

# Muzinich LongShortCreditYield Fund

Muzinich & Co

## Hedged USD Accumulation NR Unit Class

March 2024

FOR ILLUSTRATIVE PURPOSES ONLY

Past performance is not indicative of future results. Source: Muzinich & Co. internal data.

### Investment Objective

The Fund seeks to generate consistent attractive returns on a risk-adjusted basis over a three to five year period.

### Fund Description

The Fund targets a dynamic portfolio of investments, directly and indirectly (through derivatives), primarily in high yield (sub investment grade) bonds. These bonds are mainly priced in US Dollars and issued by US and as well as by European and/or emerging market companies.

There is no guarantee that targets will be met. Please see the Key Fund Risks on page 2.

### Fund Facts

Fund Net Assets	\$ 305.15 million
Fund Currency	USD
Launch Date	18/06/2012
Distribution	-
SFDR Classification	Article 8
Subscriptions	Daily
Redemptions	Daily with 1 business day notice
Settlement	T + 3
Cut-off Time for Purchase / Sale	16:00 (Irish Time)
Domicile	Irish-Domiciled UCITS
	10% Performance Fee
Fees	Up to 3% for Subscriptions
Annual Admin. Fee	0.10%
Administrator	State Street Fund Services (Ireland) Ltd.

\* Securities portfolio only, excludes cash.

† Ratings shown reflect a blend of Moody's, Fitch and S&P or, where such is unavailable, Muzinich assigned rating but may not reflect the ratings regime used for the account's official guideline compliance calculations.

### Risk Measures

	3 Yrs	5 Yrs	SI <sup>†</sup>
Volatility (%)	2.79	3.05	2.47
Sharpe Ratio	-	-	-
Max Drawdown (%)	-6.89	-6.89	-6.89

SI<sup>†</sup> = since inception.

### Currency Breakdown (%)

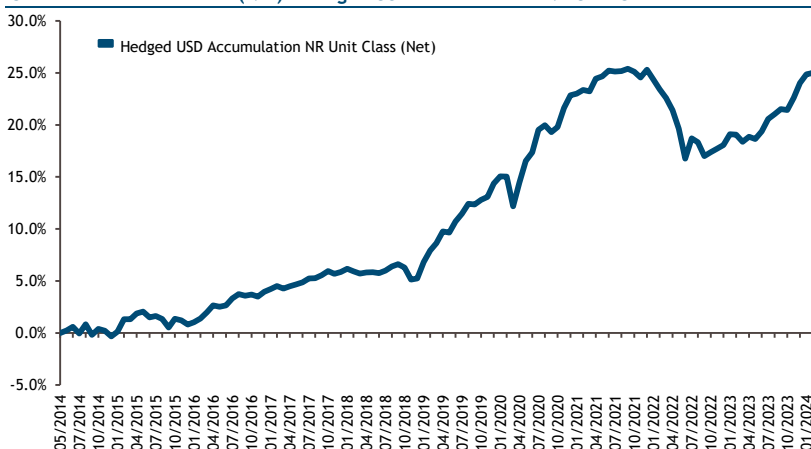
	Fund
USD	71.14
EUR	25.62
GBP	3.24

### Geographic Breakdown (%)

	Long	Short
US (United States)	67.54	-37.11
GB (United Kingdom)	6.35	-2.95
CA (Canada)	5.80	0.00
ES (Spain)	4.84	0.00
DE (Germany)	3.61	0.00
NL (Netherlands)	3.08	0.00
FR (France)	1.74	0.00
IT (Italy)	1.21	-0.67
LU (Luxembourg)	1.15	0.00
AU (Australia)	1.01	0.00

\* Geographic Diversification includes T-Bills.

### Cumulative Performance (Net) - Hedged USD Accumulation NR Unit Class



### 10 Largest Holdings by Issuer (%) (Long only)\*

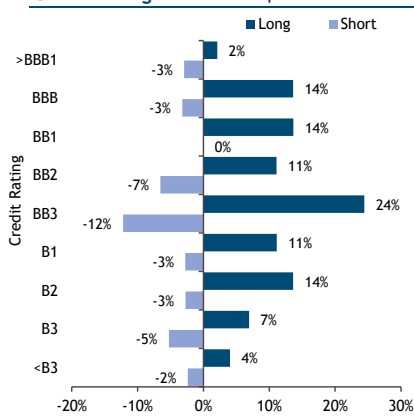
	Fund
Venture Global Lng Inc	2.61
Ford Motor Credit Co Llc	2.45
Credit Agricole Sa	2.23
Tempur Sealy Intl Inc	1.96
Intesa Sanpaolo Spa	1.94
Burford Capital Gbl Fin	1.92
Valaris Ltd	1.87
Energy Transfer Lp	1.65
Trivium Packaging Fin	1.62
Royal Caribbean Cruises	1.61

### 10 Largest Industries (%)\*

	Long	Short
Energy	20.24	-5.76
Banking	15.60	-2.95
Homebuilders/Real Estate	9.39	-2.32
Gaming	5.41	-2.11
Diversified Financial Services	5.07	0.00
Leisure	4.97	-1.64
Services	4.48	-1.66
Building Materials	4.18	-1.71
Containers	3.72	-0.64
Automotive & Auto Parts	3.52	-1.02

\* 10 Largest Industries includes T-Bills.

