

Muzinich European Credit Alpha Fund

Muzinich & Co

Hedged Euro Accumulation Founder

January 2024

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Fund Summary

The Fund seeks to generate consistent, attractive returns on a risk-adjusted basis over a three-to-five year period. 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 EUR and issued by European, US and/or emerging market companies.

Unit Class Details

ISIN	IE00BF4K8391
Bloomberg Ticker	MECHEAF ID
Valor	-
NAV	€ 124.94
Inception	31/10/2017
Minimum Investment	€ 100 mn
Management Fee	0.35%
Ongoing Charges Figure	0.54%
Countries of Registration	DE,CH,LU,AT,FR,ES,IT, UK,IE,SG,SE,FI

Portfolio Management

Thomas Samson - Lead PM, Jamie Cane - PM

Fund Facts

Fund Size	€ 339.75 mn
Fund Inception	31/10/2017
Dealing	Daily
Settlement	T + 3
Domicile	Irish-Domiciled UCITS
SFDR Classification	Article 8
Fees	20 % Performance Fee over a 3% Hurdle Rate

Fund Characteristics

Average Credit Rating	BB2
Duration to Worst ¹	2.40
Yield to Worst (%), EUR hedged ²	5.09
Yield to Maturity (%), EUR hedged ²	5.46
Cash Position (%)	3.68
No. of Sectors	29
No. of Issuers / Issues	170 / 222

¹ DTW includes Government Bond Futures

² Please see Notes section for further information on currency hedging

Risk Measures

	3 Yrs	5 Yrs	SI
Volatility (%)	6.35	-	7.06
Sharpe Ratio	0.46	-	0.70
Max Drawdown (%)	-11.51	-	-11.51

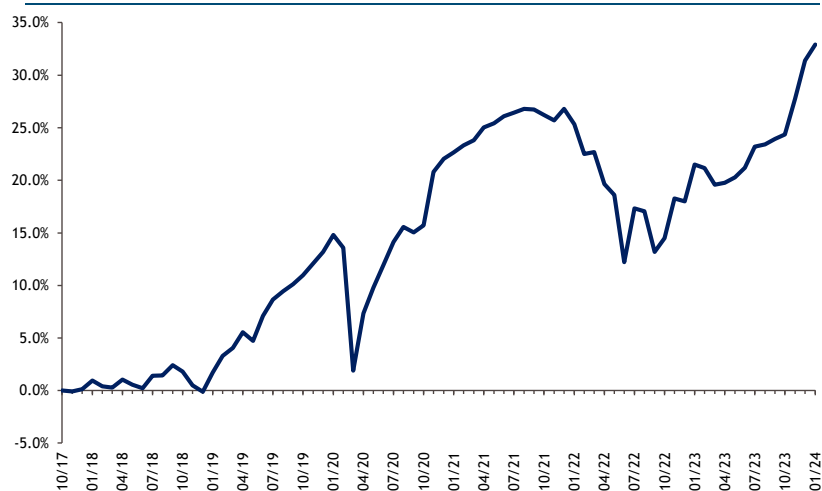
Currency Breakdown (%)

	Fund
EUR	103.97
GBP	11.98
USD	-15.94

Geographic Diversification (%)

	Long	Short
GB (United Kingdom)	19.37	-14.71
FR (France)	18.01	-6.81
DE (Germany)	14.68	-2.51
IT (Italy)	12.68	-13.31
ES (Spain)	10.34	-2.50
LU (Luxembourg)	7.58	-1.17
NL (Netherlands)	7.18	-5.32
CH (Switzerland)	4.95	0.00
SE (Sweden)	3.13	-0.53
US (United States)	2.43	-1.70

Performance

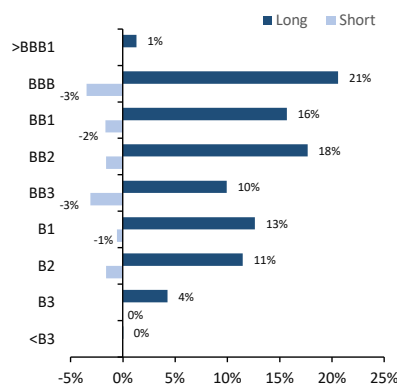


The Fund (Gross) returns represent the Gross returns of the Hedged Euro Accumulation Founder class, which is not open to new investors but is being used here as it is the longest running unit class shown on this factsheet. See Page 2 for additional Performance Information. All data over 12 months is annualised. Gross performance does not account for the effect of commissions, fees and other charges associated with investment in the Fund, which would reduce the values depicted. Past performance is not an indication of future returns. Source: Muzinich & Co.

