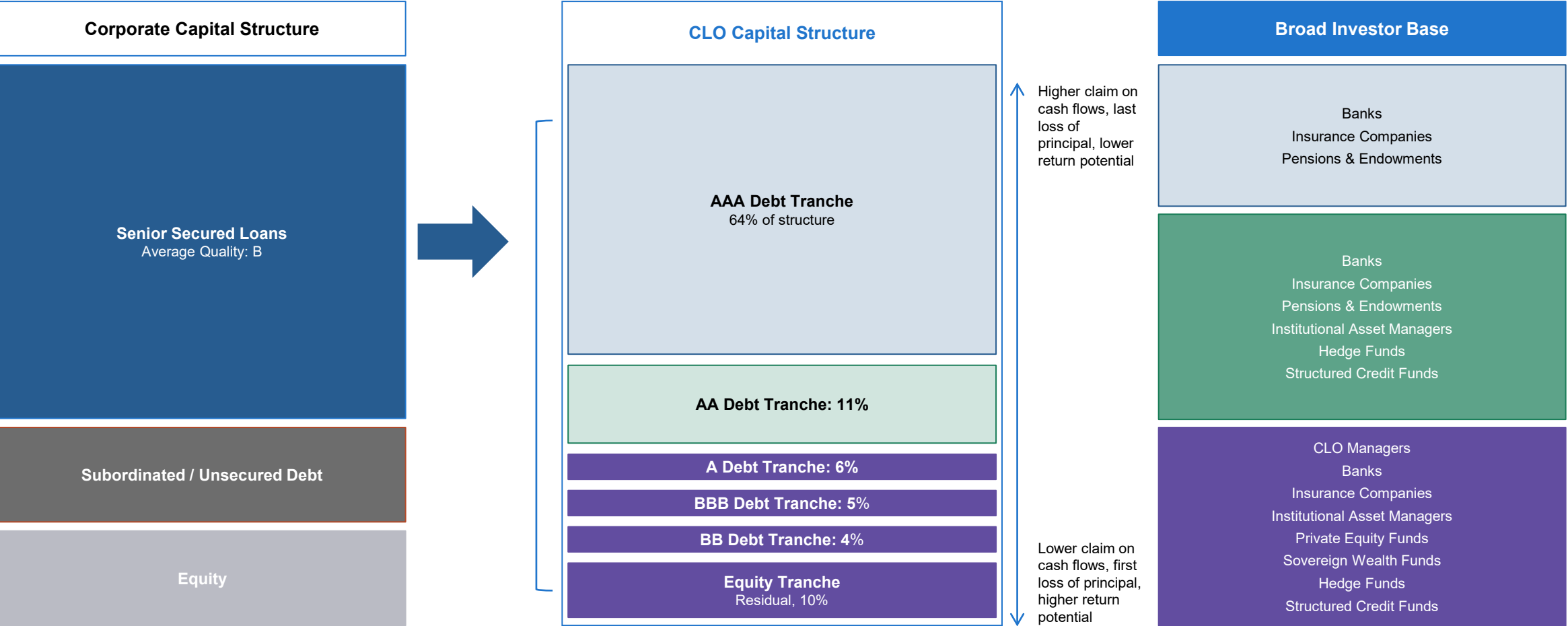
Collateralized Loan Obligations (CLOs)



COLLATERALIZED LOAN OBLIGATIONS (CLOS)

