

# Muzinich Global High Yield Low Carbon Credit Fund<sup>x</sup>

## Hedged EUR Accumulation R Unit Class



Muzinich & Co

31 January 2024

This is a marketing communication. Please refer to the prospectus and the KIID/KID before making any final investment decisions.

### Fund Summary

The Fund seeks to generate attractive returns and protect capital by investing in debt instruments that meet the Fund's ESG criteria while seeking to meet its sustainable objective of assisting in the transition to a low carbon economy.

<sup>x</sup> The Fund name was changed from the Muzinich Global High Yield Fund to the Muzinich Global High Yield Low Carbon Credit Fund on February 16th, 2022.

### Reference Index †

ICE BofAML Global High Yield Constrained Index (HWOC) - EUR Hedged.

† The Reference Index used by the Fund does not take account of ESG factors and is therefore not consistent with the Fund's sustainable investment objective. The Reference Index is for comparative purposes only.

### Fund Facts

Fund Net Assets	\$ 150.02 million
Fund Currency	USD
Average Credit Rating *‡	BB3
Yield to Worst (%) <sup>*</sup>	6.59
Duration to Worst	3.22
Launch Date	25/07/2003
Distribution	-
Dealing	Daily
Settlement	T + 3
SFDR Classification <sup>1</sup>	Article 8
Cut-off Time for Purchase / Sale	16:00 (Irish Time)
Domicile	Irish-Domiciled UCITS
Administrator	State Street Fund Services (Ireland) Ltd.

### Unit Class Details

ISIN	IE00B07RXZ94
Bloomberg Ticker	MUZTHER ID
Valor	2359493
NAV	€ 296.16
Inception	01/12/2005
Minimum Investment	€ 1,000
Subscription Fee	Maximum 3%
Management Fee	1.50%
Ongoing Charges Figure	1.72%
Countries of Registration	DE,CH,LU,FR,ES,IT,NL,IE,SG,BE,PT,FI,NO,DK,AT

<sup>\*</sup> Securities portfolio only, excludes cash.

<sup>1</sup> 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.

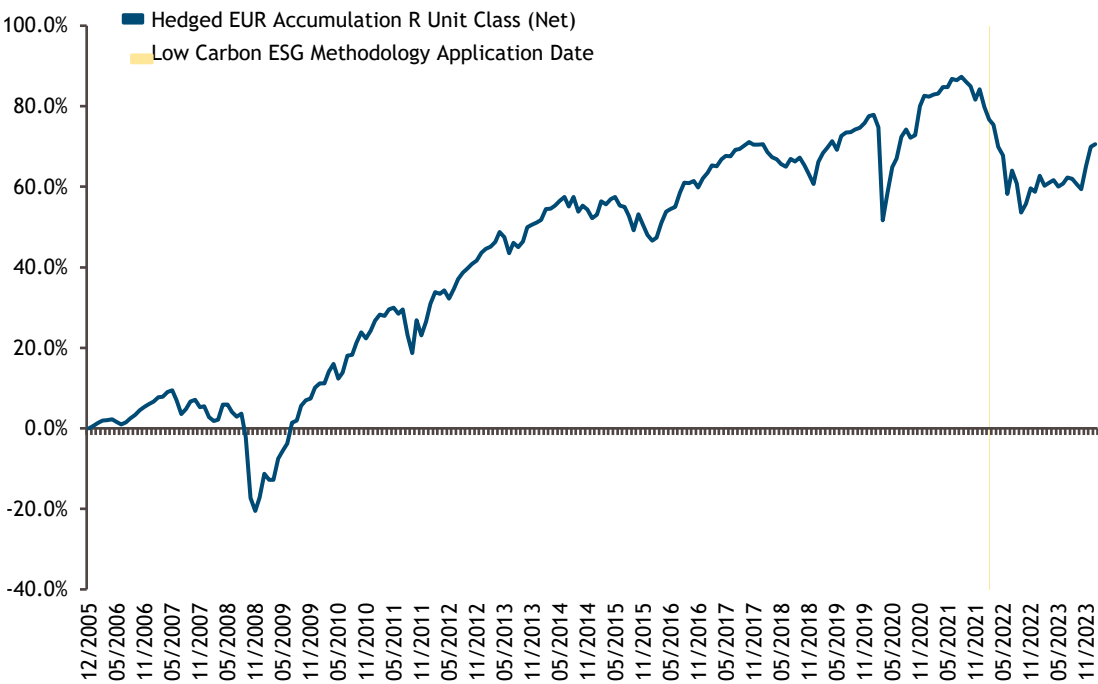
<sup>2</sup> Muzinich's historical subscription fee is 0%

‡ Ratings shown reflect a blend of Moody's, S&P and Fitch ratings (or, where such is unavailable, Muzinich generally assigns a rating). Where Muzinich does not assign a rating, such fixed income holding is considered not rated. Such methodology may not reflect the ratings regime used for the fund's official investment guidelines. If held, equities, derivatives and pooled investments such as ETFs and mutual funds are excluded.

