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Muzinich Multi-Asset Credit Update| April 2023

Muzinich & Co

This is a marketing communication. Based on your jurisdiction, please refer to the prospectus of the UCITS and/or KIID/KID before making any final investment decisions. The Fund is classified as an Article 8 investment product in accordance with EU Sustainable Finance Disclosure Regulations.*

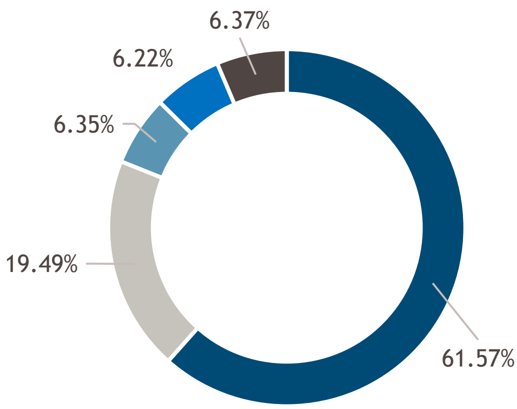
CAPITAL AT RISK.
The value of investments and the income from them may fall as well as rise, and is not guaranteed.
Investors may not get back the full amount invested.

Muzinich Global Tactical Credit Fund

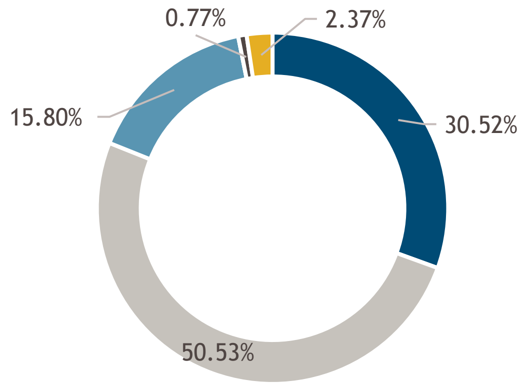
OVERVIEW

- The fund had positive performance over the month.
- Duration was lengthened by around 0.8 years.
- We continued to trim our High Yield exposure.
- Banking exposure continued to decline to 1.7%.

Regional Allocation (ex cash)



Asset Class Distribution (incl. cash)[1]



Source: Muzinich analysis as of April 28th, 2023. Characteristics are subject to change at any time without prior notice. For illustrative purposes only. [1]Asset Class Distribution breakdown does not include a CDX hedge position.

Management Team

Lead Portfolio Manager
Michael L. McEachern

Portfolio Manager
Brian Nold

Portfolio Manager
Warren Hyland

Muzinich views and opinion for illustrative purposes only and not to be construed as investment advice. See Important Information at the end regarding forward looking statements. *Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 December 2019 on sustainability-related disclosures in the financial services sector.

Portfolio Positioning	
Average Credit Rating[1]	A3
Yield to Worst (%) (GBP equiv.)	4.68
Yield to Maturity (%) (local curr.)	4.97
Duration to Worst (incl. hedges & cash, yrs)	5.58

[1]Tactical Credit Income Fund uses the Highest Rating Methodology for its average rating calculation.

PORTFOLIO REVIEW

- Yields and prices remain attractive while spreads are at or slightly above longer-term averages
- Reduced EUIG via a reduction in European Banks from around 9.5% at the end of February to around 1.7% at the end of April. Overall European exposure (IG, Banks and HY) is 23.8% compared to 29% last month
- Overall Banking exposure was reduced from 14% at the end of February to 4.5% at the end of April. The exposure is comprised of the previously mentioned 1.7% European banks and the remainder in primarily strong EM banks (in some cases quai-sovereign entities). The portfolio does not have any US banking exposure including US regional banks.
- During the month, we added a 10% credit hedge via CDX HY and iTraxx Crossover
- Overall Duration increased from 4.02 years at the end of February to 5.57% at the end of April and compares to the longer-term average of around 3.7 years
- Total HY exposure decreased to 16% from 18% at the end of March with no current exposure to Leveraged Loans
- Total EM exposure remained relatively flat at 14.7% and compares to 9% at the end of August. The increase over the last few months has been focused on EMIG with Investment Grade representing 80% of the portfolio compared to 59% at the end of ‘21
- Focus is to improve credit quality and liquidity, dampen volatility while capturing relatively attractive yields