Understanding CLO Securitization

Structure and Waterfall of Cash Flows

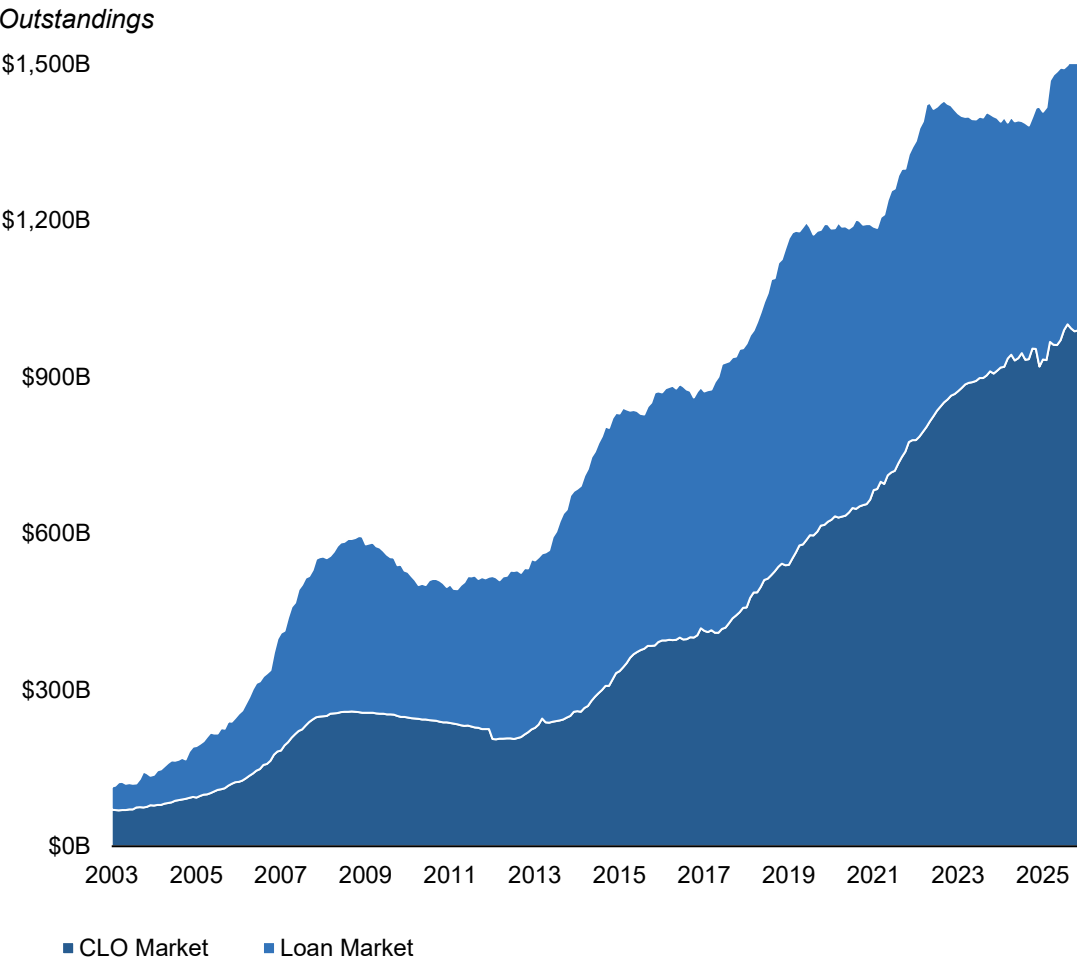


Source: MSIM. Shown for illustrative purposes.

