Yield is Back in Public Fixed Income

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Speaker

Bryan Petermann

Co-Portfolio Manager – US High Yield
34 years of corporate credit experience

Bryan joined Muzinich in 2010. He is a Portfolio Manager, a member of the firm's Investment Committee and a PM for the Americayield, Developed Markets High Yield and US High Yield Corporate Bond Funds. Prior to joining Muzinich, Bryan was with PineBridge Investments (formerly AIG Investments) where he served as Managing Director, Head of high yield for the last five years of his tenure. Previously, Bryan started his career in the banking sector, working in the media and cable groups at the Union Bank of California and Banque Paribas as well as participated in the start of Société Générale's cable and media group. Bryan earned a B.A. from the University of California, Los Angeles, where he was a Phi Beta Kappa scholar, and an M.B.A. from the University of California, Berkeley.

What is High Yield?

What is High Yield?

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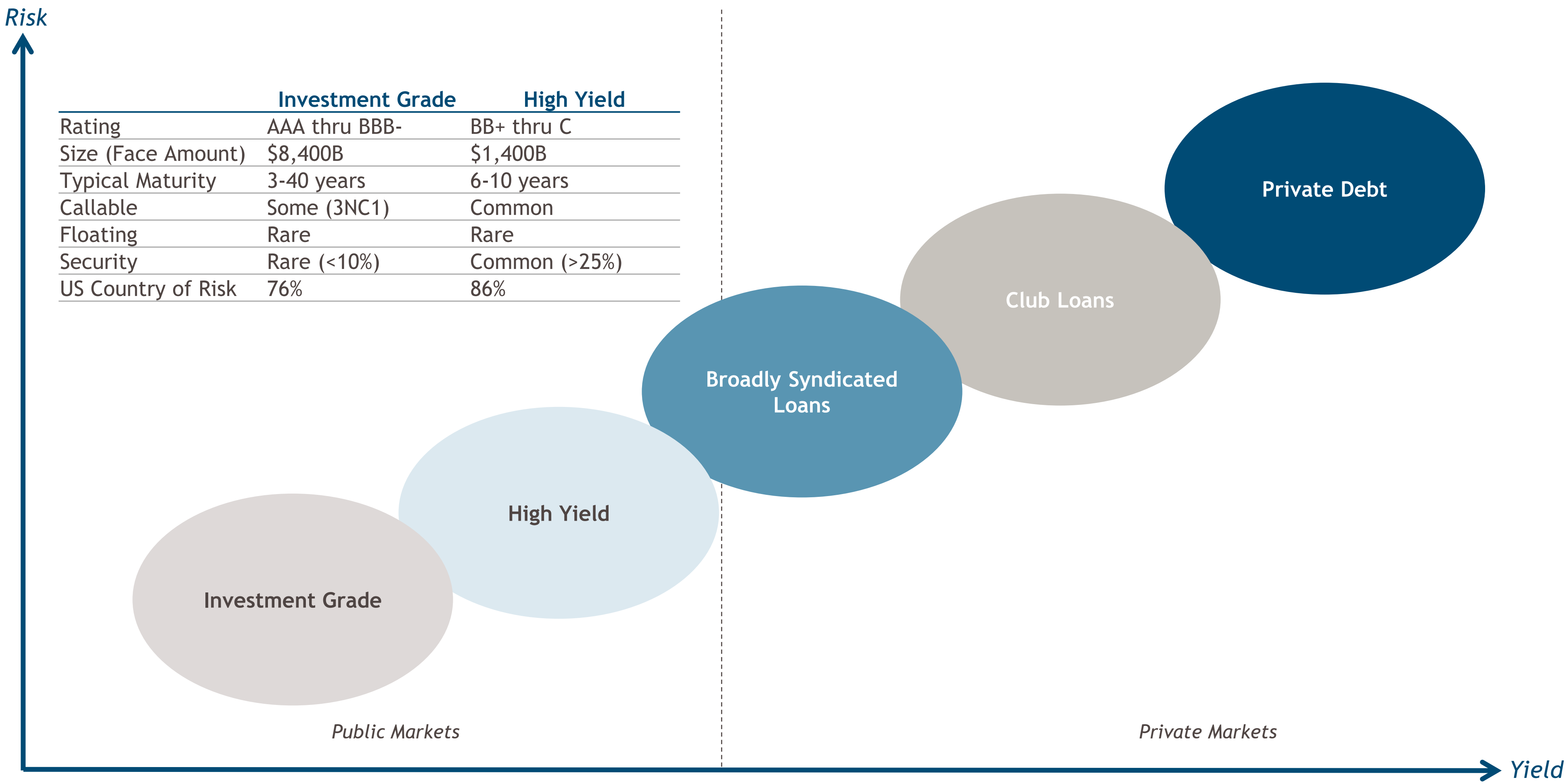
	Investment Grade	High Yield
Rating	AAA thru BBB-	BB+ thru C
Size (Face Amount)	$8,400B	$1,400B
Typical Maturity	3-40 years	6-10 years
Callable	Some (3NC1)	Common
Floating	Rare	Rare
Security	Rare (<10%)	Common (>25%)
US Country of Risk	76%	86%



Source: Bloomberg. Muzinich views and opinion provided for illustrative purposes only, not to be construed as investment advice.

The US High Yield Credit Opportunity

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The total return of high yield is primarily based on coupon, mitigating potentially the largest risks of both debt and equity markets:

- Lower duration than sovereign debt or high-quality fixed income
- Lower reliance on price appreciation than equities

We believe high yield is appropriate for longer term investors who can tolerate moderate volatility

We believe high yield can:

- Reduce risk

and,

- Enhance return

US High yield has an approx. 5-year average maturity, 49% shorter than the US investment grade corporate market

High yield has long term average default losses of 3.00-3.25% p.a.; proper underwriting can help minimize default losses.

Risk: There can be no guarantee that the investment strategy will be successful, and the value of the investment may go up as well as down.

Source: ICE Index Platform. Data as of February 28, 2023. US IG: ICE BofA US Corporate Index (C0A0). US HY: ICE BofA US Cash Pay High Yield Index (J0A0). Muzinich views and opinion provided for illustrative purposes only, not to be construed as investment advice. Please see default rate details on Page 7.

High Yield as an Inflation Hedge

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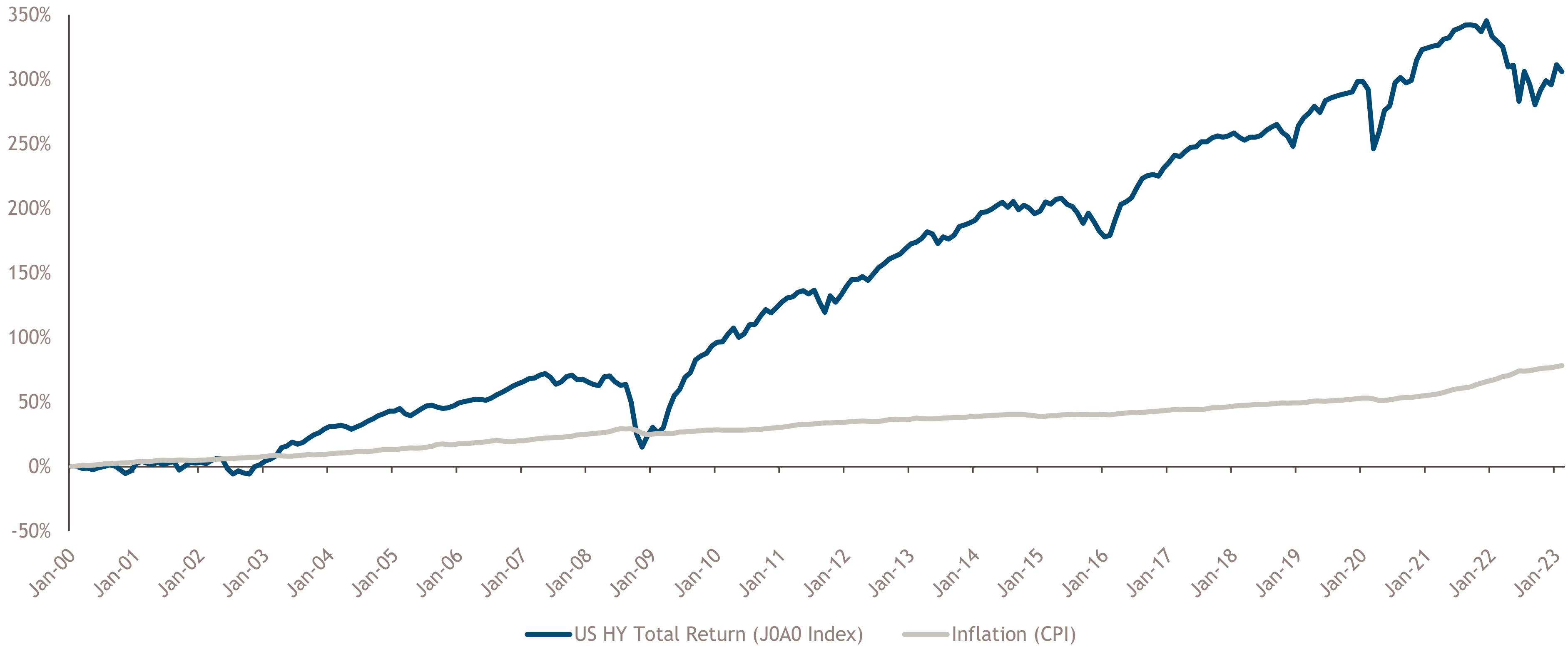
- Long-term investors have generated compound returns well in excess of inflation
- Investors funded with long-term debt can manage downdrafts
- Annualised high yield index return 6.26% vs. 2.53% long-term inflation

Compound return analysis vs. inflation



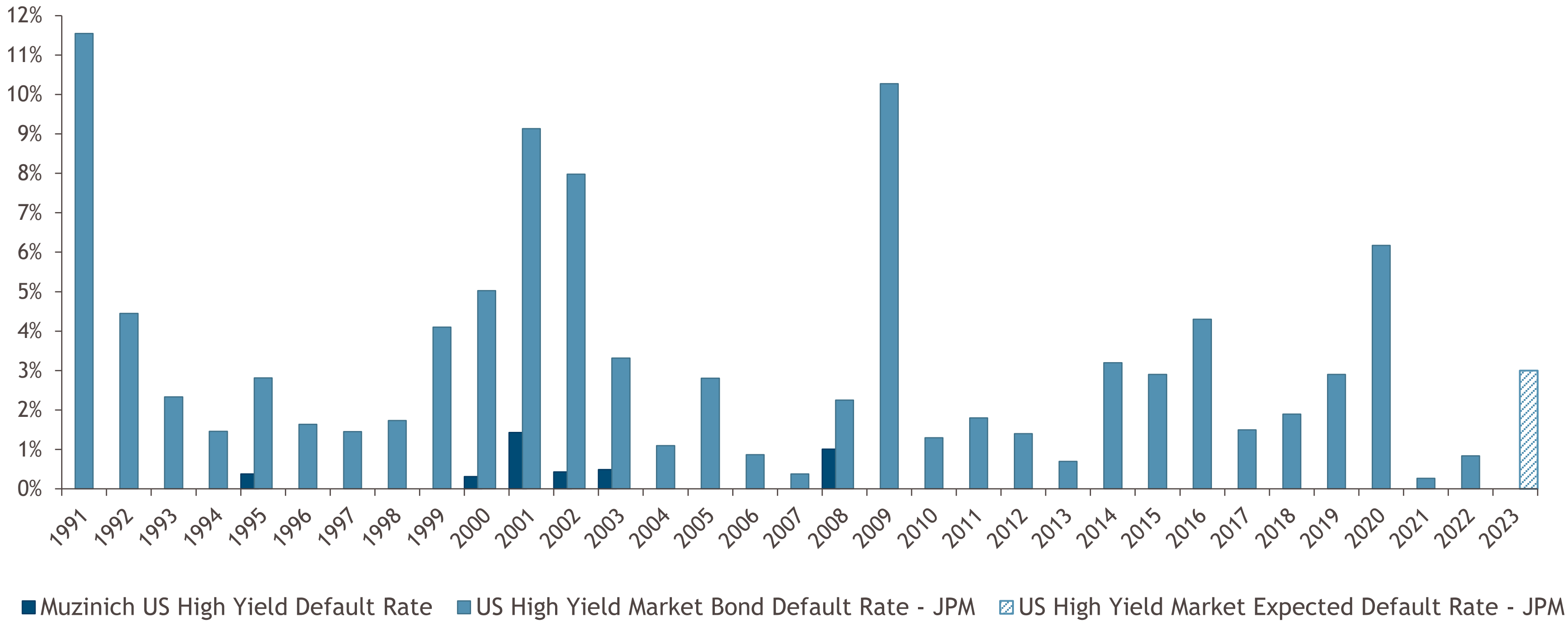
The figures shown relate to past performance. Past performance is not a reliable indicator of current or future results and should not be the sole factor of consideration when selecting a product or strategy.

