

# Eaton Vance Floating-Rate Advantage Fund

A diversified, research-driven approach to floating-rate loan investing.

## The Fund

Managed by Eaton Vance, a pioneer in floating rate loans since 1989, this portfolio diversifier provides broad exposure to the floating rate loan market. In depth, bottom up credit research and broad diversification<sup>1</sup> are this Fund's cornerstones, managed by one of America's largest and most experienced loan managers.

## The Approach

Invests broadly across the floating rate loan market, providing diversified exposure to the asset class and its many sectors, credit tiers and issuers. Fund employs leverage for the purpose of acquiring additional income-producing investments, which may increase risk and return potential.

## The Features

Floating rate loans have typically performed with low correlation to traditional equity and fixed income markets, providing important diversification benefits for investor portfolios. Low duration and loans' floating rate structure may help reduce interest rate risk and lower portfolio volatility.



### LIPPER FUND AWARDS FROM REFINITIV

2019 WINNER  
UNITED STATES

10  
YEARS

Floating-Rate Advantage Fund (EIFAX)

Best Loan Participation Fund over 10 years\*\*

Out of 20 Loan Participation funds as of 11/30/2018

### Strong Morningstar Ratings as of 06/30/2019<sup>†</sup>

Overall Morningstar Rating<sup>™</sup>\*\* (Out of 219 funds in the Bank Loan category)

#### A Shares



#### I Shares



The Morningstar Rating<sup>™</sup> for funds, or "star rating", is calculated for managed products (including mutual funds and exchange-traded funds) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. ©2019 Morningstar. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

## Fund Facts

|                                    |                     |
|------------------------------------|---------------------|
| A & I Shares Inception             | 03/17/2008          |
| Performance Inception              | 08/04/1989          |
| Investment Objective               | High current income |
| Total Net Assets                   | \$8.3B              |
| Total Investments                  | \$10.7B             |
| SEC 30-day Yield <sup>2</sup>      | Class A: 5.10%      |
| Class A Expense Ratio <sup>3</sup> | 1.40%               |
| Class I Expense Ratio <sup>3</sup> | 1.15%               |
| Distribution Frequency             | Monthly             |

*Includes interest and fee expense associated with borrowings for investment purposes, an element of the Fund's investment strategy. Includes Interest Expense 0.44%.*

## Symbols and CUSIPs

|                 |       |           |
|-----------------|-------|-----------|
| A Shares        | EAFAX | 277923660 |
| Advisers Shares | EVFAX | 277923678 |
| C Shares        | ECFAX | 277923645 |
| I Shares        | EIFAX | 277923637 |
| R6 Shares       | EFRRX | 27826A623 |

## % Average Annual Returns (as of 06/30/2019)

|                                       | Q2    | YTD  | 1 Year | 3 Years | 5 Years | 10 Years |
|---------------------------------------|-------|------|--------|---------|---------|----------|
| A Shares at NAV                       | 1.31  | 5.61 | 3.31   | 5.72    | 3.96    | 6.91     |
| I Shares at NAV                       | 1.47  | 5.84 | 3.57   | 6.02    | 4.22    | 7.17     |
| A Shares with Max. 2.25% Sales Charge | -1.00 | 3.23 | 1.00   | 4.92    | 3.48    | 6.67     |
| Benchmark                             | 1.68  | 5.74 | 3.97   | 5.24    | 3.68    | 6.17     |

## Calendar Year Returns (%)

|                 | 2009  | 2010  | 2011 | 2012  | 2013 | 2014 | 2015  | 2016  | 2017 | 2018 |
|-----------------|-------|-------|------|-------|------|------|-------|-------|------|------|
| A Shares at NAV | 65.71 | 12.66 | 3.05 | 10.53 | 5.62 | 0.69 | -1.84 | 12.67 | 4.87 | 0.12 |
| I Shares at NAV | 65.84 | 12.93 | 3.40 | 10.71 | 5.88 | 0.94 | -1.60 | 12.94 | 5.14 | 0.28 |
| Benchmark       | 51.62 | 10.13 | 1.52 | 9.66  | 5.29 | 1.60 | -0.69 | 10.16 | 4.12 | 0.44 |

Benchmark: S&P/LSTA Leveraged Loan Index<sup>4</sup>

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](http://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. Total return prior to the commencement of A and I Shares reflects returns of Eaton Vance Prime Rate Reserves, the Fund's Predecessor, adjusted, where indicated, to reflect applicable sales charges (but were not adjusted for other expenses). If adjusted for other expenses, returns would be lower. The minimum investment is \$1,000 for A Shares and \$250,000 for I Shares. Minimums may be waived in certain situations. Please see the prospectus for additional information.