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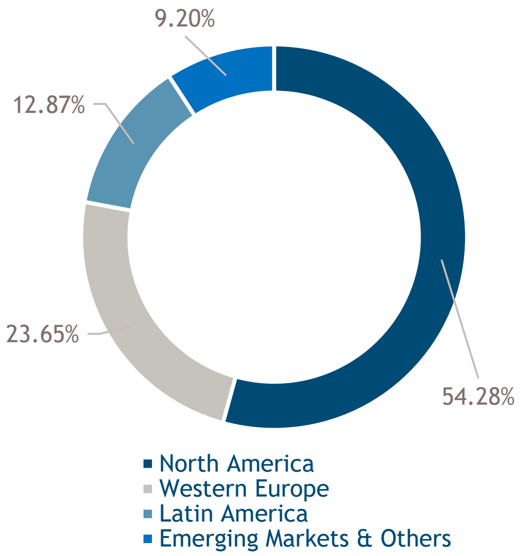
Muzinich Dynamic Credit Income Fund

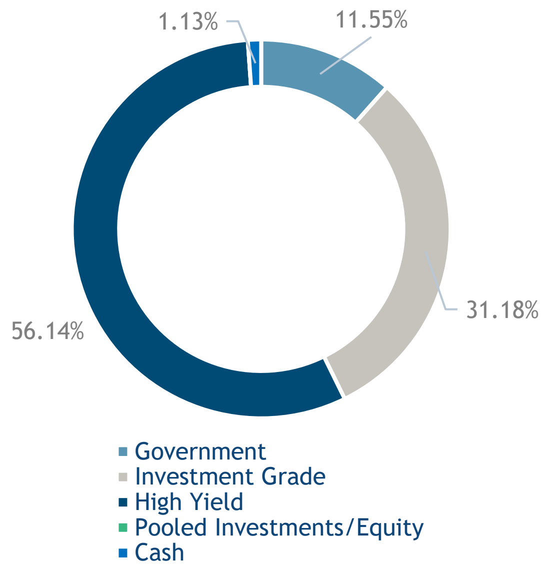
OVERVIEW

- The fund had positive performance over the month.
- Duration was lengthened by approx. 0.6 years in April
- Overall Credit Quality increased so that fund finished month as Average Investment Grade - BBB3
- Whilst overweight EMD, this is via Investment Grade. Underweight the more volatile areas such as China and Eastern Europe

Regional Allocation (ex cash)



Asset Class Distribution incl. cash



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Portfolio Positioning	
Average Credit Rating[1]	BBB3
Yield to Worst (%) (GBP equiv.)	6.25
Yield to Maturity (%) (local curr.)	6.57
Duration to Worst (incl. hedges & cash, yrs)	5.18

[1]Dynamic Credit Income Fund uses the Blended Credit Rating Methodology for its average rating calculation.

PORTFOLIO REVIEW

- Overall portfolio Duration Times Spread (DTS), which can be used as a proxy for beta or risk, was reduced during the month of April. We are at levels of around 64% of the index DTS compared to 87% at the end of March.
- We increased the cash and treasury position to 12.6% from 8.1% at the end of March.
- With the addition of treasuries during March and April, portfolio duration increased from 4.4 years at the end of February to 5.2 years at the end of April.
- Overall Banking exposure was reduced from 3.9% at the end of March. The exposure is comprised of 2.2% in European banks and the remainder in primarily strong EM banks (in some cases quai-sovereign entities). The portfolio does not have any US banking exposure including US regional banks.
- By Industry, Energy remains the largest sector exposure at 12.6% which is neutral to the index.
- For individual credits, we have focused on reducing/exiting credits with potential fundamental concerns and rotated into higher quality, stronger credits
- Overall HY exposure ended April at 53% which was down from the prior month and compares to an index HY weighting of around 70%. We ended March with underweight positions across USHY, EMHY and EUHY.
- Overall EM is an overweight for DCIF with an overweight in EMIG and underweight for EMHY and continue to largely avoid the more volatile geographies such as China and most of Eastern Europe.

OUTLOOK

- While we believe the recent banking headlines are largely related to issues facing the specific banks involved, market concerns remain regarding potential systemic risks given the aggressive tightening efforts from central bankers over the last year.
- The more restrictive policies and higher interest rates have dampened the outlook for economic growth with debate still centered on the likelihood of near-term recessions in the US and Europe.
- While we do see signs of resiliency in the underlying economies and corporate balance sheets are generally on solid footing entering the potential downturn, we have worked to position the portfolio for a slowdown and an increase in defaults.
- We have worked to move portfolio quality up as we reduce lower rated issues and add to higher quality as well as lengthening the duration of the portfolio.
- With increased economic uncertainty, we expect additional spread volatility and will potentially look to deploy some of the portfolio cash and treasury position into credit as spread valuations improve.

Important information

Muzinich Dynamic Credit Income Fund and the Muzinich Global Tactical Credit Fund are sub-funds of Muzinich Funds, a unit trust organised under the laws of Ireland and authorised by the Central Bank of Ireland as UCITS.

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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).

Risk management process includes an effort to monitor and manage risk but does not imply low risk.

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