Source: ICE Index Platform and Bloomberg data as of February 28th, 2023. For illustrative purposes only, not to be construed as investment advice. J0A0: ICE BofA US Cash Pay High Yield Index. Inflation: Index performance is for illustrative purposes only. You cannot invest directly in the index.

Our Performance – Default Rates Matter

Diligent and rigorous credit analysis has produced a Muzinich US high yield annualized default rate of 0.13% vs. the market annual average US high yield default rate of 3.25%.

US High Yield Market Default Rate vs. Muzinich US High Yield Default Rate



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Source: Muzinich and JP Morgan from January 1, 1991 through December 31, 2022. All JPM data from the JPM Default Monitor “High Yield and Leveraged Loan Research” dated January 3, 2023. The Muzinich US High Yield Default Rate is 0.0% for time periods where no bar is visible on the graph. The Muzinich US High Yield default data is based on a representative account in the US High Yield in USD composite, which together with its predecessor Fund is our US high yield flagship Fund that commenced in 1990. The Muzinich representative account is a B/BB strategy and does not purchase CCC bonds, however, it can hold assets downgraded below B-. Market conditions impacting default rates vary significantly due to factors outside Muzinich’s control. Unlike the bonds reflected in the JPM Default Monitor, Muzinich has the ability to sell an asset prior to its default. Furthermore, Muzinich’s representative account herein may have held assets in the portfolio that eventually defaulted but were sold prior to default. For Muzinich and JPM’s definition of default please see Important Information. Please refer to page 33 for performance information on the composite.

High Yield for Insurance Companies

Insurance Asset Allocation – High Yield

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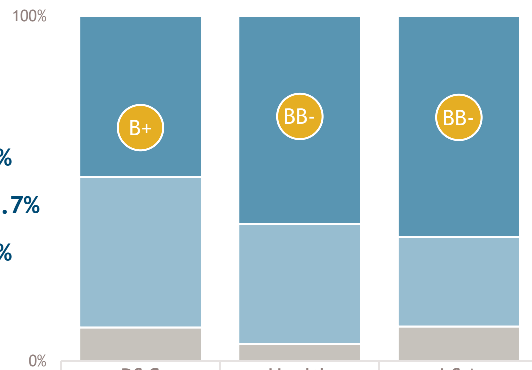
Total insurance industry allocations to non-investment grade fixed income (high yield) represent nearly 5% of invested assets (Property & Casualty 4.0%, Health 5.7%, Life & Annuity 4.7%). Allocations have long been a stable component of insurance strategic asset allocation with potential to enhance overall portfolio risk-adjusted returns

Typically, higher in quality compared to industry benchmarks and other types of institutional investors

High Yield – Quality Profile

High Yield % Investments

- **P&C 4.0%**
- **Health 5.7%**
- **L&A 4.7%**



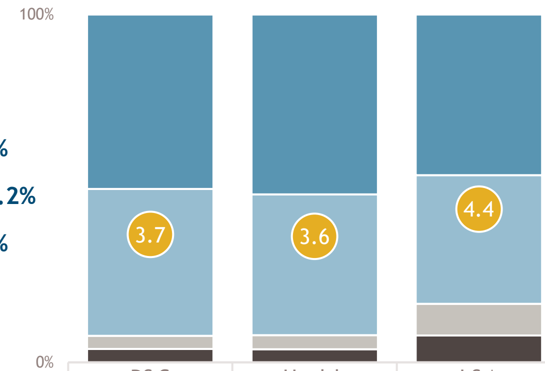
	P&C	Health	L&A
BB-Rated	47%	60%	64%
B-Rated	44%	35%	26%
CCC-Rated	10%	5%	10%
Pre-Tax/Cov RBC	8.5%	7.3%	7.8%
Avg NAIC Rating	3.6	3.5	3.5

Typically, shorter in duration compared to industry benchmarks and other types of institutional investors

High Yield – Maturity Profile

High Yield % Bonds

- **P&C 6.4%**
- **Health 7.2%**
- **L&A 6.0%**



	P&C	Health	L&A
Bonds 0-5yr	50%	52%	46%
Bonds 5-10yr	42%	41%	37%
Bonds 10-20yr	4%	4%	9%
Bonds 20-30yr	4%	4%	8%
Average Maturity	5.2	5.2	6.3
Estimated Duration	3.7	3.6	4.4

DEFINITIONS:

Property & Casualty Industry - Property & Casualty Insurance Industry data aggregation maintained by S&P Capital IQ.

Health Industry - Health Insurance Industry data aggregation maintained by S&P Capital IQ.

Life & Annuity Industry - Life & Annuity Insurance Industry data aggregation maintained by S&P Capital IQ.

Data Source: S&P Capital IQ Q4-2021. Data updated annually. Most recent data used. Confidential. For institutional client use only. The data contained in this analysis was obtained from a third party. While we believe the data is accurate, we do not attest to its accuracy. Not for further distribution.

High Yield Short Duration – Diversification

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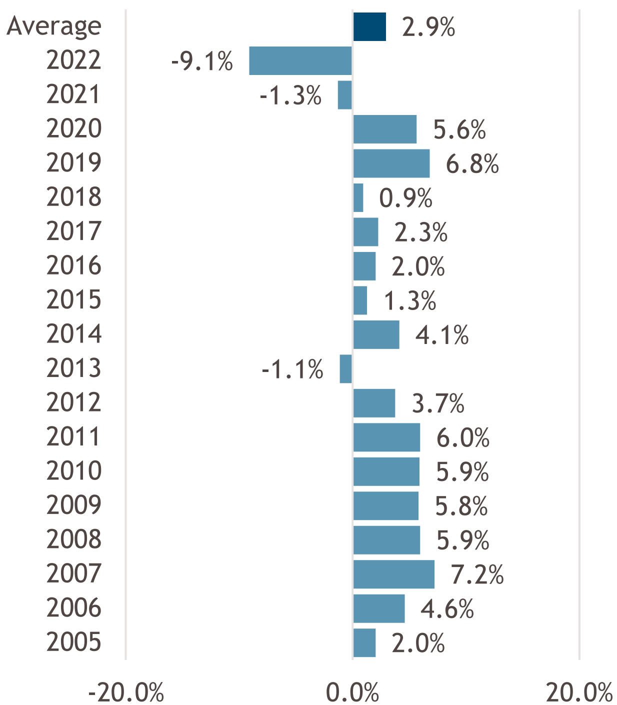
- Average Annual Return: 2.9%
- Standard Deviation (SD): 3.1%
- Worst year: -9.1% 2022
- Correlation to HYSD & Stocks: 0.10 & -0.03

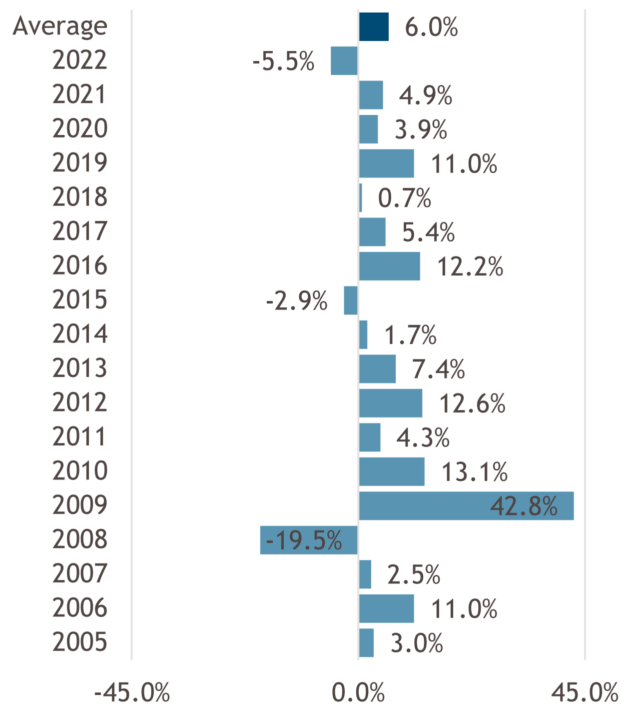
- Average Annual Return: 6.0%
- Standard Deviation (SD): 8.1%
- Worst year: -19.5% 2008
- Correlation to IG Bonds & Stocks: 0.10 & 0.78

- Average Return Premium: +312 basis points
- SD (80% IG / 20% HYSD): 3.1%
- Years w/Positive Premium: 11
- Years w/Negative Premium: 7

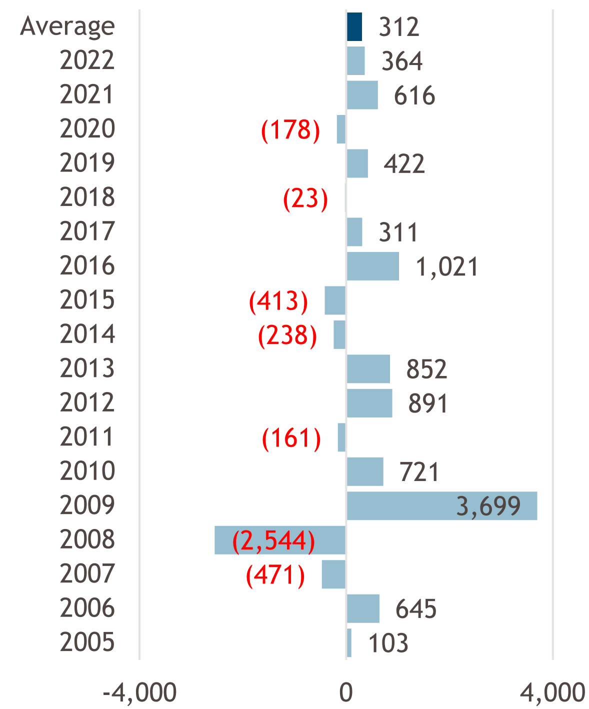
Investment Grade Bonds



High Yield Short Duration



HYSD Return Premium



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High Yield Short Duration (HYSD): ICE BofA 1-5 Year BB-B, **IG Bonds**: ICE BofA 1-10 Year US Corporate, Government & Mortgage Index, **Stocks**: Russell 1000 Index.

Source: BofA, Russell. See page 31 for full index descriptions. For institutional client use only. The data contained in this analysis was obtained from a third party. While we believe the data is accurate, we do not attest to its accuracy. Not for further distribution. Diversification does not assure a profit or protect against loss.

High Yield Short Duration – Asset Class Growth

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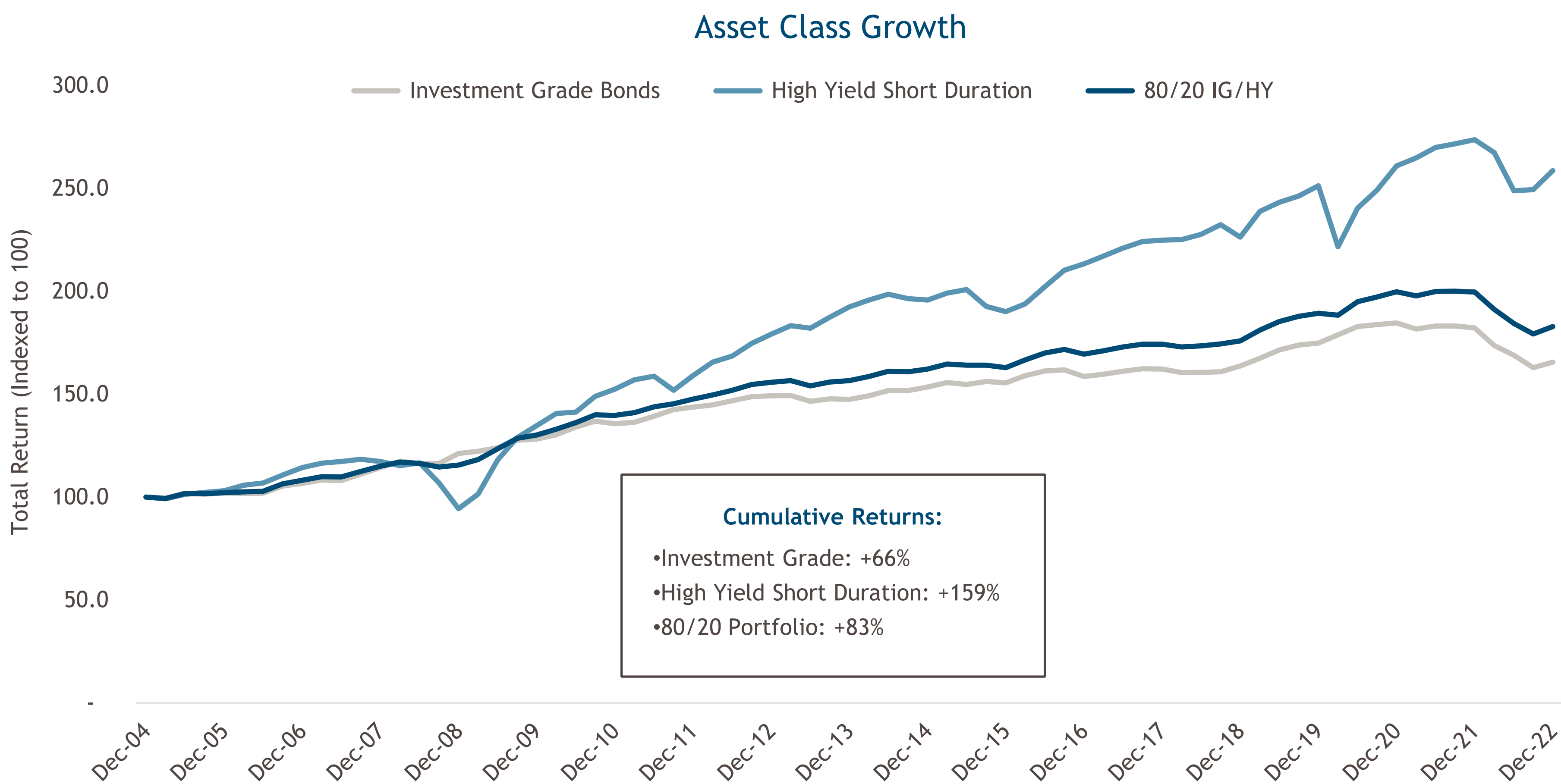

