

Muzinich & Co. Corporate Credit Snapshot | January 2026

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KEY TAKEAWAYS

- Global corporate credit generated positive returns across the board January. Despite continued volatility across markets, credit markets remained well-supported and were a source of relative stability
- Macro-uncertainty was driven by various geopolitical dynamics and headlines including President Trump's continued desire to acquire Greenland, the US's capture of Venezuelan President Nicolas Maduro, and the build-up of US forces in the Middle East as President Trump focuses on Iran
- Credit spreads were tighter in both the US and Europe as new issue supply volumes were easily absorbed by persistent demand. Rates were higher in the US as economic data continued to suggest fewer rate cuts may be needed, while rates were slightly lower in Europe
- Emerging markets (EM) debt delivered strong positive returns this month. Within EM, corporate credit outperformed sovereigns, led by the performance of Asian high yield. In terms of EM investment grade, Eastern Europe was the best performing region

HIGH YIELD AND LEVERAGED LOAN TECHNICALS

US Retail Fund Flows

US\$1.3 billion in high yield outflows, US\$2.3 billion in leveraged loan retail inflows
MTD (through 01.31)

| HY New Issuance* | US | EUROPE |
|--------------------|--------------|-------------|
| YTD | US\$30.1 bn | US\$15.7 bn |
| MTD | US\$30.1 bn | US\$15.7 bn |
| Loan New Issuance* | US | |
| YTD | US\$164.2 bn | |
| MTD | US\$164.2 bn | |

US New Issuance Names (500 mn and above) MTD

Level 3 Financing, Archrock Services, CCO Holdings, Installed Building Products Inc, Six Flags, CompoSecure, Osaic Holdings, Murphy Oil, Clearway Energy, GFL Environmental, Burford Capital Global, Virgin Media O2, Bristow Group Inc, Uniti Group, Nielsen, Hillenbrand, Petco Health & Wellness, Columbus McKinnon Corp, WR Grace Holdings, Albertsons Cos Inc., Asurion, United Airlines Holdings, Velocity Com, Biomarin Pharmaceutical, Howden, CVR Energy Inc., Azul Secured Finance, Team Services

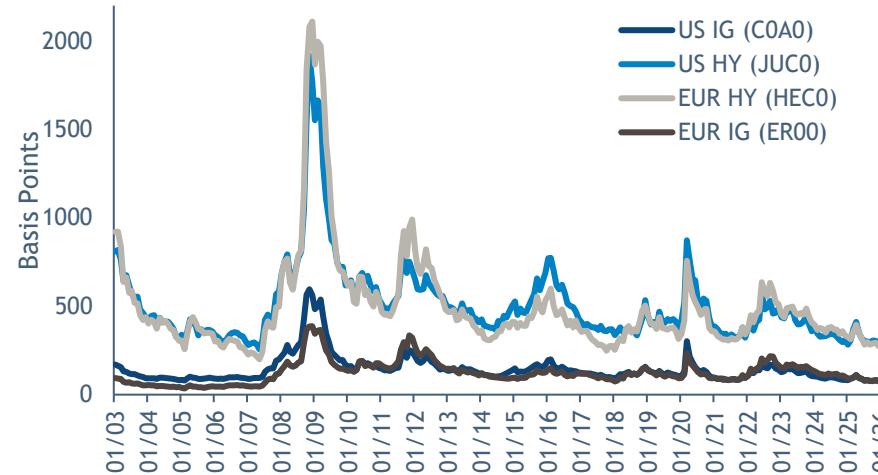
US New Issuance Pipeline (Announced)

Treehouse Foods

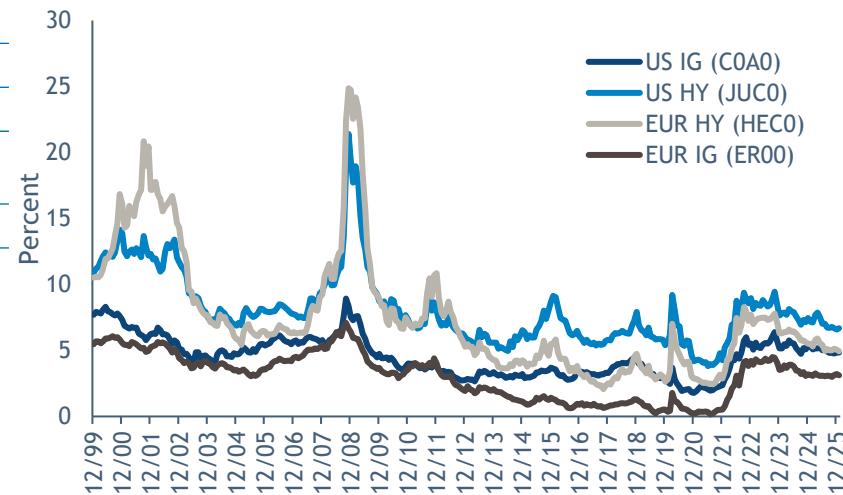
Note: Reference to the names of each company mentioned in this communication is merely for explaining the investment strategy and should not be construed as investment advice or investment recommendation of those companies.