<sup>†</sup>Class A and Class I Ratings: 3-year: 5 and 5 stars, respectively; 5-year: 5 and 5 stars, respectively; 10-year: 5 and 5 stars, respectively. The total number of funds in the Bank Loan category for the 3, 5, and 10 year periods are 219, 197, 81, respectively. Please see back page for more information regarding Morningstar Rating<sup>™</sup> methodology. <sup>1</sup>Diversification cannot ensure a profit or eliminate the risk of loss. <sup>2</sup>SEC 30-day yield is a standardized measure based on the estimated yield to maturity of a fund's investments over a 30-day period and is based on the maximum offer price at the date specified. The SEC 30-day yield is not based on the distributions made by the fund, which may differ. <sup>3</sup>Source: Fund prospectus. <sup>4</sup>S&P/LSTA Leveraged Loan 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.

**Credit Quality<sup>1</sup> (%)<sup>5</sup>**

|              |   |      |
|--------------|---|------|
| BBB          |  | 5.3  |
| BB           |  | 30.9 |
| B            |  | 56.5 |
| CCC or Lower |  | 3.6  |
| Not Rated    |  | 3.7  |

**Additional Data**

|                                       |           |
|---------------------------------------|-----------|
| Number of Loan Issuers                | 477       |
| Average Maturity                      | 5.09 yrs. |
| Average Duration                      | 0.23 yrs. |
| Average Price                         | \$97.22   |
| Leverage from Borrowings <sup>7</sup> | 20.16     |

**Top 10 Issuers (%)<sup>6</sup>**

|  |      |
|--|------|
| Valeant Pharmaceuticals International Inc. | 1.20 |
| Asurion LLC                                | 1.01 |
| TransDigm Inc.                             | 0.96 |
| Virgin Media Investment Holdings Limited   | 0.94 |
| Reynolds Group Holdings Inc.               | 0.93 |
| Infor (US) Inc.                            | 0.92 |
| Uber Technologies                          | 0.87 |
| Jaguar Holding Company II                  | 0.86 |
| CenturyLink Inc.                           | 0.83 |
| Kronos Incorporated                        | 0.81 |

**Top 10 Sectors (%)<sup>6</sup>**

|                                 |       |
|---------------------------------|-------|
| Electronics/Electrical          | 12.90 |
| Health Care                     | 8.97  |
| Business Equipment & Services   | 8.94  |
| Telecommunications              | 5.09  |
| Chemicals & Plastics            | 4.81  |
| Industrial Equipment            | 4.76  |
| Cable & Satellite Television    | 4.72  |
| Drugs                           | 3.86  |
| Lodging & Casinos               | 3.68  |
| Leisure Goods/Activities/Movies | 3.58  |

**Asset Mix (%)<sup>6</sup>**

|                     |       |
|---------------------|-------|
| Floating-Rate Loans | 92.55 |
| Other Net Assets    | 3.18  |
| Corporate Bonds     | 2.88  |
| Cash & Equivalents  | 1.39  |

**Your Management Team****Scott H. Page, CFA**

Vice President, Eaton Vance Management  
Joined Eaton Vance 1989  
Managed Fund since 2007

**Craig P. Russ**

Vice President, Eaton Vance Management  
Joined Eaton Vance 1997  
Managed Fund since 2007

**Andrew Sveen, CFA**

Vice President, Eaton Vance Management  
Joined Eaton Vance 1999  
Managed Fund since 2019



**About Risk:** 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. 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. Changes in the value of investments entered for hedging purposes may not match those of the position being hedged. The Fund is 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. 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.

<sup>1</sup>Credit ratings are categorized using S&P. 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. 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 are considered to be investment-grade quality. Credit ratings are based largely on the ratings 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 S&P.

<sup>\*</sup>The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. Star ratings do not reflect the effect of any applicable sales load. <sup>5</sup>Percent of bond holdings. <sup>6</sup>Percent of total assets. Portfolio profile subject to change due to active management. Percentages may not total 100% due to rounding. Fund invests in an affiliated investment company (Portfolio) with the same objective(s) and policies as the Fund. References to investments are to the Portfolio's holdings. <sup>7</sup>Leverage represents the liquidation value of the Fund's borrowings outstanding as a percentage of Fund net assets applicable to common shares plus borrowings outstanding. The Fund is required to maintain prescribed asset coverage for its borrowings, and may be required to reduce its leverage at an inopportune time if Fund asset values decline. <sup>\*\*</sup>The Thomson Reuters Lipper Fund Awards, granted annually, highlight funds and fund companies that have excelled in delivering consistently strong risk-adjusted performance relative to their peers. The Lipper Fund Awards are based on the Lipper Leader for Consistent Return rating, which is a risk-adjusted performance measure calculated over 36, 60, and 120 months. The fund with the highest Lipper Leader for Consistent Return (Effective Return) value in each eligible classification wins the Lipper Fund Award. For more information, see [www.lipperfundawards.com](http://www.lipperfundawards.com). Although Lipper makes reasonable efforts to ensure the accuracy and reliability of the data contained herein, the accuracy is not guaranteed by Lipper. Lipper Fund Awards from Refinitiv, ©2019 Refinitiv. All rights reserved. Used under license.

**Before investing, investors should consider carefully the investment objectives, risks, charges and expenses of a mutual fund. This and other important information is contained in the prospectus and summary prospectus, which can be obtained from a financial advisor. Prospective investors should read the prospectus carefully before investing.**