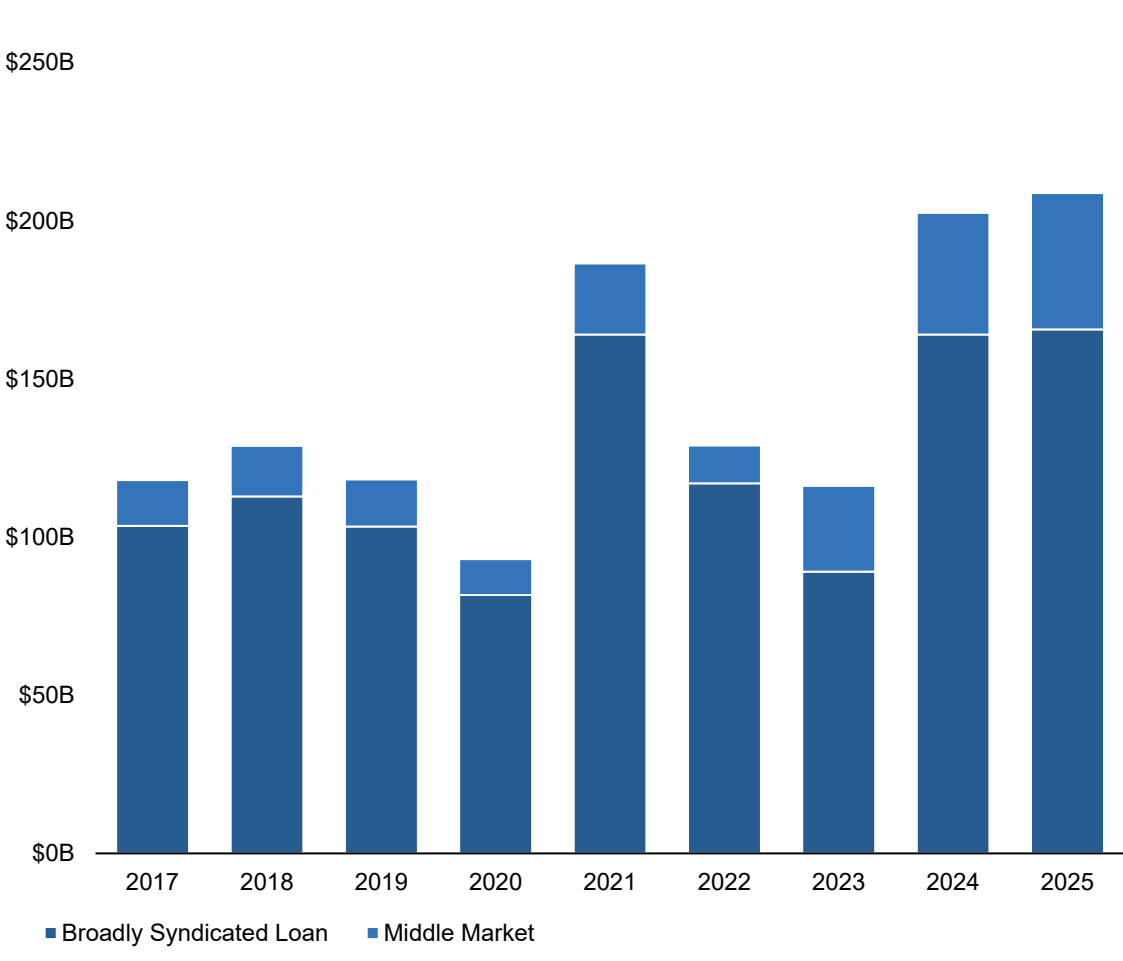
COLLATERALIZED LOAN OBLIGATIONS (CLOS)

CLO Market Size & Issuance

CLO Market Size in Context



US CLO Issuance



Sources: Leveraged Commentary & Data (LCD), BofA Global Research as of December 31, 2025. Data provided is for informational use only. Loan market measured by par outstandings included in the Morningstar LSTA US Leveraged Loan Index.

COLLATERALIZED LOAN OBLIGATIONS (CLOS)