### Credit Rating Breakdown\*†



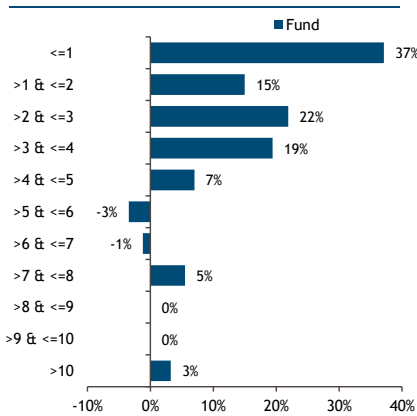
\* Credit Breakdown includes T-Bills.

### Fund & Strategy Exposure (%)

	Gross	Net
Long	92.51	92.51
Short	27.08	-27.08
Arbitrage	20.12	-3.88
Portfolio Level Hedges	31.95	-13.97
CDX	5.04	-5.04
Cash***	3.01	3.01

\*\*\*Cash excludes T-bills

### Duration Distribution\*



\* Duration Distribution excludes T-Bills.

### Asset Class Exposure (%)

	Gross	Net
Investment Grade Corporates	21.88	9.54
High Yield	116.72	53.12
Credit Default Swaps	2.75	-2.75
CDX	5.04	-5.04
CDX Options	17.32	-6.51
Equity	7.94	-0.77
Index TRS	0.00	0.00
T-Bills	0.00	0.00

All data as of 31/03/2024. Fund characteristics and holdings are provided for illustrative purposes only and are subject to change, not to be construed as investment advice or an invitation to engage in any investment activity. See Important Information and Glossary at the end of this document. Breakdowns may not total to 100.00% due to the effects of rounding. All calculations relating to the Fund are based on Muzinich & Co. internal calculations.

# Muzinich LongShortCreditYield Fund

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## Hedged USD Accumulation NR Unit Class

March 2024

### Share Class Details

Fund Class	NAV	ISIN	Valor	Min. Invest.	Inception	Admin. Fee	Mgmt. Fee	OCF	Countries of Registration
Hedged USD Accumulation NR	125.88	IE00BF8H6P48	22586641	\$ 1,000	15 May 2014	0.05%	1.50%	1.80%	DE,CH,LU,AT,FR,IT,UK,IE,SG,BE ES

In addition to the fees listed, all unit classes bear a 10% of profits Performance Fee.

### Share Class NET Performance (%)\*\*

Fund Class	1 Mth	1 Yr	3 Yrs	5 Yrs	SI <sup>1</sup>	YTD <sup>^</sup>	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Hedged USD Accumulation NR	0.70	6.34	0.71	2.99	2.36	1.50	8.67	-	1.13	3.13	1.84	-0.60	8.67	7.43	1.99	-5.79	5.05

\*\*All data over 12 months is annualised. Past performance is not an indication of future returns. SI<sup>1</sup> = since inception. YTD<sup>^</sup> = year to date. Source: Muzinich & Co. internal data.

### Fund Information

Average Credit Rating*‡	BB3
Average Coupon (%)*	7.76
Yield to Worst (%), EUR hedged <sup>1</sup>	6.25
Yield to Maturity (%), EUR hedged <sup>1</sup>	6.62
Average Duration*	1.47
Cash Position (%)	3.01
No. of Sectors*	32
No. of Issuers / Issues	158/190
% of Top 10 Issuers	19.84

\* Securities portfolio only, excludes cash. All data as of 31/03/2024. All calculations in Fund Information are based on internal Muzinich & Co. calculations.

<sup>1</sup> Please see Notes section for further information on currency hedging.

### Administrative Notes

The Sustainable Finance Disclosure Regulation (SFDR) classification relates to Regulation (EU) 2019/2088 whereby an investment product classified as: Article 9 has sustainable investment as its objective; Article 8 is promoted on the basis of certain environmental or social characteristics; or Article 6 does not incorporate sustainability into the investment process.

The current Muzinich Funds Prospectus is available at [www.muzinich.com](http://www.muzinich.com), and at [www.fundinfo.com](http://www.fundinfo.com).

‡ Ratings shown reflect a blend of Moody's, Fitch and S&P or, where such is unavailable, Muzinich assigned rating but may not reflect the ratings regime used for the account's official guideline compliance calculations.