10 Largest Holdings by Issuer (%) (Long only)

	Fund
Telefonica Europe Bv	1.90
Vz Vendor Financing	1.72
Rci Banque Sa	1.61
Telecom Italia Spa	1.49
Allianz Se	1.34
Ford Motor Credit Co Llc	1.32
Eurofins Scientific Se	1.29
Virgin Money Uk Plc	1.29
Iceland Bondco Plc	1.27
Electricite De France Sa	1.25

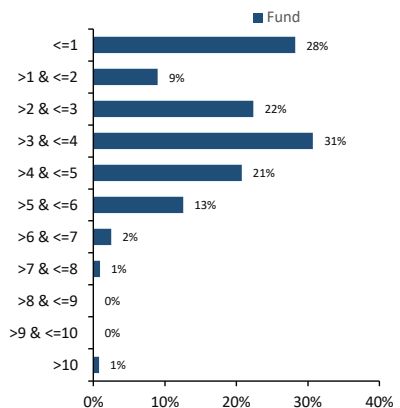
Credit Breakdown (%)



10 Largest Industries (%)

	Long	Short
Banking	34.13	-19.73
Telecommunications	17.72	-5.90
Automotive & Auto Parts	8.47	-0.44
Services	7.77	0.00
Healthcare	7.53	-1.49
Diversified Financial Services	6.43	-1.27
Homebuilders/Real Estate	6.10	-0.53
Insurance	5.79	0.00
Gaming	2.99	0.00
Energy	2.96	-2.42

Duration Distribution



Fund & Strategy Exposure (%) *

	Gross	Net
Core Long	86.49	86.49
Cash Alternatives	0.00	0.00
Arbitrage	96.45	-8.30
Portfolio Overlay **	87.67	-65.94
Short	0.00	0.00

* Gross is the addition of long positions and short.

** Portfolio Overlay is Delta adjusted.

Asset Class Exposure (%) *

	Gross	Net
Investment Grade Corporates	25.35	18.43
High Yield	80.16	63.12
Government Bond Futures	3.21	0.22
Equity (Inc Options)	11.24	-3.06
CDX Options	16.78	-3.00
CDX Tranche	2.94	2.94
CDX	66.56	-48.70
Index TRS	0.00	0.00
Credit Default Swaps	64.36	-17.69
Government Notes	0.00	0.00

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Unit Class Details

Unit Class	NAV	ISIN	Inception Date	Admin. Fee	Mgmt. Fee	OCF	Countries of Registration
Hedged EUR Accumulation Founder	124.94	IE00BF4K8391	31 Oct 17	0.05%	0.35%	0.54%	IE,UK,CH,SG,FR,LU,BE,DE,IT,AT,FI,SE
Hedged EUR Accumulation NX	131.45	IE00BYWRTJ81	22 Nov 17	0.05%	0.00%	0.19%	IE,CH,SG
Hedged EUR Accumulation NH	121.46	IE00BYWRTK96	13 Apr 18	0.05%	0.65%	0.83%	IE,UK,CH,SG,ES,NL,DE,FR,BE,AT
Hedged EUR Accumulation NP	117.08	IE00BDFKF338	07 Dec 18	0.05%	1.80%	1.98%	IE,CH,SG
Hedged EUR Income NG Units	108.77	IE00BHTCZP54	01 Feb 19	0.05%	0.65%	0.54%	IE,CH,IT,SG
Hedged USD Accumulation NH	133.54	IE00BJ2KPP06	25 Jan 19	0.05%	0.65%	0.83%	IE,CH,DE,SG
Hedged EUR Accumulation NR	111.17	IE00BDFKF445	30 Aug 19	0.05%	1.50%	1.68%	IE,CH,SG,DE
Hedged EUR Accumulation NS	117.99	IE00BKSBG069	17 Apr 20	0.05%	0.55%	0.74%	IE,CH,IT,SG,ES,FR,BE,DE
Hedged SEK Accumulation NS	115.00	IE00BM957P32	12 Jun 20	0.05%	0.55%	0.73%	IE,CH,IT,SG