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High Yield Short Duration – Asset Class Total Return Deviation

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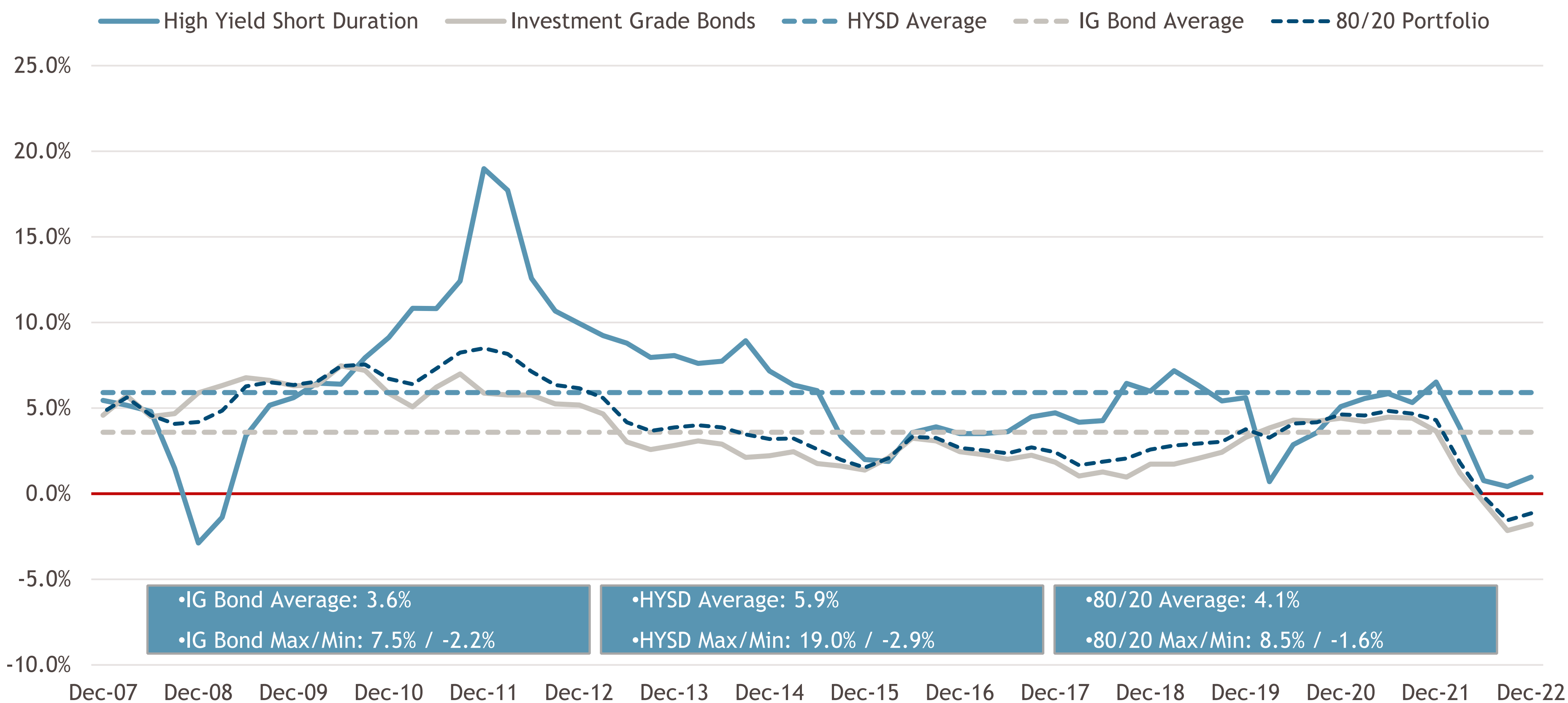
3-Year Rolling Annualized Returns



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High Yield Short Duration – Historical Portfolio Efficiency

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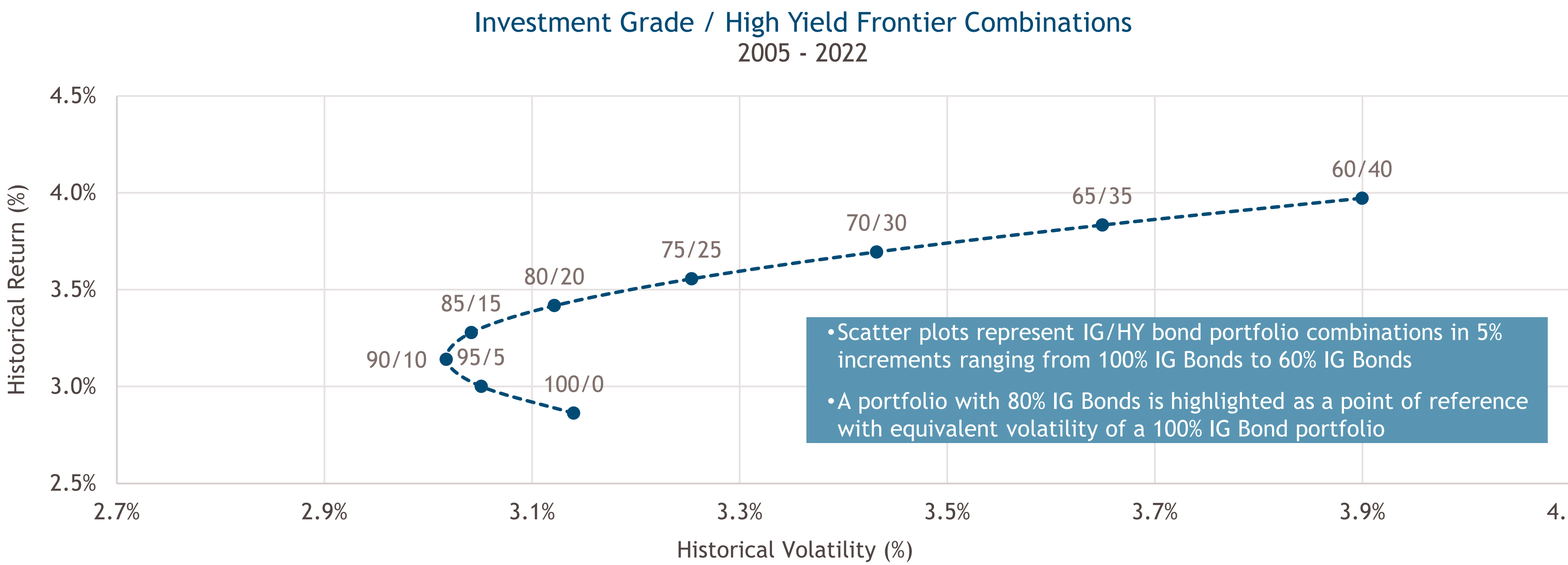

Analytics	100/0	95/5	90/10	85/15	80/20	75/25	70/30	65/35	60/40
Return	2.9%	3.0%	3.1%	3.3%	3.4%	3.6%	3.7%	3.8%	4.0%
Volatility	3.1%	3.1%	3.0%	3.0%	3.1%	3.3%	3.4%	3.6%	3.9%
Return/Risk	0.91	0.98	1.04	1.08	1.09	1.09	1.08	1.05	1.02
% Portfolio	100/0	95/5	90/10	85/15	80/20	75/25	70/30	65/35	60/40
IG Bonds	100%	95%	90%	85%	80%	75%	70%	65%	60%
HYSD Bonds	0%	5%	10%	15%	20%	25%	30%	35%	40%

	Long-term Correlation		
	IG Bonds	Stocks	HYSD Bonds
IG Bonds	1.00	-0.03	0.10
Stocks	-0.03	1.00	0.78
HYSD Bonds	0.10	0.78	1.00

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High Yield Market Update

Bank Exposure – Not a US High Yield Issue

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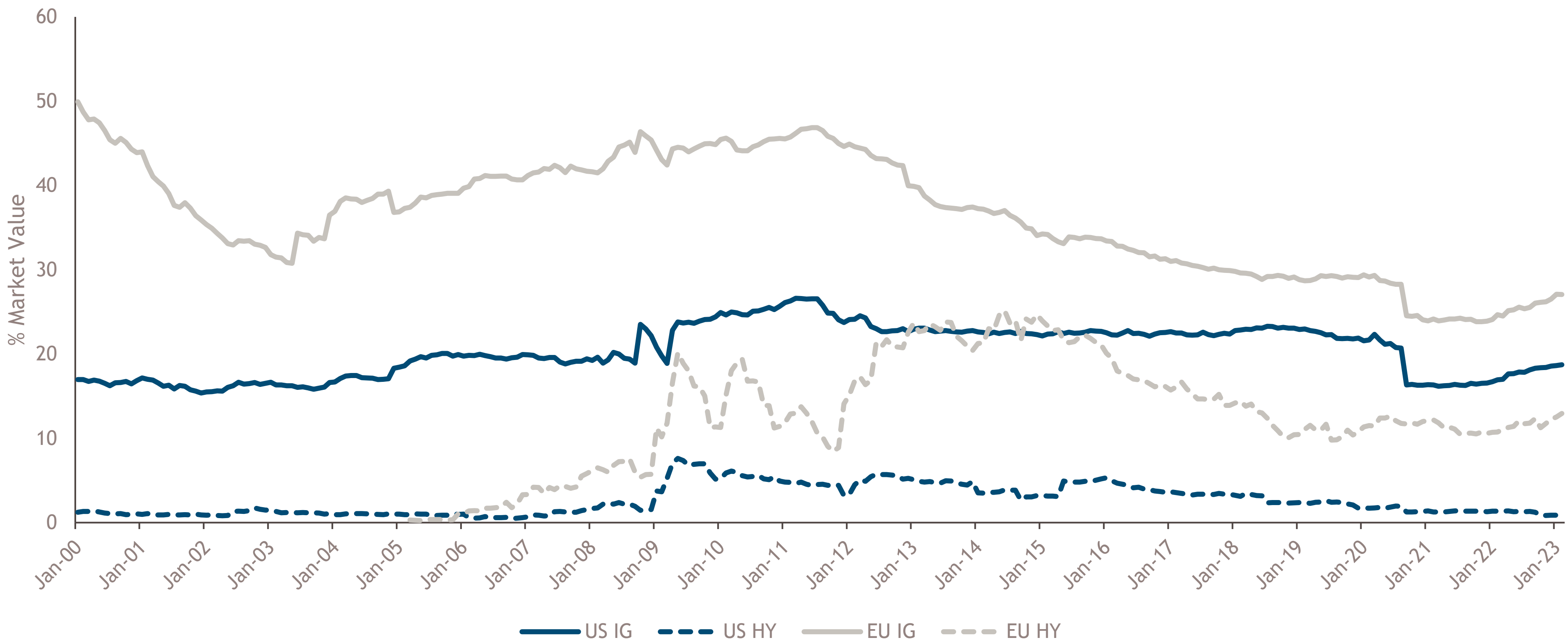
- High yield historically has had very little banking risk, other than immediately after the GFC
- Progression lower since 2009 due to upgrades and redemptions; no material organic issuance in the asset class

Banking Exposure in US & European Credit Markets (%)



Source: ICE Index Platform. Data as of February 28th, 2023. For illustrative purposes only, not to be construed as investment advice. US IG: ICE BofA US Corporate Index (C0A0). US HY: ICE BofA US Cash Pay High Yield Index (J0A0). EU IG: ICE BofA Euro Corporate Index (ER00). EU HY: ICE BofA Euro High Yield Index (HE00).