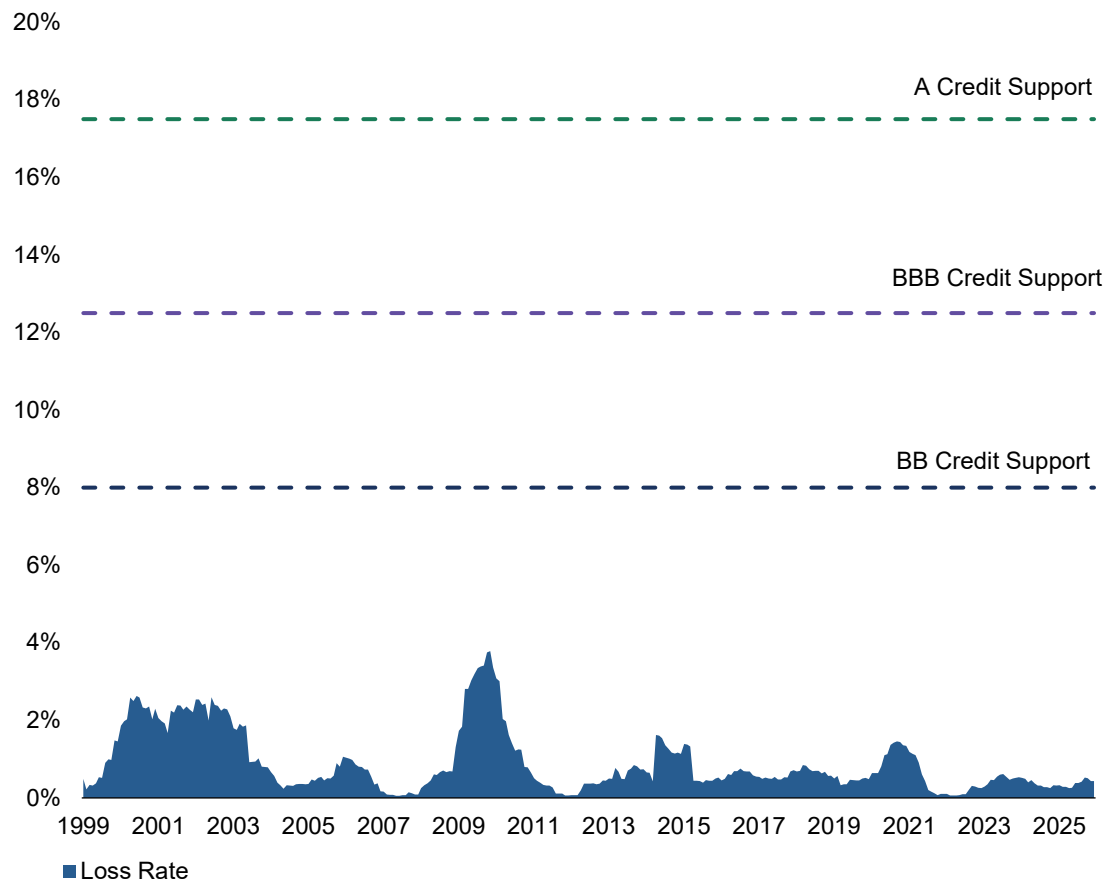
CLO Debt Profile & Credit Support

Average Capital Structure for U.S. CLOs

Rating	Credit Enhancement	Discount Margin (bps) ¹	Price
AAA	36%	130	\$100.1
AA	25%	173	\$100.2
A	17%	206	\$100.2
BBB	13%	329	\$100.0
BB	8%	719	\$95.4

CLO Credit Support

Loss Rate & Credit Tier Support



Sources: MSIM, J.P. Morgan, Leveraged Commentary & Data (LCD), December 31, 2025. Data provided is for informational use only. All CLO data measures CLO tranches issued after the 2008 financial crisis. Loan data represented by the Morningstar LSTA US Leveraged Loan Index. Loss rates measure the Morningstar LSTA US Leveraged Loan Index, based on 65% recovery assumption.