**Capital at risk.** The value of investments and the income from them may fall as well as rise and is not guaranteed. Investors may not get back the full amount invested.

Past performance is not a reliable indicator of current or future results.

### Cumulative Performance (Net) - Hedged EUR Accumulation R Unit Class



Performance (%)	1 Mth	3 Mths	YTD <sup>^</sup>	1 Yr	3 Yrs	5 Yrs	SI <sup>o</sup>
Fund (Net)	0.32	6.96	0.32	4.76	-2.21	0.52	2.98

Calendar Year (%)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Fund (Net)	5.26	0.69	-2.77	9.56	5.16	-5.74	10.50	2.81	0.91	-13.82	7.05

All data over 12 months is annualised. NET performance is net of all Fund Manager and Administrative Charges as well as of all expenses. The base currency of the Fund is US Dollar. Returns may increase or decrease as a result of currency fluctuations. SI<sup>o</sup> = since inception. YTD<sup>^</sup> = year to date.

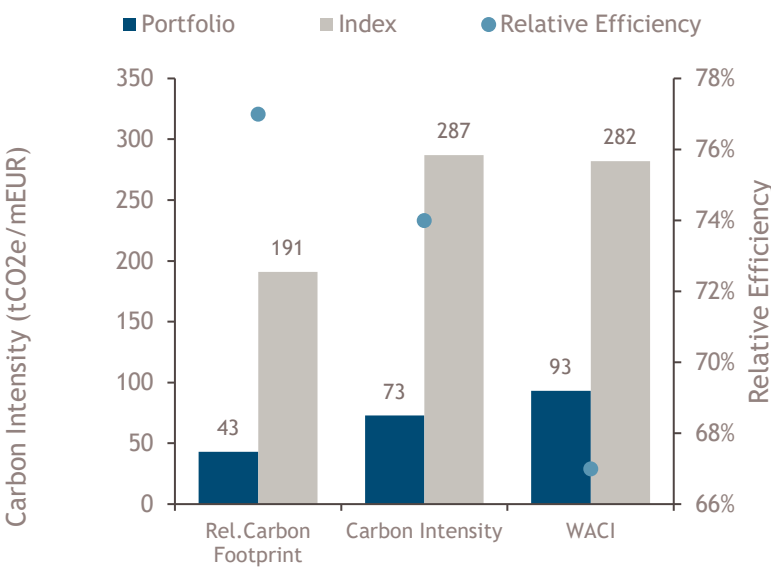
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## Portfolio Carbon Intensity Overview <sup>†</sup>



## ESG Score Breakdown <sup>†</sup>

ESG Score	ESG Risk	Fund	Index
>=0 & <10	Negligible	5.14	2.10
>=10 & <20	Low	33.19	28.29
>=20 & <30	Medium	36.84	35.08
>=30 & <40	High	11.32	19.42
>=40	Severe	0.00	8.28
Cash & T-Bills		0.00	0.00
Not scored		9.13	6.83

The Portfolio Carbon Intensity Metrics show: Carbon Footprint: Tons of CO2 emitted per USD million invested. Carbon Intensity: Tons of CO2 emitted per underlying position's USD million revenues. WACI: Weighted average tons of CO2 emitted per USD million invested. Source: ISS ESG Data as of 45322. The ESG Score Breakdown shows the weighted breakdown of Fund and Index holdings by ESG Risk Rating as based on Sustainalytics' assessment as of 45322. See Administrative Notes section for further information.