Unit Class NET Performance (%) **

Unit Class	1 Mth	3 Mths	1 Yr	3 yrs	5 yrs	Since Inception	Year to Date	2019	2020	2021	2022	2023
Hedged EUR Accumulation Founder	1.10	6.70	8.78	2.13	4.43	3.63	1.10	11.11	6.38	3.21	-7.43	10.72
Hedged EUR Accumulation NX	1.13	6.80	9.16	2.57	5.34	4.52	1.13	13.03	7.70	3.91	-7.11	11.11
Hedged EUR Accumulation NH	1.07	6.62	8.45	1.61	3.95	3.41	1.07	10.61	6.06	2.21	-7.70	10.39
Hedged EUR Accumulation NP	0.97	6.32	7.21	0.66	2.94	3.11	0.97	9.30	5.00	1.56	-8.77	9.13
Hedged EUR Income NG Units	1.11	6.71	8.78	2.15	4.57	4.57	1.11	-	6.66	3.33	-7.44	10.72
Hedged USD Accumulation NH	0.98	6.90	10.33	3.44	5.86	5.93	0.98	11.52	7.72	3.62	-5.72	12.69
Hedged EUR Accumulation NR	1.00	6.39	7.52	1.00	-	2.43	1.00	-	5.07	2.16	-8.49	9.46
Hedged EUR Accumulation NS	1.08	6.65	8.56	1.79	-	4.46	1.08	-	-	2.65	-7.63	10.51
Hedged SEK Accumulation NS	1.08	6.54	8.59	2.20	-	3.92	1.08	-	-	3.41	-7.22	10.57

**All data over 12 months is annualised. Past performance is not an indication of future returns.

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.

Notes

For the Muzinich Funds Prospectus and Key Investor Information Document (KIID) or Key Information Document (KID) go to www.muzinich.com.

All data as of 31/01/2024. All calculations in Fund Characteristics are based on internal Muzinich & Co. calculations. SI = since inception. YTD = year to date. If held, Government Bond Futures, Index TRS, CDS Indices, CDS Tranche, and CDS Index Options are only included in the portfolio breakdowns: Fund & Strategy Exposure, and Asset Class Exposure.

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. Duration Distribution, Credit Breakdown, 10 Largest Industries, Geographic Diversification, Currency Breakdown, Asset Class Exposure, Fund & Strategy Exposure and Fund Information includes securities portfolio only, excluding cash. Cash position is shown on a trade date basis.

In addition to the fees listed, all unit classes bear a 20% of profits Performance Fee. Please see page 1 for information on management fees and ongoing charges figure.

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.

Important Information

For professional clients and, in Switzerland and Singapore, for qualified investors only. Before subscribing investors should read the most recent Prospectus, financial reports and KIID / KID which contain a comprehensive disclosure of applicable risks. Past performance is not a reliable indicator 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. The views, opinions expressed and Fund characteristics should not be construed as an offer to buy or sell or invitation to engage in any investment activity and are subject to change. Investors in the UK should also access the Muzinich Supplemental Information Document (SID). Investors should confer with their independent financial, legal or tax advisors.

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For Switzerland - the prospectus (edition for Switzerland), the KIID, the Trust Deed, the annual and semi-annual report and further information can be obtained free of charge (in English, French or German) from the representative in Switzerland: Carnegie Fund Services S.A., 11, rue du Général-Dufour, CH-1204 Geneva, Switzerland, tel.: + 41 22 7051177, fax: + 41 22 7051179, web: www.carnegie-fund-services.ch. 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.

For Singapore - the Fund is a restricted scheme under the Sixth Schedule to the Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulations of Singapore. No offer of the units in the Fund for subscription or purchase (or invitation to subscribe for or purchase the units) may be made, and no document or other material relating to the offer of units may be circulated or distributed, whether directly or indirectly, to any person in Singapore other than to: (i) "institutional investors" pursuant to Section 304 of the Securities and Futures Act of Singapore (the "Act"), (ii) "relevant persons" pursuant to section 305(1) of the Act, (iii) persons who meet the requirements of an offer made pursuant to Section 305(2) of the Act, or (iv) pursuant to, and in accordance with the conditions of, other applicable provisions of the Act. The offer, holding and subsequent transfer of units are subject to restrictions and conditions under the Act.

The Fund is not managed against a particular benchmark or index unless otherwise stated in the relevant KIID / KID or prospectus. Any reference to a benchmark or index in this document is purely for risk/performance comparison purposes.

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