#### US

450 Park Avenue  
New York, NY 10022  
P: +1 212 888 3413

#### UK - London

8 Hanover Street  
London, W1S 1YQ  
P: +44 (0) 207 612 8760

#### UK - Manchester

No. 1 Spinningfields  
Quay Street  
Manchester, M3 3JE  
P: +44 (0) 161 509 1561

#### France

37/39 avenue de Friedland  
75008 Paris  
P: +33 (0) 1 7306 3700

#### Germany

Neue Mainzer Strasse 20  
60311 Frankfurt am Main  
P: +49 (0) 69 153 25 70 0

#### Ireland

16 Fitzwilliam Street Upper  
Dublin 2  
P: +353 (1) 683 4300

#### Italy

Via Senato 12  
20121 Milan  
P: +39 02 83 42 73 00

#### Singapore

Six Battery Road, #26-05  
Singapore 049909  
P: +65 6983 7200

#### Spain

Paseo Eduardo Dato, 18  
28010 Madrid  
P: +34 91 084 8895

#### Switzerland - Geneva

2nd Floor, Passage des Lions, 6  
1204 Geneva  
P: +41 22 545 17 00

#### Switzerland - Zurich

Tödi Strasse 5  
8002 Zurich  
P: +41 44 218 14 14

### Key Fund Risks

**Credit Risk:** Issuers of bonds, loans and other fixed income investments ("Investments") held in the portfolio may default on their obligations or have their credit rating downgraded, possibly resulting in a temporary or permanent decrease in the value of those Investments. Investments in the portfolio may be below investment grade, meaning that they may produce a higher level of income but also carry greater risk of default than higher-rated Investments.

**Liquidity Risk:** The Fund may face difficulties in purchasing or selling its assets, although it endeavors to invest in liquid securities.

**Interest Rate Risk:** Fixed-rate bonds held in the Fund may fall in price with an increase in the prevailing level of interest rates in the economy. This risk usually decreases for bonds of lower rating and shorter durations.

**Currency Risk:** Fluctuations in exchange rates may cause the value of your investment to rise or fall. This unit class may be exposed to currencies other than the one in which the unit class is denominated. Although the Manager endeavours to protect the Fund against currency risk, such hedging, achieved through derivatives (see "Derivative Risk" below), is at the Manager's discretion and it may not be possible or practical to protect against all currency risk.

**Derivative Risk:** The Fund may use derivative instruments in order to meet its investment objectives. This may result in gains or losses that are greater than the original amount invested. The Fund may also use derivatives to protect against potential risks as described under the other headings in this section. Derivative instruments may rise or fall in price or may be subject to risk of non-payment or non-delivery by a counterparty. There is no guarantee that derivatives will provide the anticipated protection.

**Operational Risk:** Operational processes, including those relating to the safekeeping of assets, may fail, resulting in losses.

**Leverage Risk and Shorting Risk:** The Fund may engage in leverage or shorting through financial derivative instruments for investment purposes or as part of a hedging strategy. Use of leverage can magnify both gains and losses in a portfolio, while shorting can reduce portfolio gains in a rising market.

Additional information about these and other risks may be found in the prospectus and supplement for the Fund, both of which are available at [www.muzinich.com](http://www.muzinich.com) and [www.fundinfo.com](http://www.fundinfo.com).

### Glossary of Terms

- **Credit Default Swaps (CDS)** - An insurance contract, whereby the risk of a third party being unable to pay a debt is 'swapped' for payment of regular premiums. In return for these premiums, the seller of the CDS pays off the buyer if the third party defaults.
- **Credit rating** - An independent assessment of a borrower's ability to repay its debts. A high rating indicates that the credit rating agency considers the issuer to be at low risk of default; likewise, a low rating indicates high risk of default. (Standard & Poors, Fitch and Moody's are the three most prominent credit rating agencies.)
- **Distribution** - Income Units will distribute interest income earned after the deduction of expenses. Calculated at the end of every month stated.
- **Duration** - A measure of the sensitivity of a bond or bond fund to changes in interest rates. The longer a bond or bond fund's duration, the more sensitive it is to interest rate movements.
- **Duration to worst** - Denotes how sensitive a bond is to changes in the general interest rate environment with shorter durations denoting less sensitivity. It is calculated assuming a bond will be repaid at the date most advantageous to the issuer even if that occurs before the bond's stated maturity date.
- **High yield bonds** - Bonds with a low credit rating from a recognised credit rating agency. They are considered to be at higher risk of default than better quality, ie, higher-rated bonds, but have the potential for higher rewards.
- **Index** - An index represents a particular market or a portion of it, serving as a performance indicator for that market.
- **Long** - Means holding or buying an asset in the expectation that the asset will increase in value.
- **Maturity** - The date at which a loan or bond is contracted to be repaid (also known as redemption).
- **NAV** - Net Asset Value per Unit.
- **OCF (Ongoing Charges Figure)** - It is a measure of the total cost of a fund to the investor. Total costs may include various fees (purchase, redemption, auditing) and other expenses. The OCF is calculated by dividing the total annual cost by the fund's total assets averaged over that year, and is denoted as a percentage.
- **Settlement** - transactions will be effected by the specified number of working days after it is submitted.
- **Short** - Means selling an asset that you don't own in the expectation that its price will fall and you can buy it back later at a lower price.
- **Yield to Worst** - The lowest potential yield that an investor can expect to receive from a bond. Yield to Worst may be the same as the yield to maturity but it will never be higher.