## 10 Largest Holdings by Issuer (%)<sup>†</sup>

	Fund
Charter Communications Operating LLC	1.69
Vmed O2 Uk Finan	1.43
Ephios Subco Sarl	1.35
Eurofins Scientific Se	1.25
Royal Caribbean Cruises	1.23
Ziggo BV	1.23
Lottomatica Spa/roma	1.22
Vodafone Internat Financ	1.20
Zf Na Capital	1.17
Cirsa Finance Inter	1.16

## 10 Largest Industries (%)<sup>\*†</sup>

	Fund	Index
Gaming	11.60	3.08
Telecommunications	10.95	7.03
Banking	9.88	5.31
Services	7.02	5.08
Healthcare	6.95	7.10
Homebuilders/Real Estate	5.72	5.55
Diversified Financial Services	5.39	5.31
Automotive & Auto Parts	4.62	3.18
Transportation Excluding Air/Rail	4.32	1.31
Leisure	4.32	2.33

## Credit Rating Breakdown (%)<sup>\*††</sup>

	Fund	Index
Investment Grade	6.56	0.00
High Yield	93.44	100.00

## Geographic Breakdown (%)<sup>\*†</sup>

	Fund	Index
US & Canada	40.48	58.64
Europe	37.47	24.20
Other	22.06	17.16

## Duration Distribution (%)<sup>\*†</sup>

	Fund	Index
<=1	9.48	3.72
>1 & <=5	78.34	81.22
>5 & <=10	12.18	13.83
>10	0.00	1.23

\* Securities portfolio only, excludes cash.

† See Page 1 for a description of the Rating Methodology. † See Page 1 for important information regarding the Reference Index.

All data as of 31/01/2024. Fund characteristics and holdings are provided for illustrative purposes only and are subject to change, not to be construed as investment advice or

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## Administrative Notes

The Fund name was changed from the Muzinich Global High Yield Fund to the Muzinich Global High Yield Low Carbon Credit Fund on February 16th, 2022. In addition, the strategy and investment objective for this fund was also changed on February 16th, 2022. The Fund must have a weighted average carbon intensity at least 40% lower than that of the stated reference index. The Fund does not invest in companies deemed to be non-compliant with the principles of the United Nations Global Compact. The Fund does not invest in companies involved in the production of controversial weapons, or with material exposure to the production of tobacco products, extraction of fossil fuels, or production of energy from thermal coal. The Fund also does not invest in companies considered to have a “severe” rating as per the Investment Manager’s ESG scoring system.

Muzinich SFDR Disclosures can be found here: <https://www.muzinich.com/marketing/sfdr> Fund disclosures comply with Regulation (EU) 2019/2088 (SFDR) although are not prepared in a way that also meets the specific criteria contained in AMF Position/Recommendation DOC-2020-03 and therefore these marketing materials are required to disclose that investors should note that, relative to the expectations of the Autorité des Marchés Financiers, the Muzinich Sustainable Credit Fund presents disproportionate communication on the consideration of non-financial criteria in its investment policy.

Currency Hedging Risk: 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.

## 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.

## Key Fund Risks

Sustainability Risk: Consideration of Sustainability Risks in the investment process may result in the avoidance or exclusion of certain securities and the Fund might underperform or outperform a fund that does not consider such 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: Risk that the Fund may face difficulties in purchasing or selling its assets, although it endeavors to invest in liquid securities.

Interest Rate Risk: Risk that 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 duration-to-worst.

Currency Risk: Risk that the Fund may invest in multiple currencies or may have investors subscribe in multiple currencies which may fluctuate in value relative to each other. Additionally, the risk that this unit class may be exposed to currencies other than the one in which the unit class is denominated. Although the Manager endeavors to protect the Fund against currency risk, such hedging, achieved through derivative instruments (see “Derivative Risk” below), is at the Manager’s discretion and it may not be possible or practical to protect the Fund or individual unit classes against all currency risk.

Derivative Risk: Risk that the Fund may use derivative instruments to protect against perceived 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: Risk that operational processes, including those relating to the safekeeping of assets, may fail, resulting in losses.

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).

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### 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: 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](http://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](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 Global High Yield Low Carbon Credit FundHedged EUR Accumulation R Unit Class was 1.72% (as of December 2023).

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: Carnegie Fund Services S.A., 11, rue du Général-Dufour, CH-1204 Genf, Schweiz, Tel.: + 41 22 7051177, Fax: + 41 22 7051179, Web: [www.carnegie-fund-services.ch](http://www.carnegie-fund-services.ch). Zahlstelle in der Schweiz ist Banque Cantonale de Genève, 17, quai de l'Île, CH-1204 Genf, Schweiz. -

#### Reference Index Description

The ICE BofA ML BB-B Global Non-Financial High Yield Constrained Index contains all securities in The ICE BofA ML Global High Yield Index (HW00) of non-financial issuers rated BB1 through B3, inclusive, but caps issuer exposure at 2%.

The reference index used by the Fund does not take account of ESG factors and is therefore not consistent with the Fund's sustainable investment objective.