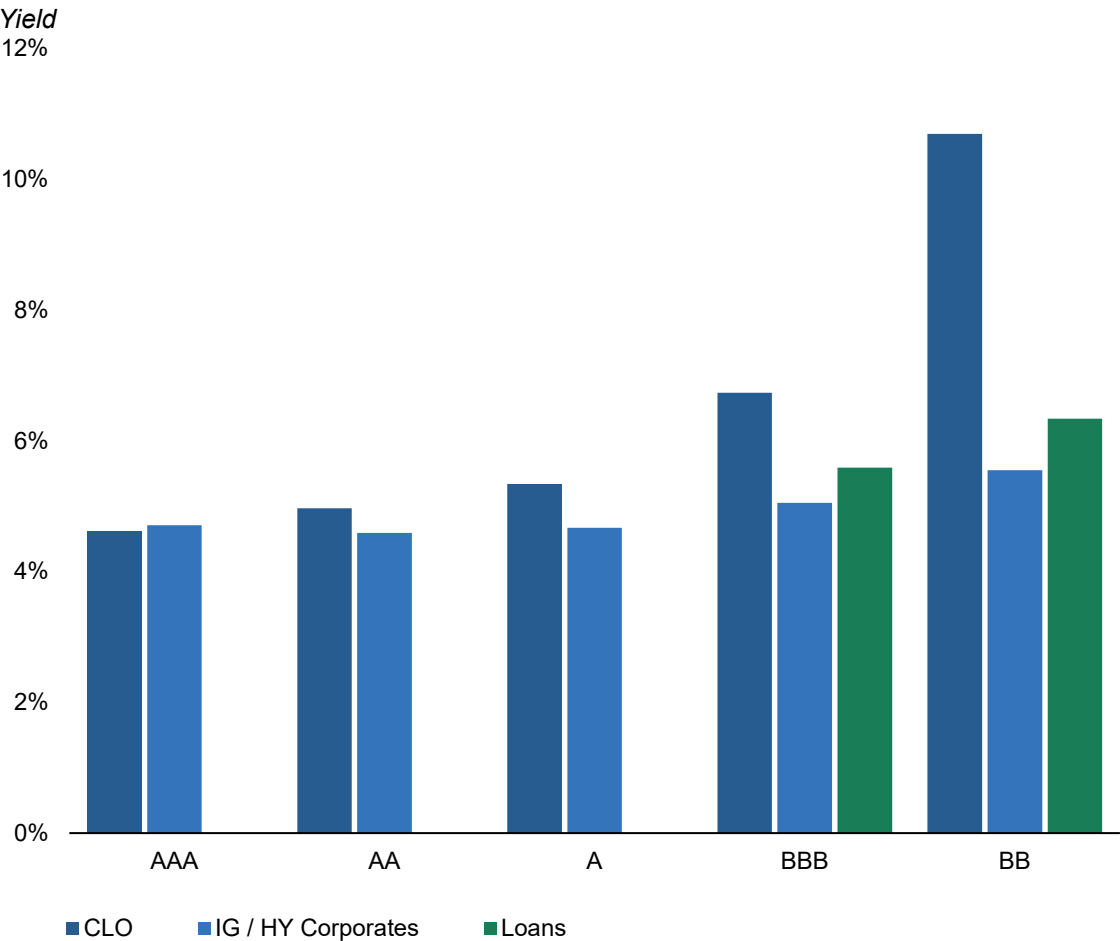
1. Discount margin is based on SOFR to maturity.

COLLATERALIZED LOAN OBLIGATIONS (CLOS)