US High Yield – Market Growth

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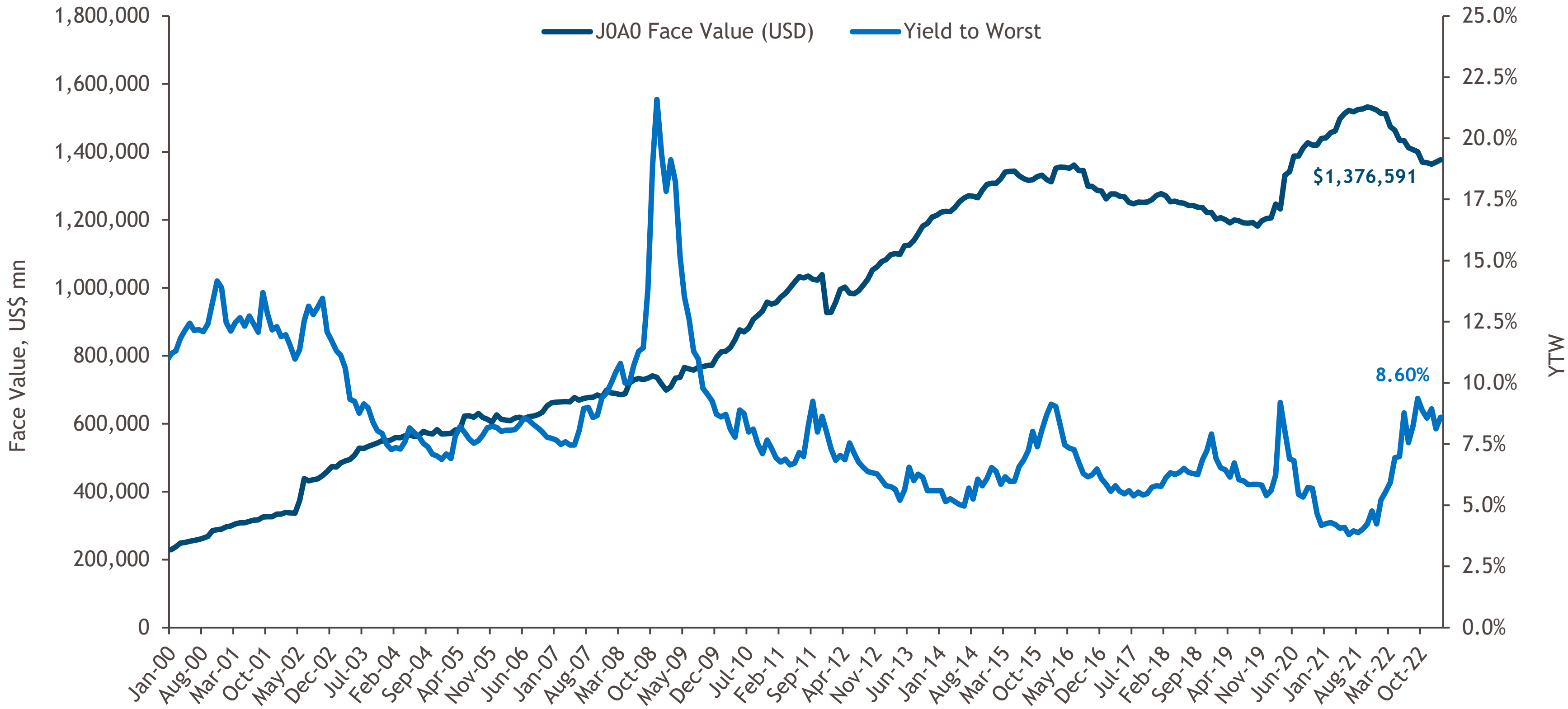
- The US High Yield market has experienced significant growth over the past two decades but is 10% below the November 2021 peak.
- Current yields are approaching decade highs.

Face Value of US High Yield and Yield to Worst (J0A0 Index)



Source: ICE Index Platform, as February 28, 2023. ICE BofA US Cash Pay High Yield Index (J0A0). For illustrative purposes only. Chart shows the face value in USD terms (left-hand scale) and Yield to Worst (right-hand scale) of the J0A0 Index, going back monthly for the past 20 years. Index selected as best available proxy to measure relative breakdown of rated bonds.

US High Yield - Strong Fundamentals as the Economy Slows

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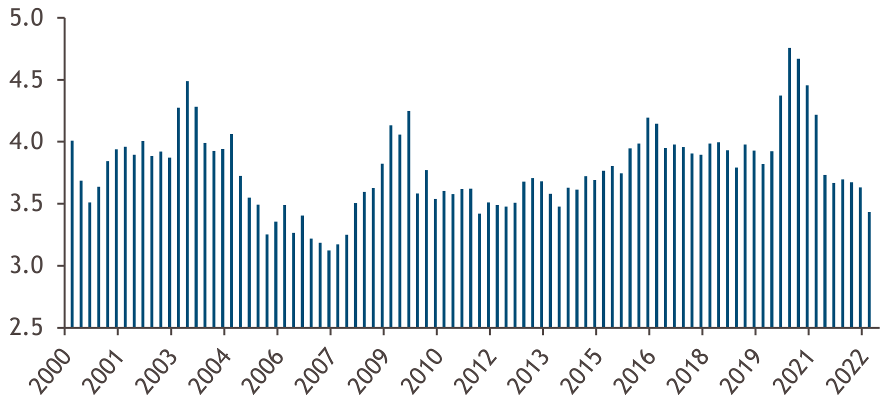
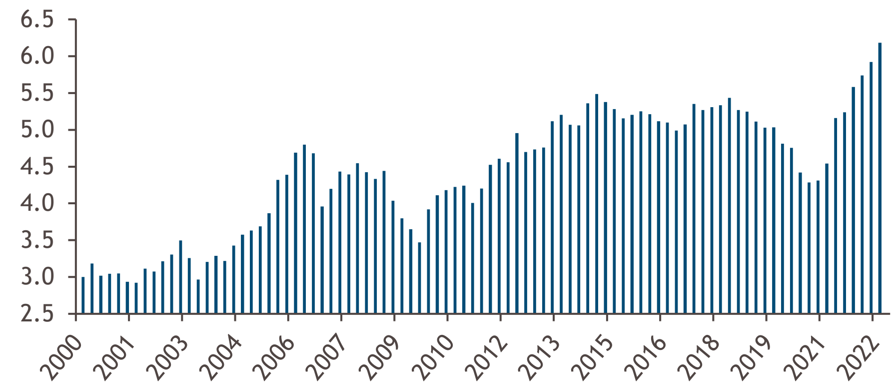
- Steady improvement but future gains muted.
- Solid starting point in the event of an economic slowdown.

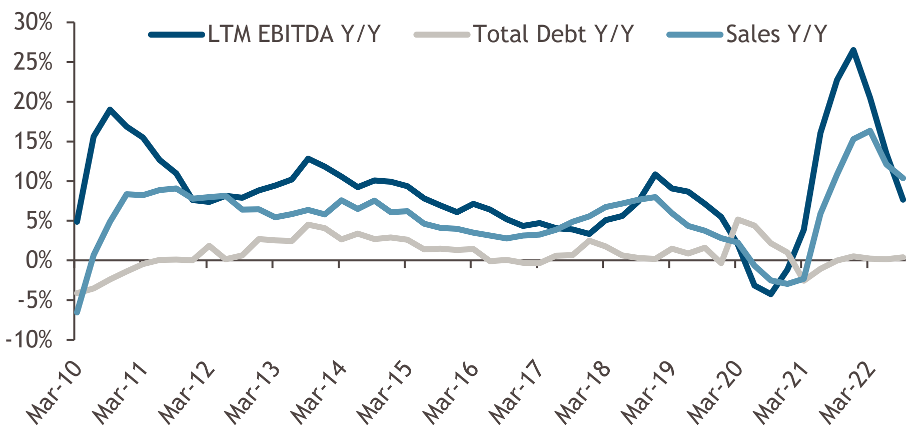
HY Gross Leverage



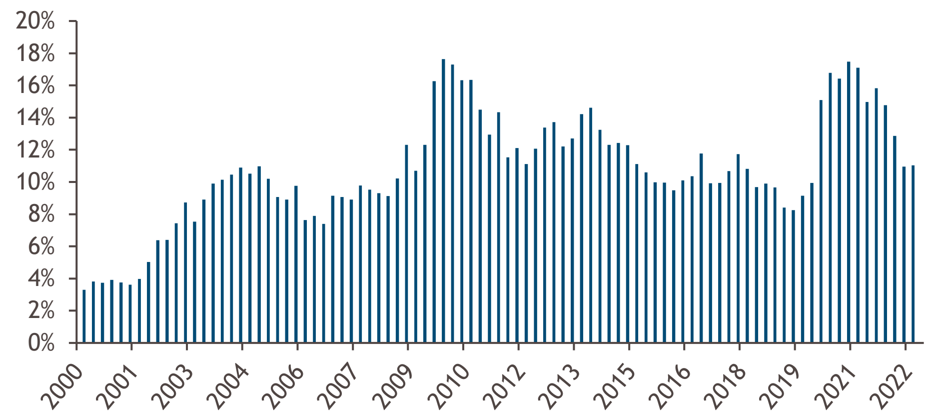
HY Interest Coverage



HY EBITDA, Debt and Sales Growth



HY Median Cash/Debt



Source: All data from Morgan Stanley Research, data as of September 30, 2022. For illustrative purposes only. Most recent data available used.

High Yield Ratings Migration is near its Strongest in Twenty Years

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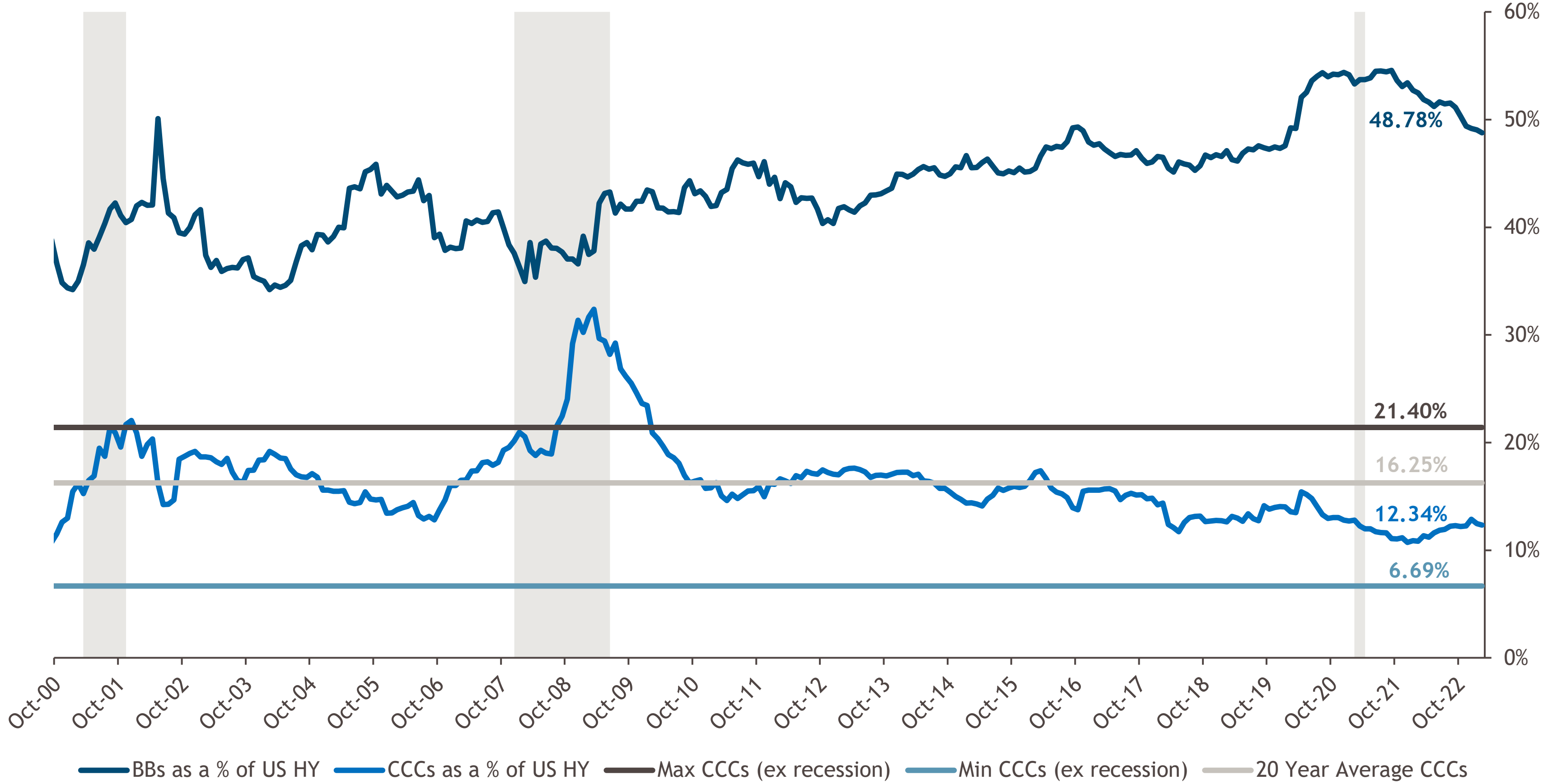
BBs are just below their highest levels in over 20 years while CCCs are just above a 20-year low (J0A0 index).