### Important Information

Past performance is not indicative of future results. The value of investments and the income from them may fall as well as rise and is not guaranteed and investors may not get back the full amount invested. Where references are made to portfolio guidelines or features, these may be subject to change over time and prevailing market conditions. Any research in this document has been obtained and may have been acted on by Muzinich for its own purpose. The results of such research are being made available for information purposes and no assurances are made as to their accuracy. Opinions and statements of financial market trends that are based on market conditions constitute our judgment and this judgment may prove to be wrong. The views and opinions expressed should not be construed as an offer to buy or sell or invitation to engage in any investment activity, they are for information purposes only. This document is not intended to constitute an offering or placement, or the solicitation of an offer to subscribe for, units or shares in any fund, in any jurisdiction. Any such offering or placement, if made, would be made only by way of a formal offering document and only in jurisdictions in which such an offering or placement would be lawful. Such offering document will contain important information concerning risk factors and other material information. An investment into a fund may expose a person accepted as an investor in such fund to a significant risk of losing some or all of the amount invested. The prices of fixed income securities fluctuate in response to perceptions of the issuer's creditworthiness and also tend to vary inversely with market interest rates. The value of such securities is likely to decline in times of rising interest rates. Conversely, when rates fall, the value of these investments is likely to rise. Typically, the longer the time to maturity the greater are such variations. A Fund investing in fixed income securities will be subject to credit risk (i.e. the risk that an issuer of securities will be unable or unwilling to pay principal and interest when due, or that the value of a security will suffer because investors believe the issuer is less able or willing to pay). Diversification does not guarantee protection from loss.

Please note that investment is subject to documentation, including but not limited to the Prospectus and Key Investor Information Document (KIID) which contain a comprehensive disclosure of applicable risks. Investors in the UK should also access the Muzinich Supplemental Information Document ('SID'). Each of these documents is available in English at [www.Muzinich.com](http://www.Muzinich.com), together with the Fund's annual and semi-annual reports. KIIDs are available by share class in each language required in the countries in which the share classes are registered. A complete listing of these KIIDs and the KIIDs themselves are also available at [www.Muzinich.com](http://www.Muzinich.com). Investors should confer with their independent financial, legal or tax advisors.

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For Switzerland -

In English: The prospectus (edition for Switzerland), the Key Investor Information Documents, the Trust Deed, the annual and semi-annual report, in French and further information can be obtained free of charge from the representative in Switzerland: REYL & Cie S.A., 4, rue du Rhône, CH-1204 Genève, Suisse, Internet: [www.reyl.com](http://www.reyl.com). The Swiss paying agent is: Banque Cantonale de Genève, 17, quai de l'Île, CH-1204 Geneva, Switzerland. The last unit prices can be found on [www.fundinfo.com](http://www.fundinfo.com). The performance data does not take into account the commissions and costs incurred on the issue and the redemption of units. These performance numbers refer to the past. Past performance is not a reliable indicator of future results. The Total Expense Ratio for the Muzinich LongShortCreditYield Fund Hedged USD Accumulation E Unit Class was 0.84% (as of April 2020).

In German: Der Prospekt (Ausgabe für die Schweiz), die wesentlichen Informationen für den Anleger, die Trusturkunde, sowie die jährlichen und halbjährlichen Berichte, (in Französisch) und weitere Informationen sind kostenlos beim Vertreter in der Schweiz erhältlich: REYL & Cie S.A., 4, rue du Rhône, CH-1204 Genève, Suisse, Internet: [www.reyl.com](http://www.reyl.com). Zahlstelle in der Schweiz ist Banque Cantonale de Genève, 17, quai de l'Île, CH-1204 Genf, Schweiz. -

Note on currency hedging: Currency exposure can introduce significant risk to an international bond allocation; hedging that risk can reduce that volatility over time. Hedging currency, however, produces a return - positive or negative - that is distinct from currency return and the return of an investment's underlying bonds. This "hedged return" is part of the investor's total return, and it effectively replaces the currency return. The hedged yield may therefore differ materially from the local currency yield.