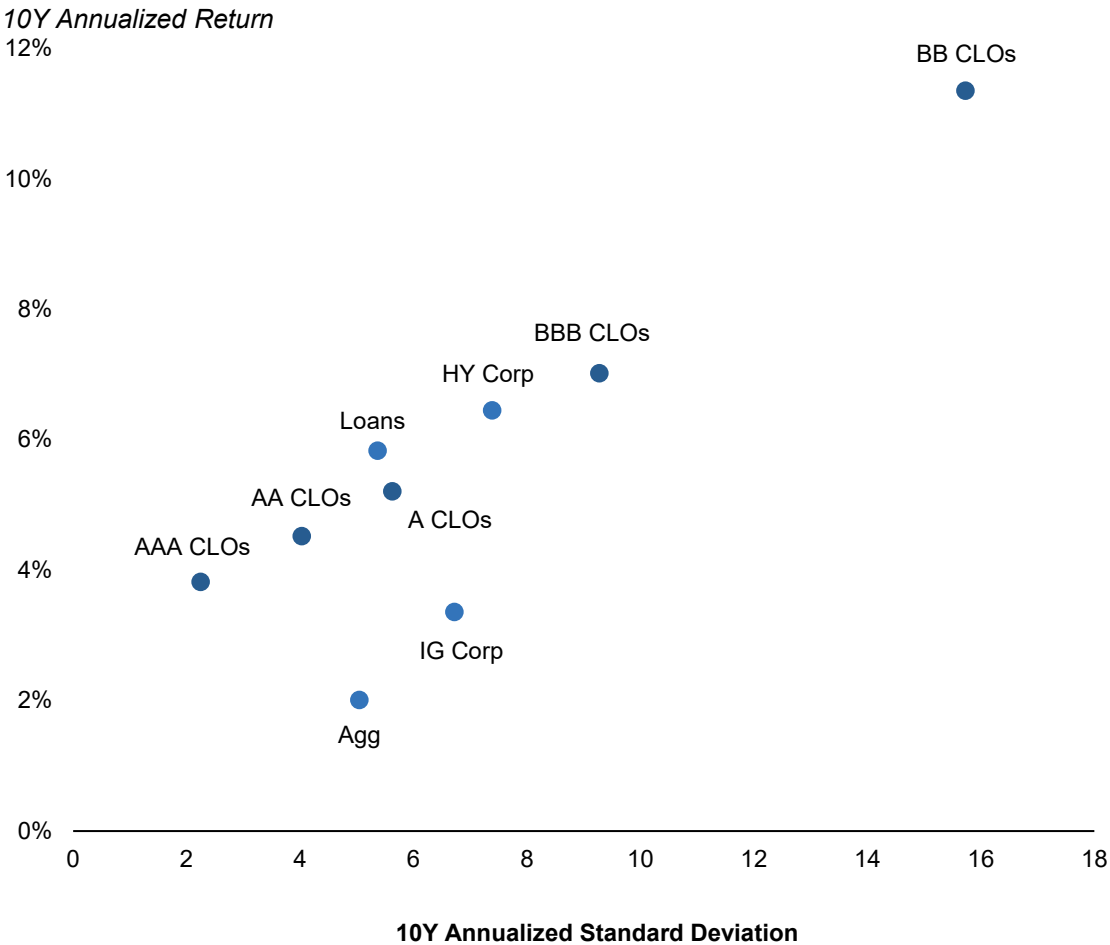
CLO Debt: Higher Yields Rating for Rating

Past Performance is Not a Reliable Indicator of Future Results

Yields by Credit Tier



Risk/Return Profile



Sources: MSIM, Bloomberg, ICE Data Indices LLC, Leveraged Commentary & Data (LCD). As of December 31, 2025. CLOs represented by the JP Morgan CLOIE Index. IG corporate data measures credit tiers of the ICE BofA US Corporate Index. HY corporate data measures credit tiers of the ICE BofA US High Yield Index. Agg represents the Bloomberg US Aggregate Bond Index. The index performance is provided for illustrative purposes only and is not meant to depict the performance of a specific investment.