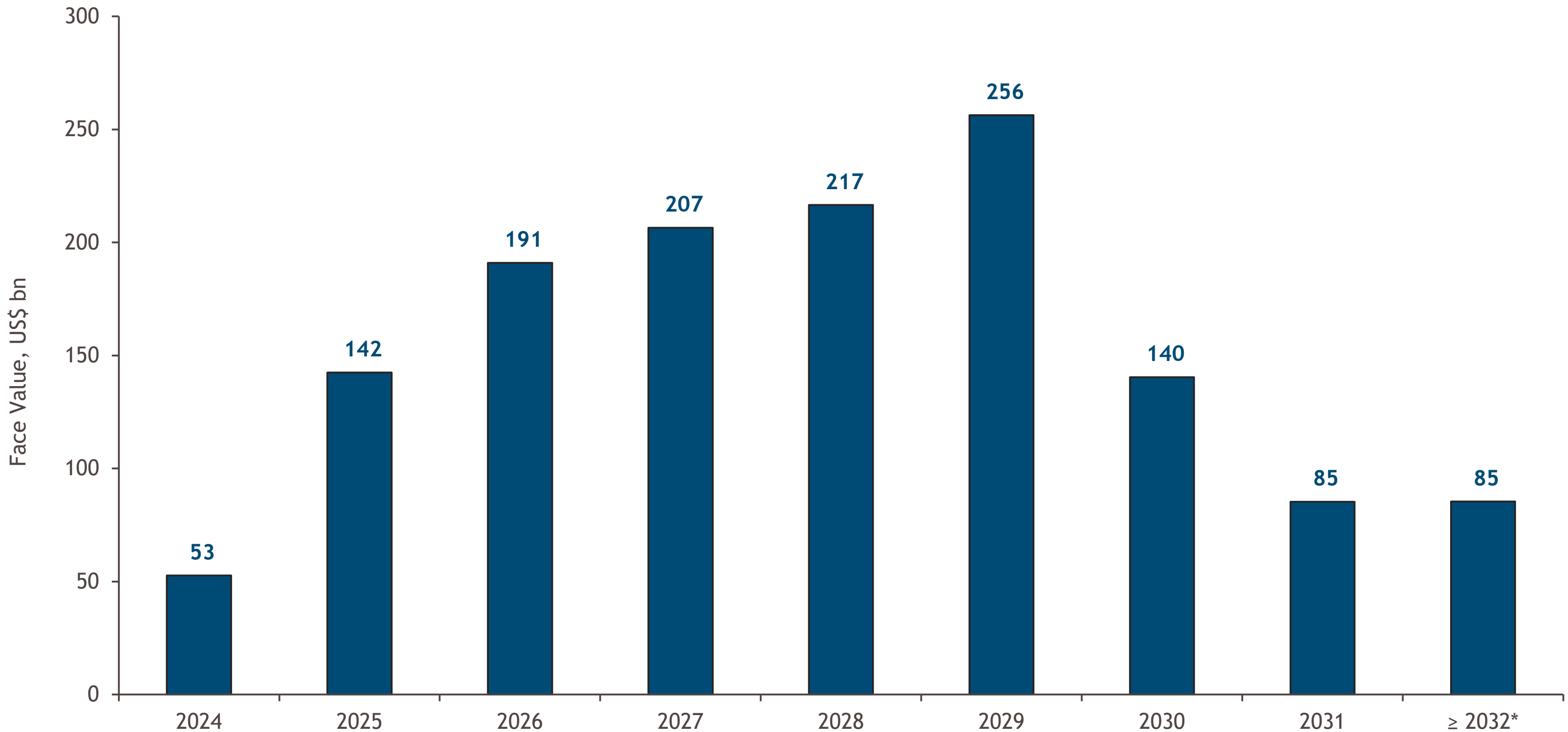


Source: ICE Index Platform, as February 28, 2023. ICE BofA US Cash Pay High Yield Index (J0A0), ICE BofA CCC and Lower US Cash Pay High Yield Index (J0A3) and ICE BofA BB US Cash Pay High Yield Index (J0A1). For illustrative purposes only. Chart shows the face value of the J0A1 and J0A3 Indices as a % of the face value of the J0A0 Index, going back monthly for the past 20 years. Shaded areas represent recession periods. Indices selected as best available proxy to measure relative breakdown of rated bonds.

Companies Have Extended Their Debt Maturity Profiles

- Issuers have raised longer term financing to lock in attractive funding levels.
- Annual coupons can cover maturities into 2024.

US High Yield Maturity Breakdown (J0A0 index)



Source: ICE Index Platform. Data as of February 28, 2023. ICE BofA US Cash Pay High Yield Index (J0A0). Muzinich views and opinion for illustrative purposes only, not to be construed as investment advice. *Figure is inclusive up to 2061.

Low Coupon, Longer Maturity Bonds Likely to Remain Outstanding

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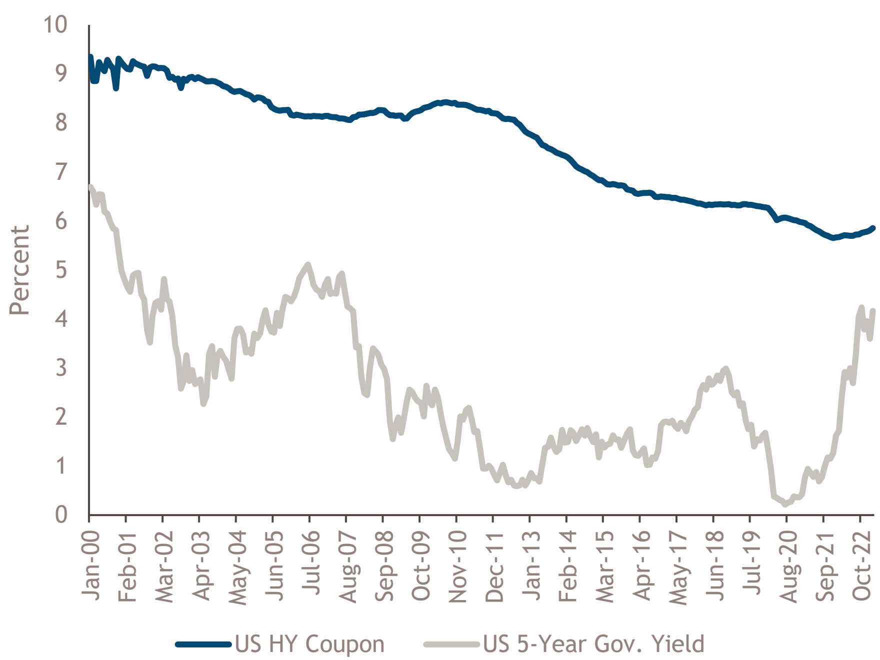
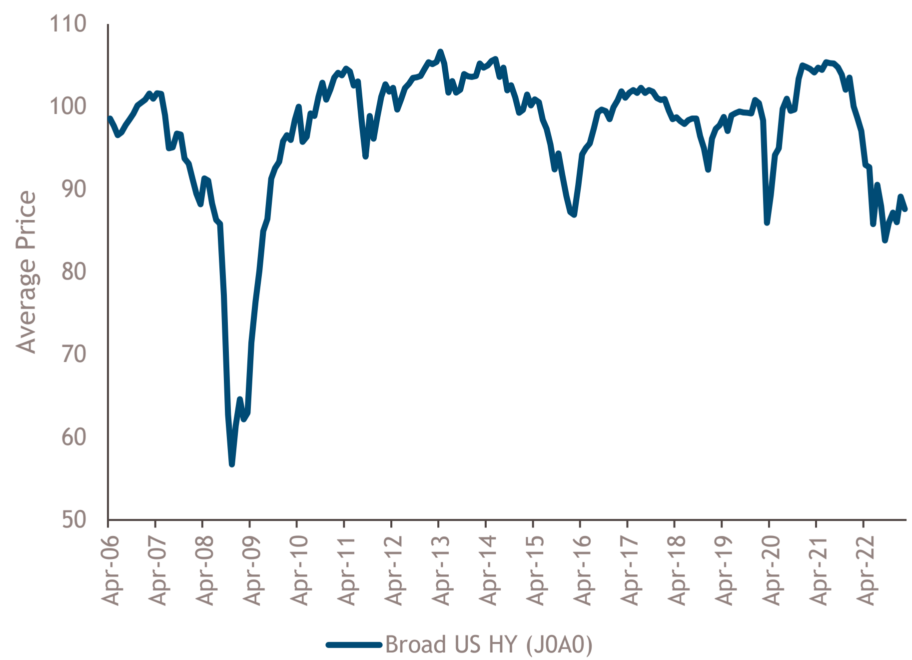
- Callability of high yield bonds not optimal for insurance investors.
- Current low prices are a function of rates, not spreads.
- Issuers have less incentive to call low coupon, longer maturity bonds; asset-liability matching less problematic.

High Yield Coupon Likely Bottomed



Prices Below Par Based on Rates. Not Credit

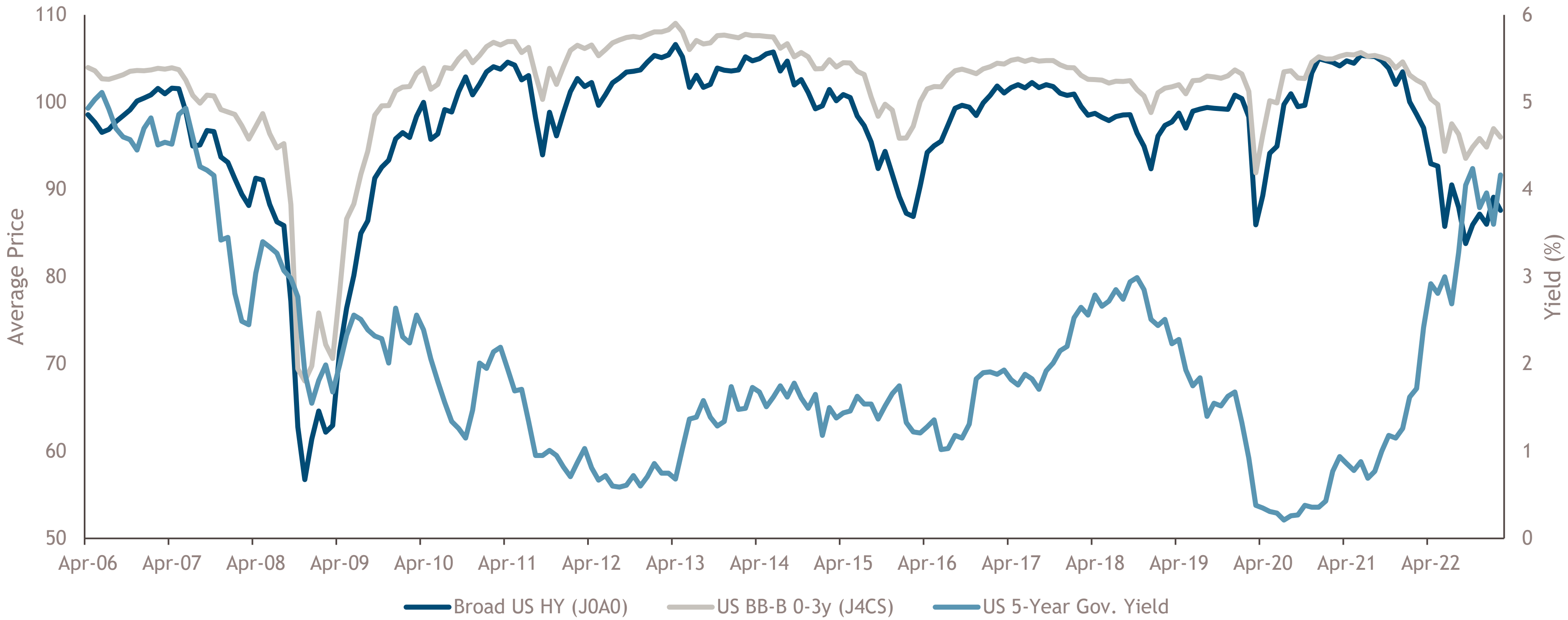


Source: ICE Index Platform. Data as of February 28th, 2023. For illustrative purposes only, not to be construed as investment advice. US HY: ICE BofA US Cash Pay High Yield Index (J0A0). US 5-Year Gov.: ICE BofA Current 5-Year US Treasury Index (GA05).

Dollar Price History

- Bond prices are a function of the risk-free rate and credit spreads.
- Some of the largest high yield price declines are correlated to weak economies and the flight-to-quality trade.
- We believe the current price decline is largely a result of skyrocketing Treasury yields, not credit stress.

US High Yield Average Price



Source: ICE Index Platform. Data as of February 28, 2023. For illustrative purposes only, not to be construed as investment advice. J0A0: ICE BofA US Cash Pay High Yield Index. J4CS: ICE BofA 0-3 Year Duration-to-Worst BB-B US Cash Pay High Yield Constrained Index.

