Eaton Vance Floating-Rate Funds

FLOATING-RATE LOAN TEAM

Eaton Vance Floating-Rate Income Trust (EFT)
Eaton Vance Senior Floating-Rate Trust (EFR)
Eaton Vance Senior Income Trust (EVF)

A Word On The Markets

Capping a positive year for the senior floating-rate corporate loan market, the Morningstar LSTA US Leveraged Loan Index (the Index) registered a fourth quarter return of 1.22%. Quarterly results lifted the Index's full-year return to 5.90%, as high interest income was partially offset by a decline in market value.*

Key Drivers

- New issue market took a breather: The fourth quarter saw a significant slowdown in new issuance and refinancing activity compared to the record-setting pace earlier in 2025.
- Strong institutional demand: Collateralized loan obligation (CLO) issuance set a record in 2025, providing liquidity amid persistent retail mutual fund outflows.
- Risk-off sentiment: Investors favored higher quality loans, while cyclical areas such as auto components and chemicals continued to underperform.

Credit Quality & Performance

- BB-rated loans outperformed: Single-B loans (62% of the Index) returned 1.40% during the quarter, while BBs (24% of the market) returned 1.47%. Loans rated CCC (5% of the market) posted a return of -1.59%.
- Market bifurcation: The share of loans priced below $90 came to 8.7% at quarter end, while 58% of the market was priced at par or higher.
- Auto components, chemicals lag: Following the First Brands bankruptcy in September, the auto components segment returned -5.63% for the quarter. Chemicals also struggled due to weak demand and high energy costs, returning -1.72%.

Market Technicals

- Issuance cooled: Total institutional loan market activity dropped to $156 billion in the fourth quarter, down sharply from $404 billion in the third. Notably, the 2026 pipeline continued to grow, with several significant deals announced.
- CLO issuance hits a record: The quarter saw $55.3 billion in CLO issuance, lifting full-year totals to a record $209 billion.
- Fund outflows persist: Leveraged loan retail funds saw net outflows estimated at $4.0 billion for December. 2025 saw total net outflows of $10.7 billion from retail funds, with sustained redemptions amid volatile markets, tariff worries and falling interest rates.

Fundamental Factors

- Default rates: At year-end, the trailing 12-month default rate stood at 1.23% by amount (up from 0.91% in 2024) and 1.18% by issuer count (down from 1.45%). Including liability management exercises, the default rate by issuer count fell to 3.35%, down 130 basis points year-over-year.
- Stress indicators remained low but worsened during the fourth quarter: Loans trading under $80 climbed to 4.34% of the market, the highest level since July 2024.
- Default levels expected to hold steady: Market participants surveyed by Leveraged Commentary & Data (LCD) expect default levels to hold steady, with 67% of respondents anticipating a modest increase over the next six months.

* All data sourced from Leveraged Commentary & Data (LCD) as of December 31, 2025.

Performance Summary

Eaton Vance Floating-Rate Income Trust (EFT) underperformed the Index at net asset value for the quarter period ending December 31, 2025.[1] The Trust's exposure to equities, which are received as part of a restructuring transaction, detracted the most as their value declined during the quarter. At the sector level, loan selection was positive in the household durables and chemicals industries. This was offset by negative selection within the machinery, electronic equipment, instruments and components, and software sectors. Elsewhere, the Trust's allocations to high yield corporate bonds added value during the quarter, as fixed-rate bonds generally outperformed the senior loan market.

Eaton Vance Senior Floating-Rate Trust (EFR) underperformed the Index at net asset value for the quarter period ending December 31, 2025.[1] The Trust's exposure to equities, which are received as part of a restructuring transaction, detracted the most as their value declined during the quarter. At the sector level, loan selection was positive in the household durables and chemicals industries. This was offset by negative selection within the machinery, electronic equipment, instruments and components, and software sectors. Elsewhere, the Trust's allocations to high yield corporate bonds added value during the quarter, as fixed-rate bonds generally outperformed the senior loan market.

Eaton Vance Senior Income Trust (EVF) underperformed the Index at net asset value for the quarter period ending December 31, 2025.[1] The Trust's exposure to equities, which are received as part of a restructuring transaction, detracted the most as their value declined during the quarter. At the sector level, loan selection was positive in the household durables and chemicals industries. This was offset by negative selection within the machinery, automobile components, and software sectors. Elsewhere, the Trust's allocations to high yield corporate bonds added value during the quarter, as fixed-rate bonds generally outperformed the senior loan market.

% Average Annual Total Returns

As of December 31, 2025	QTD	YTD	1 YR	3 YR	5 YR	10 YR	SINCE INCEPTION	INCEPTION DATE
Eaton Vance Floating-Rate Income Trust (EFT) at NAV	0.41	3.69	3.69	10.41	6.17	6.62	5.58	06/29/2004
Eaton Vance Floating-Rate Income Trust (EFT) at Market Price	-1.21	-3.76	-3.76	11.39	5.96	6.69	5.12	
Eaton Vance Senior Floating-Rate Trust (EFR) at NAV	0.49	3.92	3.92	10.13	6.16	6.94	5.71	11/28/2003
Eaton Vance Senior Floating-Rate Trust (EFR) at Market Price	-0.47	-4.84	-4.84	10.95	6.29	6.89	5.26	
Eaton Vance Senior Income Trust (EVF) at NAV	0.46	3.75	3.75	10.37	6.17	6.92	5.48	10/30/1998
Eaton Vance Senior Income Trust (EVF) at Market Price	-1.73	-6.22	-6.22	10.68	5.26	6.90	5.08	

Past performance is no guarantee of future results. Investment return and principal value will fluctuate so that shares, when sold, 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. The Fund's performance at market price will differ from its results at NAV. Returns are historical and are calculated by determining the percentage change in net asset value or market price (as applicable) with all distributions reinvested and includes management fees and other expenses. Closed-end fund shares are bought and sold at "market prices" determined by competitive bidding on exchanges and not at the Fund's Net Asset Value (NAV). Performance less than or equal to one year is cumulative. For Fund performance as of most recent month-end, please refer to eatonvance.com.

INDEX INFORMATION

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

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

1 Source: Eaton Vance. Data as of December 31, 2025. Performance for other share classes will vary.

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 have to sell other investments or engage in borrowing transactions to raise cash to meet its obligations. 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. Borrowing to increase investments (leverage) may exaggerate the effect of any increase or decrease in the value of Fund investments. 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. 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. The impact of the coronavirus on global markets could last for an extended period and could adversely affect the Fund's performance. Changes in the value of investments entered for hedging purposes may not match those of the position being hedged. The Fund may engage in other investment practices that may involve additional risks.

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