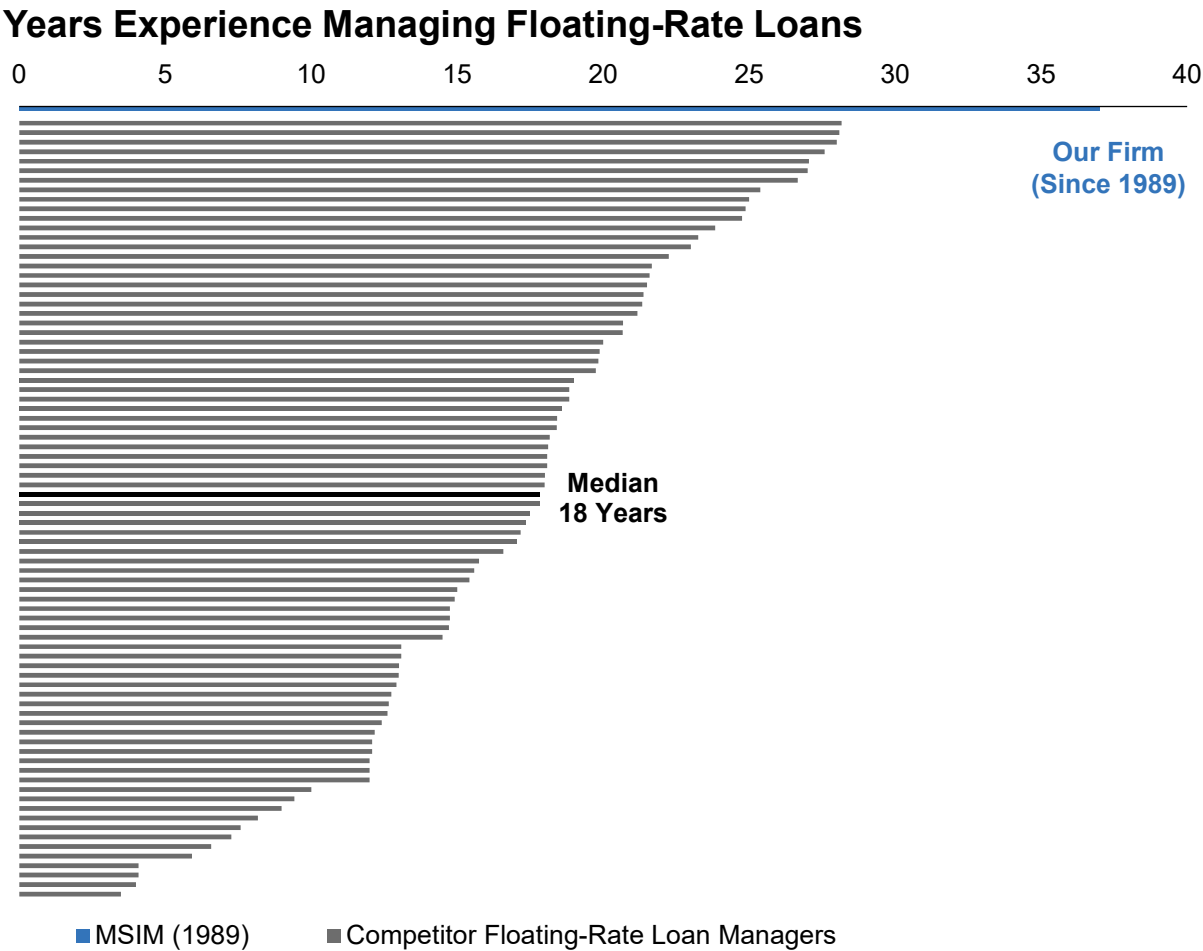
About MSIM



MSIM FOR FLOATING-RATE LOANS

The Advantage of Our Experience

- Premier manager with more than 35 years loan market experience
- 40-member team dedicated exclusively to loan management
- Systematic risk-weighted portfolio construction underpinned by bottom-up credit research
- Dedicated to excellence in investment outcomes and client relationships



Source: eVestment, December 31, 2025. **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.

MSIM FOR FLOATING-RATE LOANS

Floating-Rate Loan & CLO Investment Team

TEAM LEADERSHIP

Peter Campo, CFA
Head of Floating-Rate Loans
30 Years of Experience
15 Years at the Firm

PORTFOLIO MANAGEMENT

Ralph Hinckley, CFA
28 Years of Experience
22 Years at the Firm

Michael Turgel, CFA
23 Years of Experience
19 Years at the Firm

Edward Greenaway, CFA
19 Years of Experience
17 Years at the Firm

Steve Sebo
17 Years of Experience
3 Years at the Firm

ANALYTICS & RISK

Amir Vaziri, CFA
12 Years of Experience
12 Years at the Firm

CREDIT RESEARCH & CLO ANALYSIS

Heath Christensen, CFA
Co-Head of Credit Research
26 Years of Experience
22 Years at the Firm

Daniel McElaney, CFA
Co-Head of Credit Research
22 Years of Experience
20 Years at the Firm



18 Credit & 4 CLO Analysts
Avg 12 Years of Experience
Avg 8 Years at the Firm

PRODUCT STRATEGY

Robert Holmes, CFA
13 Years of Experience
13 Years at the Firm

TRADING

Kathryn Thompson White
13 Years of Experience
6 Years at the Firm

Elizabeth McDonough
11 Years of Experience
11 Years at the Firm

Jean Saint-Felix
3 Years of Experience
1 Year at the Firm

CREDIT ADVISORY

Patrick Daniello
38 Years of Experience
6 Years at the Firm

OPERATIONS



7 Professionals
Avg 22 Years of Experience
Avg 18 Years at the Firm

Employee data and tenure as of December 31, 2025. Team members may change, without notice, from time to time.