High Yield Stress Just Above its Lowest Since 2014

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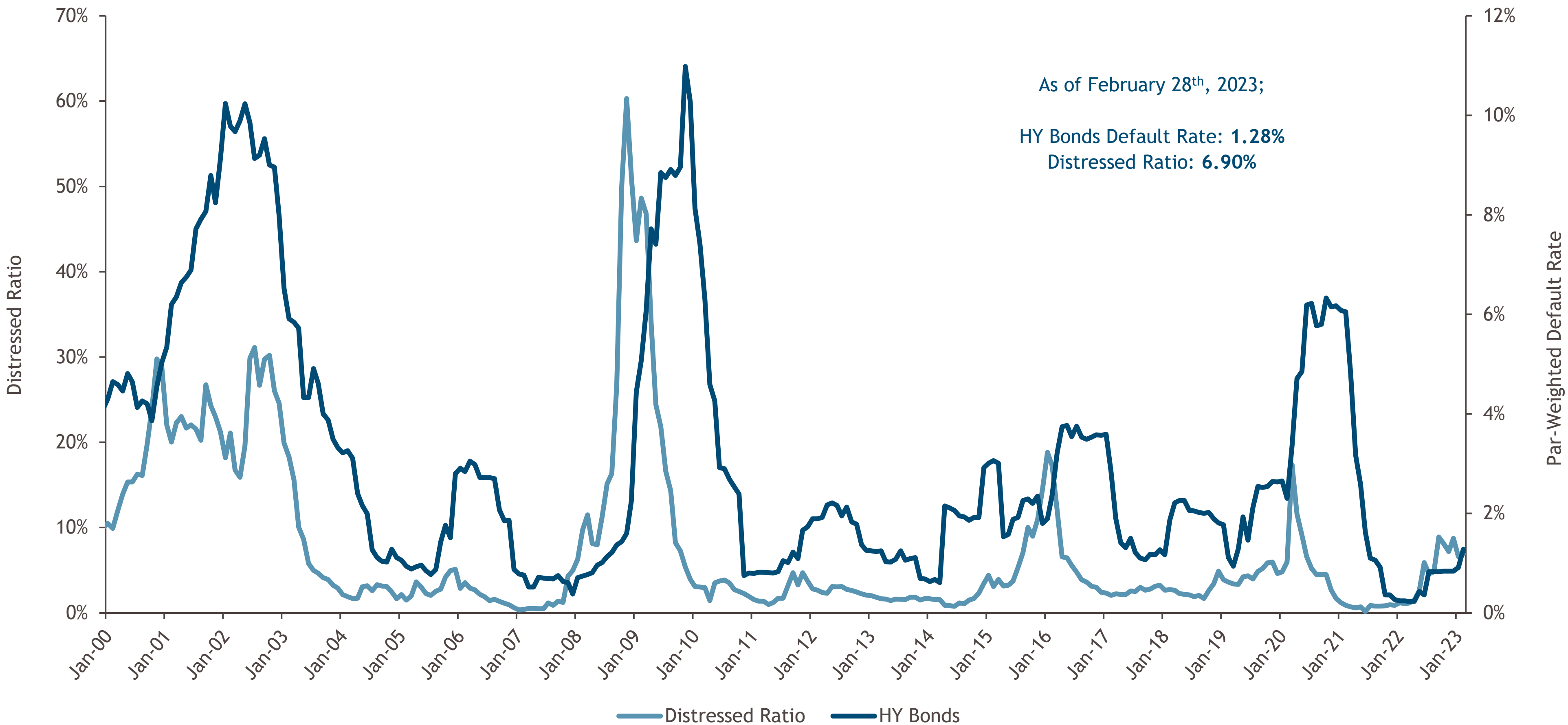
The market has recovered from the stress of 2020, the third largest default wave over 20 years.

High-yield Bond Default Rates and Distressed Ratio



Source: JP Morgan Default Monitor. Data as of February 28, 2023. For illustrative purposes only. Muzinich views and opinion for illustrative purposes only. Not to be construed as investment advice or an invitation to engage in any investment activity.

US High Yield Historical Spreads – Macro Shocks Cause Spikes

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Price and spreads impacted by VIX.

Figure 1

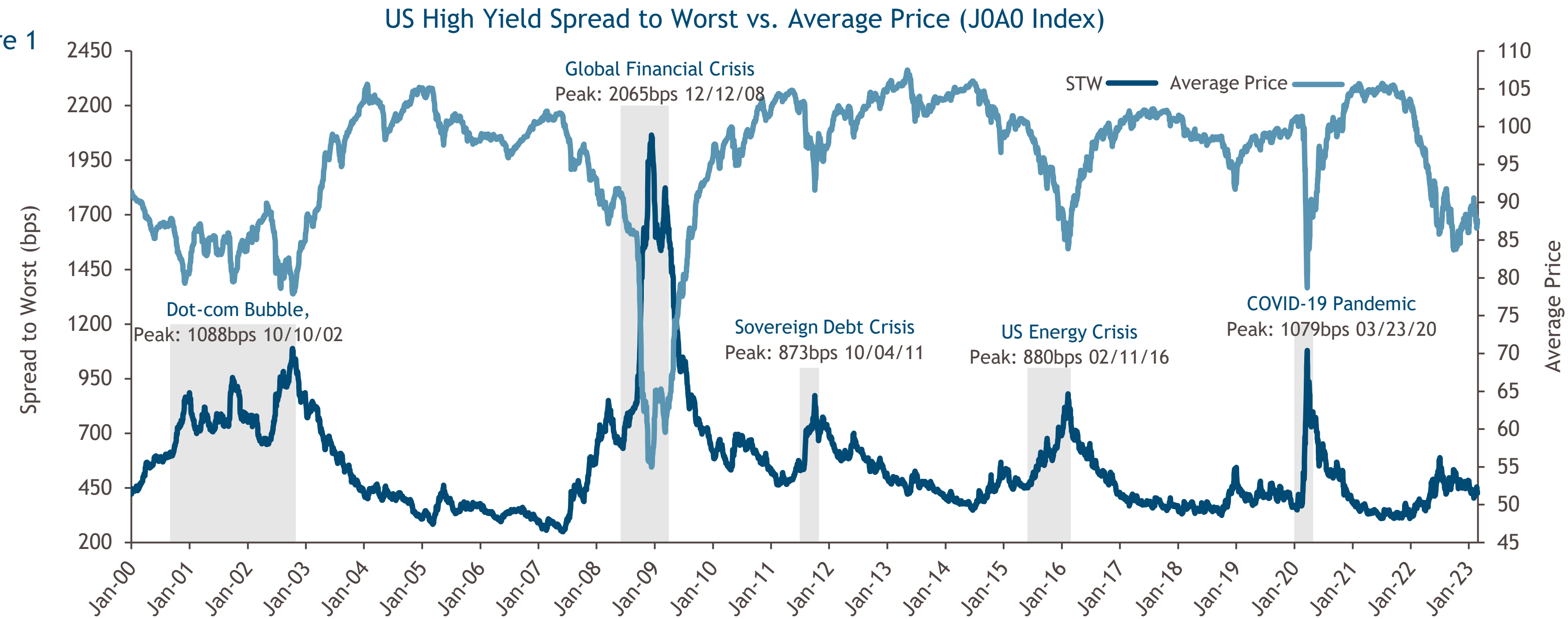
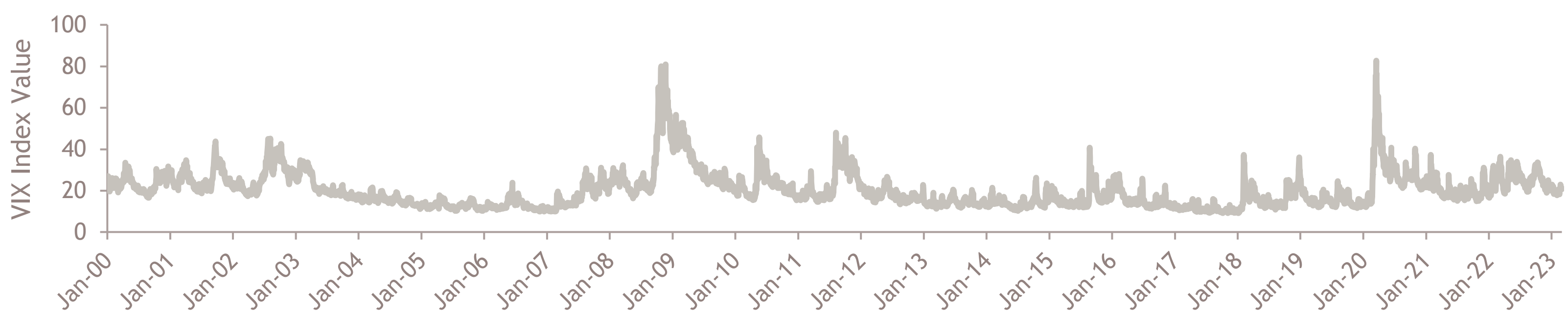


Figure 2



Source: **Figure 1**: ICE Index Platform, as of January 1, 2000, to February 28, 2023. ICE BofA US Cash Pay High Yield Index (J0A0). For illustrative purposes only, not to be construed as investment advice.
Source: **Figure 2**: Bloomberg, as of January 1, 2000, to February 28, 2023. The Cboe Volatility Index (VIX) is demonstrated above as it is a real-time index that represents the market's expectations for the relative strength of near-term price changes of the S&P 500 Index (SPX).

US High Yield Index Characteristics

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Characteristics	J0A0	JUC4	J4CS
Avg. Credit Rating	B1	BB3	BB3
Yield-To-Worst (%)	8.89	8.19	8.32
Duration to Worst (yrs)	4.12	4.19	1.98
Spread to Worst (bps)	502.61	434.16	419.28

Duration Allocation (%)	J0A0	JUC4	J4CS
<= 3 years	28.13	26.93	97.83
3 - 5 years	42.16	40.95	1.82
5 – 7 years	25.28	27.39	0.00
> 7 years	4.18	4.49	0.00

Credit Quality Distribution	J0A0	JUC4	J4CS
BBB and above	0.00	0.00	0.00
BB	50.14	55.19	50.01
B	39.37	44.57	49.64
CCC and below	10.26	0.00	0.00

Source: Muzinich, data as of March 16, 2023. Portfolio characteristics subject to change. J0A0 - The ICE BofA US Cash Pay High Yield Index tracks the performance of US dollar denominated below investment grade corporate debt, currently in a coupon paying period, that is publicly issued in the US domestic market. Qualifying securities must have a below investment grade rating (based on an average of Moody’s, S&P and Fitch), at least 18 months to final maturity at the time of issuance, at least one-year remaining term to final maturity as of the rebalancing date, a fixed coupon schedule and a minimum amount outstanding of $250 million.
JUC4 - The ICE BofA ML BB-B US Cash Pay High Yield Constrained Index contains all securities in the ICE BofA ML US Cash Pay High Yield Index (J0A0) rated BB1 through B3, based on an average of Moody's, S&P and Fitch, but caps issuer exposure at 2%.
J4CS - The ICE BofA ML 0-3 Year Duration-To-Worst BB-B Cash Pay US High Yield Constrained Index tracks the performance of short maturity US dollar denominated below investment grade corporate debt, currently in a coupon paying period that is publicly issued in the US domestic market. Qualifying securities must be rated B3 or higher (based on an average of Moody’s, S&P and Fitch) but caps issuer exposure at 2%, have a duration-to-worst of 3 years or less. Eligible securities must also have at least 18 months to final maturity at the time of issuance, at least one year remaining term to final maturity as of the rebalancing date, a fixed coupon schedule and a minimum amount outstanding of $250 million.

US High Yield Potentially Provides Attractive Long-Term Returns

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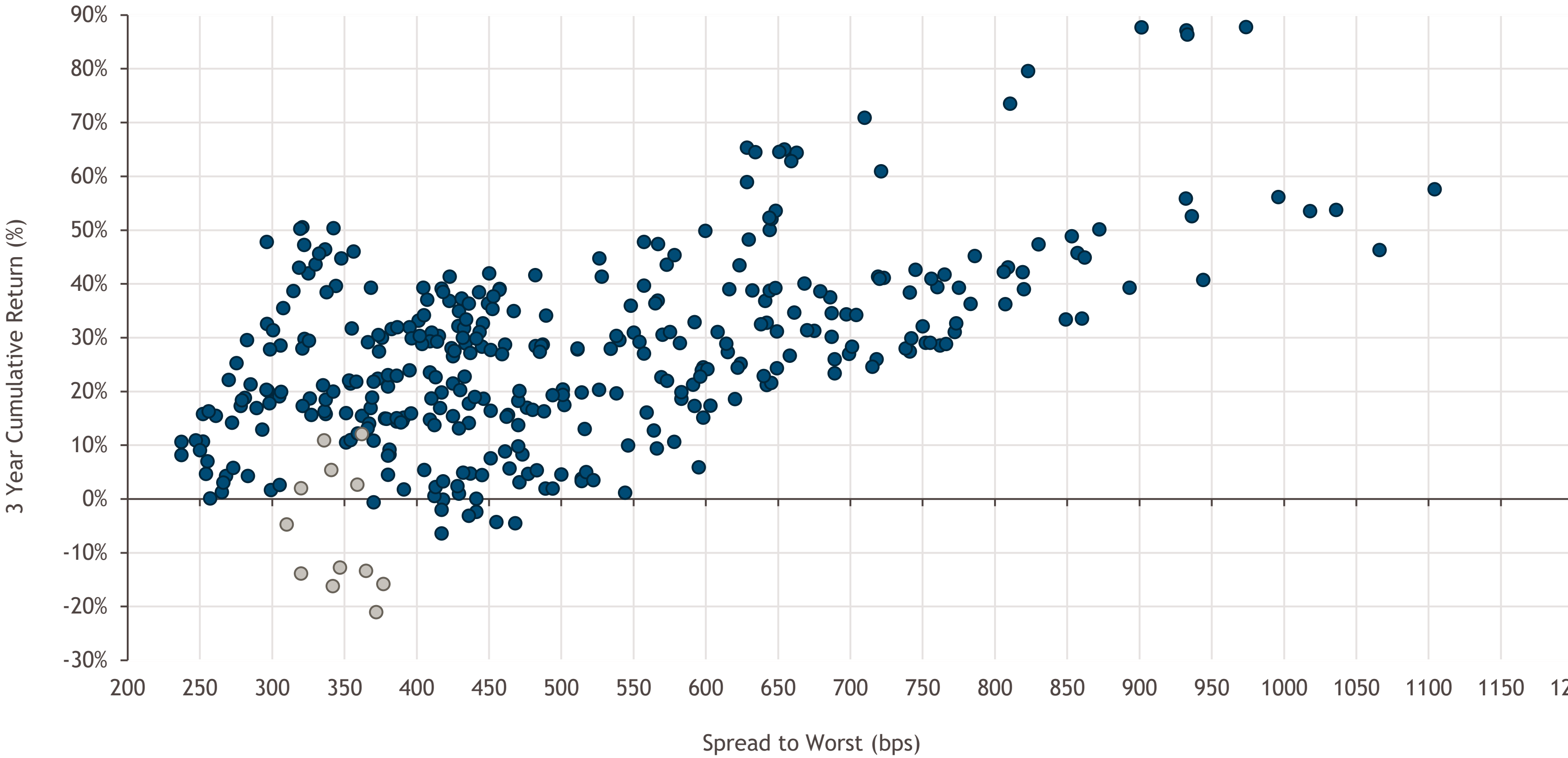
Historically, long-term high yield investors have been rewarded at current spread levels.

U.S. High Yield 3-year Cumulative Return by Spread (J0A0 Index)



Past performance is not a reliable indicator of current or future performance and should not be the sole factor of consideration when selecting a product or strategy.

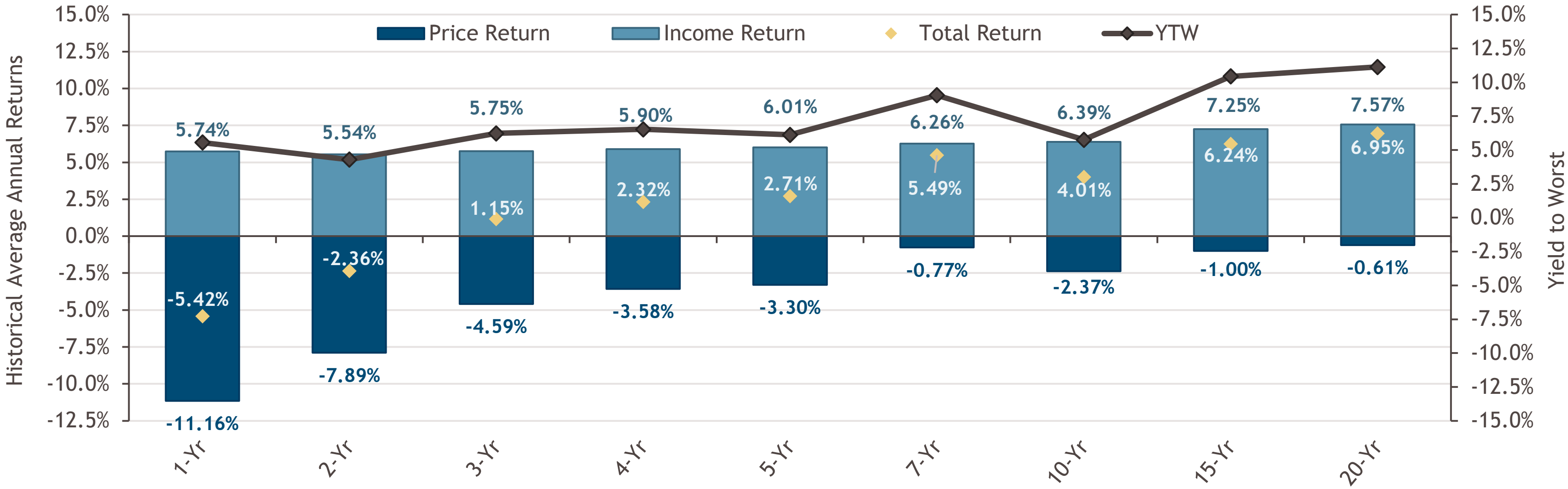
Source: Muzinich analysis. Data as of February 28, 2023. For illustrative purposes only. Returns are in USD. Date range of data is August 31, 1988, to February 28, 2023. Returns are the cumulative 3-year returns for the ICE BofA US HY Cash Pay Index (J0A0). Index selected as best available proxy to measure performance of asset sub-classes. Gray dots represent the period July 31, 2005 – June 30, 2006, leading up to the Great Financial Crisis.

US High Yield – The Potential Advantage of Income

We believe:

- In the short-term, price changes associated with interest rates and spread movements can have a material impact on returns.
- Over the medium-to-long term, the yield can mitigate price volatility.
- The asset class is a portfolio diversifier for longer term investors; traders beware.

Historical Average Annual Return (J0A0 Index)



J0A0 Index	1-Yr	2-Yr	3-Yr	4-Yr	5-Yr	7-Yr	10-Yr	15-Yr	20-Yr
Price Return	-11.16%	-7.89%	-4.59%	-3.58%	-3.30%	-0.77%	-2.37%	-1.00%	-0.61%
Income Return	5.74%	5.54%	5.75%	5.90%	6.01%	6.26%	6.39%	7.25%	7.57%
Total Return	-5.42%	-2.36%	1.15%	2.32%	2.71%	5.49%	4.01%	6.24%	6.95%
YTW	5.55%	4.29%	6.23%	6.53%	6.12%	9.04%	5.76%	10.44%	11.13%

The figures shown relate to past performance. Past performance is not a reliable indicator of current or future results and should not be the sole factor of consideration when selecting a product or strategy.

Source: ICE Index Platform, as of February 28, 2023. Muzinich views and opinion for illustrative purposes only, not to be construed as investment advice. Index performance is for illustrative purposes only. You cannot invest directly in the index. US high yield is best represented by ICE BofA US Cash Pay High Yield Index (J0A0). Chart shows the Average Annual Total Return, broken down by Price and Income Return (left-hand scale) and Yield to Worst (right-hand scale) of the J0A0 Index, going back to February 28, 2003. Returns for periods longer than 1-yr are the annualized return.

Analysis: March 17, 2023 – March 16, 2024

The matrix below shows the potential returns for the J0A0 Index over the next 12-month period.

Our view is that the index should be able to withstand further significant moves higher in interest rates and credit spreads, while still generating a positive return over the period. This is largely a result of the higher starting yield in the portfolio over this period.

Simulated Returns (USD) against changes in Rates and Spreads:

Changes in Rates (bps) across; Changes in Spreads (bps) down

Changes in Spreads (bps)	-100	-75	-50	-25	0	25	50	75	100	150	200
-100	17.45%	16.34%	15.23%	14.14%	13.07%	12.00%	10.95%	9.92%	8.89%	6.88%	4.91%
-75	16.34%	15.23%	14.14%	13.07%	12.00%	10.95%	9.92%	8.89%	7.88%	5.89%	3.94%
-50	15.23%	14.14%	13.07%	12.00%	10.95%	9.92%	8.89%	7.88%	6.88%	4.91%	2.99%
-25	14.14%	13.07%	12.00%	10.95%	9.92%	8.89%	7.88%	6.88%	5.89%	3.94%	2.05%
0	13.07%	12.00%	10.95%	9.92%	8.89%	7.88%	6.88%	5.89%	4.91%	2.99%	1.11%
25	12.00%	10.95%	9.92%	8.89%	7.88%	6.88%	5.89%	4.91%	3.94%	2.05%	0.19%
50	10.95%	9.92%	8.89%	7.88%	6.88%	5.89%	4.91%	3.94%	2.99%	1.11%	-0.72%
75	9.92%	8.89%	7.88%	6.88%	5.89%	4.91%	3.94%	2.99%	2.05%	0.19%	-1.62%
100	8.89%	7.88%	6.88%	5.89%	4.91%	3.94%	2.99%	2.05%	1.11%	-0.72%	-2.50%
150	6.88%	5.89%	4.91%	3.94%	2.99%	2.05%	1.11%	0.19%	-0.72%	-2.50%	-4.25%
200	4.91%	3.94%	2.99%	2.05%	1.11%	0.19%	-0.72%	-1.62%	-2.50%	-4.25%	-5.96%

Index characteristics are illustrative only and subject to change. Such projections are based on reasonable assumptions supported by objective data, however such forecasts are not a reliable indicator of future performance. Such forecasts are gross of fees and other charges associated with investment, which will reduce the return figures show. There can be no guarantee the above analysis would prove to be correct. See Important Notes & Assumptions on the following page.

Source: Muzinich internal analysis using data from ICE Index Platform, views and opinions as of March 16, 2023. J0A0: ICE BofA US Cash Pay High Yield Index.

Important Notes & Assumptions

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In this analysis, we consider the combined impact of a change in credit spreads and interest rates on the index's potential return over the next twelve months. A change in credit spreads and interest rates is assumed to take place at the start of the period of analysis. These represent the two variable inputs in this analysis, shown along the vertical and horizontal axes of the matrix.

- The analysis aims to estimate the J0A0's return potential between 1st March 2023 and 28th February 2024
- The simulated returns are shown in USD. Simulating performance in different currencies would produce different simulated returns that may be more or less favorable.
- The analysis assumes the index to be a single bond that has the weighted average characteristics of the index.
- The analysis is based on assumed price movements observed at the start of the period, as a result of a combined change in interest rates (Rates) and credit spreads (Spreads).
- All other factors including – for example - portfolio holdings, are assumed to be kept constant.
- The assumed changes in Rates and Spreads are applied to the index as a whole, and therefore an equal shift on all holdings is assumed.
- Over the period of this analysis, potential gross returns are calculated by combining the initial positive or negative effect of the assumed change in Spreads and/or Rates, with the subsequent yield of the portfolio over the period.
- Though model based, the calculations make a number of assumptions that may or may not be accurate and future duplication may not be possible.
- This analysis may not accurately capture the performance of callable bonds or loans that can either trade to maturity or to an earlier call date.
- The analysis assumes that no holdings are retired early at a premium.
- The analysis does not capture the impact of interest rate futures or CDS indices that may be held in the portfolio for hedging purposes.
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Important Information

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Muzinich defines a defaulted security as any asset held across the representative account herein that has filed for Chapter 11 bankruptcy or missed a coupon payment (if such missed coupon payment impairs assets the Muzinich representative account holds within the capital structure). JPM defines a defaulted security as either an asset that has filed for Chapter 11 bankruptcy or missed a coupon payment (after the 30-day grace period has passed). When a bond or loan misses an interest or principal payment, JPM will add the whole capital structure to the default totals. However, JPM will follow the issuer, as best they can with their resources, and if the issuer makes a payment on the bond/loan, they will remove the default from their figures and restate numbers. JPM notes that there have been occasions where a company has put out a press release that payment would not be made on a certain bond or loan, but that they would remain current on other facilities, in which case they would adjust the amount in their default totals to reflect only the affected bonds/loans.

Market Index Descriptions

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J0A0 - The ICE BofA US Cash Pay High Yield Index tracks the performance of US dollar denominated below investment grade corporate debt, currently in a coupon paying period, that is publicly issued in the US domestic market. Qualifying securities must have a below investment grade rating (based on an average of Moody's, S&P and Fitch), at least 18 months to final maturity at the time of issuance, at least one-year remaining term to final maturity as of the rebalancing date, a fixed coupon schedule and a minimum amount outstanding of $250 million.

JC4N – The ICE BofA BB-B US Non-Financial Cash Pay High Yield Constrained Index contains all securities in the ICE BofA US Cash Pay High Yield Index that are rated BB1 through B3, inclusive, except those of financial issuers, but caps issuer exposure at 2%.

J0A1 – The ICE BofA BB US Cash Pay High Yield Index is a subset of ICE BofA US Cash Pay High Yield Index (J0A0) including all securities rated BB1 through BB3, inclusive.

J0A3 – The ICE BofA CCC & Lower US Cash Pay High Yield Index is a subset of ICE BofA US Cash Pay High Yield Index (J0A0) including all securities rated CCC1 or lower.

JUC4 - The ICE BofA ML BB-B US Cash Pay High Yield Constrained Index contains all securities in the ICE BofA ML US Cash Pay High Yield Index (J0A0) rated BB1 through B3, based on an average of Moody's, S&P and Fitch, but caps issuer exposure at 2%.