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. The London Interbank Offered Rate or LIBOR, is used throughout global banking and financial industries to determine interest rates for a variety of financial instruments (such as debt instruments and derivatives) and borrowing arrangements. The ICE Benchmark Administration Limited, the administrator of LIBOR, ceased publishing certain LIBOR settings on December 31, 2021, and is expected to cease publishing the remaining LIBOR settings on June 30, 2023. The transition process may involve, among other things, increased volatility or illiquidity in markets for instruments that currently rely on LIBOR, such as floating-rate debt obligations. 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.

Yield to Worst is a measure which reflects the lowest potential yield earned on a bond without the issuer defaulting. The yield to worst is calculated by making worst-case scenario assumptions by calculating the returns that would be received if provisions, including prepayment, call or sinking fund, are used by the issuer

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.

Costs and expenses associated with investing in asset classes shown will vary, sometimes substantially, depending upon specific investment vehicles chosen. No investment in the asset classes shown is insured or guaranteed, unless explicitly stated for a specific investment vehicle. Interest income earned on asset classes shown is subject to ordinary federal, state and local income taxes, excepting U.S. Treasury securities (exempt from state and local income taxes) and municipal securities (exempt from federal income taxes, with certain securities exempt from federal, state and local income taxes). In addition, federal and/or state capital gains taxes may apply to investments that are sold at a profit. Eaton Vance does not provide tax or legal advice. Prospective investors should consult with a tax or legal advisor before making any investment decision.

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ADDITIONAL INFORMATION

INDEX DEFINITIONS:

Bloomberg Global Aggregate Ex-USD Index is a broad-based measure of global Investment Grade fixed-rate debt investments, excluding USD-denominated debt.

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

Bloomberg U.S. Agency Index measures agency securities issued by U.S government agencies, quasi-federal corporations, and corporate or foreign debt guaranteed by the U.S. government

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

Bloomberg U.S. Asset Backed Securities (ABS) Index measures ABS with the following collateral type: credit and charge card, auto, and utility loans

Bloomberg U.S. CMBS Index measures the market of conduit and fusion CMBS deals with a minimum current deal size of \$300mn

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

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 Fixed Rate Preferred Securities Index is an unmanaged index of fixed-rate, preferred securities issued in the U.S.

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 Corporate Emerging Markets Bond Index (CEMBI) Broad Diversified is an unmanaged index of USD-denominated emerging market corporate bonds.

J.P. Morgan Emerging Markets Bond Index (EMBI) Global Diversified is an unmanaged index of USD-denominated bonds with maturities of more than one year issued by emerging markets governments.

J.P. Morgan Government Bond Index-Emerging Markets (GBI-EM) Global Diversified is an unmanaged index of local-currency bonds with maturities of more than one year issued by emerging market governments

Morningstar LSTA US Leveraged Loan Index is an unmanaged index of the institutional leveraged loan market.

Morningstar LSTA US Leveraged Loan 100 Index is an unmanaged index designed to measure the performance of the 100 largest facilities in the US leveraged loan market. Index constituents are market-value weighted, subject to a single loan facility weight cap of 2%.

Morningstar European Leveraged Loan Index is a market-value weighted multi-currency index designed to measure the performance of the European 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.

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ADDITIONAL INFORMATION

Source of all data: MSIM, as of December 31, 2025, unless otherwise specified.

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Dubai: MSIM Ltd (Representative Office, Unit Precinct 3-7th Floor-Unit 701 and 702, Level 7, Gate Precinct Building 3, Dubai International Financial Centre, Dubai, 506501, United Arab Emirates. Telephone: +97 (0)14 709 7158).

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