J4CS - The ICE BofA ML 0-3 Year Duration-To-Worst BB-B Cash Pay US High Yield Constrained Index tracks the performance of short maturity US dollar denominated below investment grade corporate debt, currently in a coupon paying period that is publicly issued in the US domestic market. Qualifying securities must be rated B3 or higher (based on an average of Moody's, S&P and Fitch) but caps issuer exposure at 2%, have a duration-to-worst of 3 years or less. Eligible securities must also have at least 18 months to final maturity at the time of issuance, at least one year remaining term to final maturity as of the rebalancing date, a fixed coupon schedule and a minimum amount outstanding of $250 million.

VIX – The VIX Index is a financial benchmark designed to be an up-to-the-minute market estimate of the expected volatility of the S&P 500® Index and is calculated by using the midpoint of real-time S&P 500 Index (SPX) option bid/ask quotes.

SPX – The S&P 500® is widely regarded as the best single gauge of large-cap U.S. equities and serves as the foundation for a wide range of investment products. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization.

CPI INDX Index – The US CPI Urban Consumers Index is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services.

D0A0 – The ICE BofA US Corporate, Government & Mortgage Index tracks the performance of US dollar denominated investment grade debt publicly issued in the US domestic market, including US Treasuries, quasi-governments, corporates, covered bonds and residential mortgage pass-throughs. Qualifying US Treasuries must have a minimum amount outstanding of $1 billion. Qualifying US agencies, foreign governments, supranationals, corporates and covered bonds must have a minimum amount outstanding of $250 million. Qualifying residential mortgage pass-through securities include fixed rate securities publicly issued by US agencies. 30- year, 20-year and 15-year fixed rate mortgage pools are included in the Index provided they have at least one year remaining term to final maturity and a minimum amount outstanding of at least $5 billion per generic coupon and $250 million per production year within each generic coupon.

D5A0 – The ICE BofA 1-10 Year US Corporate, Government & Mortgage Index is a subset of ICE BofA US Corporate, Government & Mortgage Index including all securities with a remaining term to final maturity or an average life less than 10 years.

JVA4 – The ICE BofA 1-5 Year BB-B Cash Pay High Yield Index is a subset of ICE BofA US Cash Pay High Yield Index including all securities with a remaining term to final maturity less than 5 years and rated BB1 through B3, inclusive.

Russell 1000 - The Russell 1000 Index is a subset of the Russell 3000 Index that includes approximately 1,000 of the largest companies in the US equity universe. Constructed using a transparent, rules-based methodology, the Russell 1000 Index is designed to provide unbiased representation of the large cap segment of the US equity market.

You cannot invest directly in an index, which also does not take into account trading commissions or costs. The volatility of indices may be materially different from the volatility performance of the Fund.

Market Index Descriptions

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ER00 – The ICE BofA ML Euro Corporate Index tracks the performance of EUR denominated investment grade corporate debt publicly issued in the eurobond or Euro member domestic markets. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch), at least 18 months to final maturity at the time of issuance, at least one year remaining term to final maturity, a fixed coupon schedule and a minimum amount outstanding of EUR 250 million.

C0A0 - The ICE BofA ML US Corporate Index tracks the performance of US dollar denominated investment grade corporate debt publicly issued in the US domestic market. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch), at least 18 months to final maturity at the time of issuance, at least one year remaining term to final maturity as of the rebalancing date, a fixed coupon schedule and a minimum amount outstanding of $250 million.

HE00 - The ICE BofA ML Euro High Yield Index tracks the performance of EUR dominated below investment grade corporate debt publicly issued in the euro domestic or eurobond markets. Qualifying securities must have a below investment grade rating (based on an average of Moody's, S&P and Fitch), at least 18 months to final maturity at the time of issuance, at least one year remaining term to final maturity, a fixed coupon schedule and a minimum amount outstanding of EUR 250 million.

You cannot invest directly in an index, which also does not take into account trading commissions or costs. The volatility of indices may be materially different from the volatility performance of the Fund.

U.S. High Yield in USD

Muzinich & Co

U.S. High Yield in USD Composite GIPS Report
Inception Date: December 31, 1990
Benchmark: ICE BofA US HY BB/B CASH PAY CONSTRAINED INDEX (JUC4)
January 1991 through December 2022

Year	Composite Gross Return	Composite Return Net of Management Fees	Composite 36-Month Volatility (Annualized Standard Deviation)	Benchmark Return	Benchmark 36-Month Volatility (Annualized Standard Deviation)	Number of Portfolios at year end	Composite Dispersion (composites with 6 accounts or more for the full year)	Composite Assets at End of Period (USD Millions)	Firm Assets (USD Millions)
1991	22.32%	21.22%	-	34.58%	-	1	N/A	26	26
1992	14.39%	13.26%	-	18.16%	-	1	N/A	30	30
1993	13.46%	12.34%	2.51%	17.18%	4.84%	1	N/A	33	33
1994	1.70%	0.69%	3.12%	-1.17%	4.36%	1	N/A	33	51
1995	16.68%	15.78%	3.21%	19.91%	4.22%	2	N/A	59	84
1996	10.04%	9.23%	3.49%	11.06%	4.18%	2	N/A	64	130
1997	12.10%	11.27%	3.36%	12.52%	3.09%	2	N/A	123	224
1998	5.66%	4.93%	4.85%	4.48%	4.46%	6	N/A	343	442
1999	3.17%	2.40%	4.89%	2.21%	4.55%	6	0.42%	393	1,230
2000	0.10%	-0.56%	5.26%	-2.69%	5.21%	7	0.17%	400	2,244
2001	7.67%	6.93%	6.54%	6.67%	6.85%	6	0.38%	402	2,869
2002	4.97%	4.35%	7.25%	1.32%	8.66%	6	0.42%	436	3,423
2003	18.67%	17.90%	7.03%	22.78%	8.77%	8	0.85%	585	4,643
2004	8.92%	8.34%	4.93%	9.91%	6.95%	7	0.30%	550	6,091
2005	3.24%	2.69%	4.26%	3.41%	4.84%	5	N/A	365	5,601
2006	8.45%	7.71%	3.40%	9.27%	3.60%	4	N/A	269	5,325
2007	3.40%	2.59%	4.11%	3.19%	4.10%	4	N/A	324	4,529
2008	-16.16%	-16.77%	9.99%	-23.23%	11.98%	4	N/A	294	3,143
2009	31.68%	30.93%	11.76%	45.98%	14.69%	9	N/A	1,021	6,321
2010	14.24%	13.62%	11.91%	14.25%	14.82%	7	1.68%	1,255	9,937
2011	5.82%	5.08%	8.14%	5.43%	9.27%	7	0.63%	1,775	13,768
2012	13.77%	12.89%	6.58%	14.58%	6.26%	8	0.57%	2,300	22,359
2013	6.96%	6.19%	6.22%	6.29%	5.87%	13	0.58%	3,172	26,702
2014	1.95%	1.28%	4.35%	3.48%	4.31%	14	0.26%	2,275	24,267
2015	-0.77%	-1.36%	4.89%	-2.82%	5.13%	15	0.48%	2,213	23,674
2016	11.48%	10.87%	4.74%	14.75%	5.52%	15	0.67%	2,158	27,217
2017	7.57%	7.00%	4.13%	6.98%	5.04%	17	0.36%	1,422	34,886
2018	-2.00%	-2.51%	3.35%	-2.04%	4.06%	19	0.36%	1,133	29,229
2019	14.24%	13.65%	3.83%	15.09%	3.89%	15	0.51%	497	36,372
2020	8.30%	7.55%	8.34%	6.32%	8.87%	19	0.48%	1,013	36,800
2021	4.99%	4.39%	8.09%	4.58%	8.67%	20	0.25%	1,229	39,917
2022	-10.60%	-11.06%	10.29%	-10.59%	10.86%	20	0.43%	939	32,257

Muzinich & Co. claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Muzinich has been independently verified for the periods from January 1, 2010 to December 31, 2021. The verification report(s) is/are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. Composite 1. See notes on next page.

U.S. High Yield in USD

Muzinich & Co

Notes:

1. Muzinich & Co., Inc. and its affiliates (together, the "Firm " or "Muzinich & Co.") is an investment management firm specializing in corporate credit and credit alternative portfolios. Muzinich & Co. is an independent investment management firm with offices globally. For GIPS presentation purposes, the Firm, and accordingly "Firm Assets Under Management," are defined as all assets under management globally in all accounts or funds with the exception of accounts or funds with investor lock-up of five years or more which also have assigned investment and harvesting periods. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.

2. The Muzinich U.S. High Yield in USD Composite includes all fee-paying discretionary institutional US high yield portfolios that invest primarily in BB/B rated U.S. high yield bonds with the goal of providing attractive high yield income with relatively low volatility from a well-diversified portfolio.

3. The benchmark for this composite is the ICE Bank of America Merrill Lynch US High Yield BB/B Cash Pay Constrained Index (JUC4) from its inception on January 1, 1997. Prior to this date, the benchmark is the ICE Bank of America Merrill Lynch US High Yield Cash Pay Index (J0A0) which is unconstrained as to rating or issuer weight. The benchmark change was made upon the creation—and retroactive calculation to 1997—of the constrained index which limits each issuer to no more than 2% of the index weight. This change became necessary when, in 2005, very large investment grade issues were downgraded into the high yield indices, limiting industry and issuer diversification in the unconstrained indices. The JUC4 tracks the performance of BB1 to B3 (average rating), US Dollar-denominated corporate bonds issued within the US domestic market. All included bonds must make cash payments in satisfaction of coupon. It is not possible to invest directly in an unmanaged index.

4. Valuations are computed, and performance is reported in US Dollars. Portfolios may be hedged into US Dollars using rolling currency forwards typically of up to four months in length. Accounts in this composite are valued using closing prices from the last business day or next-to-last business day of the month as per their custodians' or administrators' usual practices.

5. Gross-of-fees returns are presented before management and custodial fees, but after all trading expenses. Composite and benchmark returns are presented without regard to any potential taxation. Composite returns assume a reinvestment of income. However, certain accounts in the Composite may issue periodic cash distributions of all, or a portion of, realized management fees received by Muzinich. The highest fee current income, as elected by investors.

6. Net of management fee returns are based on the actual investment offered to any prospective institutional client in this strategy is 1% per annum. Clients may pay different fees based on the size of their account, servicing needs, and other factors. Your fees may differ.

7. This composite was created in January 2007. A list of composite descriptions, a list of limited distribution pooled fund descriptions, and a list of broad distribution pooled funds are available upon request.

8. Internal dispersion is calculated using the equal-weighted standard deviation of annual gross returns of those portfolios that were included in the composite for the entire year.

9. The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period using net-of-fees returns. The three-year annualized standard deviation is not presented for periods with insufficient composite history.

10. Past results do not guarantee future performance. This strategy can lose money as well as gain and is impacted by market conditions.

11. This composite has previously been called the "U.S. High Yield Composite" with the currency unspecified in the composite name. The composite name was officially changed in June 2012.

Muzinich & Co., Inc.

Muzinich & Co

Muzinich & Co., Inc.
New York

450 Park Avenue
New York
NY 10022, U.S.A

+1 212 888 3413

Muzinich & Co. (Ireland) Limited
Frankfurt Branch

Neue Mainzer Strasse 20
60311 Frankfurt am Main
Germany

+49 (69) 153 25 70 0

Muzinich & Co. Limited
London

8 Hanover Street
London
W1S 1YQ, UK

+44 (0) 207 612 8755

Muzinich & Co. (Ireland) Limited
Dublin

5th floor Kildress House
Pembroke Row
Dublin 2, Ireland

+353 (1) 683 4300

Muzinich & Co. (Switzerland) AG
Geneva

Passage des Lions, 6
1204 Geneva
Switzerland

+41 (0) 22 545 17 00

Muzinich & Co. (Ireland) Limited
Madrid Branch

Paseo Eduardo Dato
18 28010 Madrid
Spain

+34 91 084 8895

Muzinich & Co. Limited
Manchester

No. 1 Spinningfields
Quay Street
Manchester, M3 3JE, UK

+44 (0) 161 509 1560

Muzinich & Co. (Ireland) Limited
Milan Branch

Via Senato 12
20121 Milan
Italy

+39 02 8342 7300

Muzinich & Co. (Ireland) Limited
Paris Branch

37/39 Avenue de Friedland
75008 Paris
France

+33 (0) 1 7306 3700

Muzinich & Co. (Singapore) Pte. Limited
Singapore

Six Battery Road
#26-05 Singapore
049909

+65 6983-7200

Muzinich & Co., Inc.
Palm Beach (Florida)

230, Royal Palm Way
Suite 303
Palm Beach, Florida 33480

+1 561 619 5470

Muzinich & Co. (Switzerland) AG
Zurich

Tödistrasse 5
8002 Zurich
Switzerland

+41 (0) 44 218 14 14

Muzinich & Co. Limited
Sydney

Suite 30.2
Governor Macquarie Tower
1 Farrer Place
Sydney, NSW, 2000

Muzinich & Co. (Singapore) Pte. Limited
Hong Kong - Rep Office

One International Finance Centre
1 Harbour View Street
Central, Hong Kong

+852 3899 6640

email: info@muzinich.com

web: www.muzinich.com