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CORPORATE BOND SPREADS (STW) BY INDEX



CORPORATE BOND YIELDS (YTW) BY INDEX



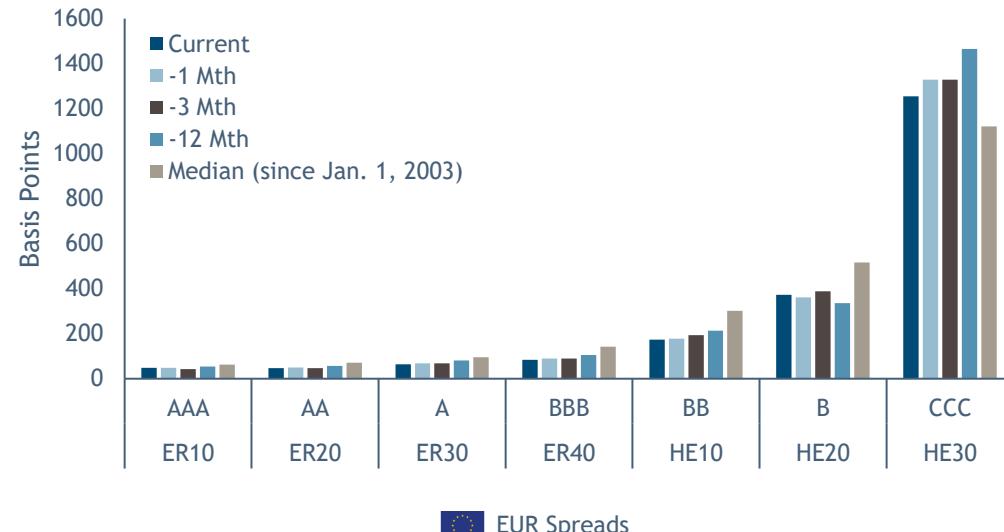
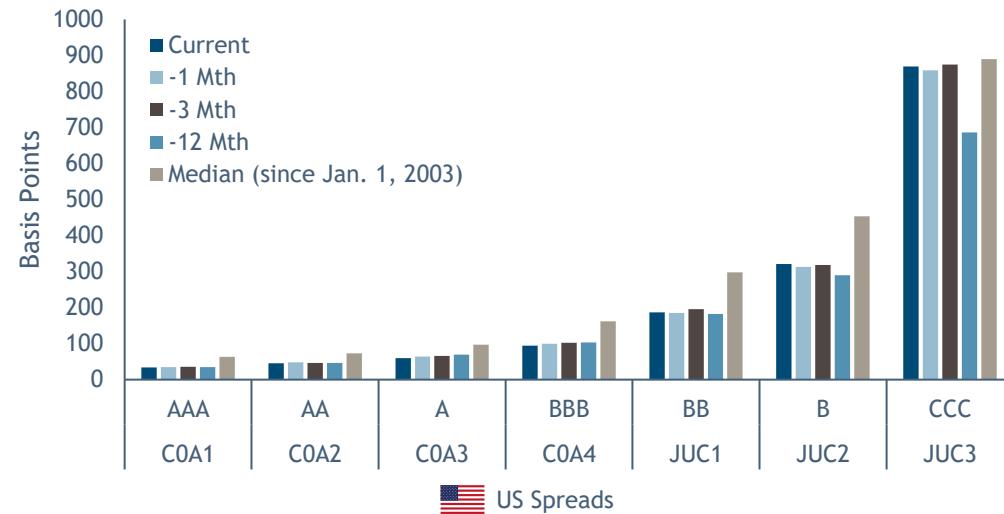
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CORPORATE BOND SPREADS (STW) - JANUARY 31, 2026

| Index | Rating | Current STW | -1 Mth | -3 Mth | -12 Mth | Median (since Jan. 1, 2003) |
|-------|-----------|-------------|--------|--------|---------|-----------------------------|
| US | COA0 IG | 74 | 79 | 80 | 82 | 127 |
| | JUC0 HY | 295 | 291 | 306 | 283 | 436 |
| | JUC4 BB/B | 234 | 231 | 242 | 226 | 369 |
| | COA1 AAA | 34 | 35 | 36 | 35 | 63 |
| | COA2 AA | 45 | 48 | 46 | 46 | 73 |
| | COA3 A | 60 | 64 | 66 | 69 | 97 |
| | COA4 BBB | 94 | 100 | 102 | 103 | 162 |
| | JUC1 BB | 187 | 185 | 196 | 182 | 298 |
| | JUC2 B | 321 | 313 | 318 | 290 | 453 |
| | JUC3 CCC | 869 | 859 | 875 | 686 | 890 |
| EM | EMCL All | 156 | 167 | 161 | 173 | 295 |
| EUR | ER00 IG | 72 | 77 | 76 | 91 | 114 |
| | HEC0 HY | 270 | 276 | 290 | 326 | 415 |
| | ER10 AAA | 48 | 49 | 43 | 54 | 62 |
| | ER20 AA | 47 | 50 | 47 | 57 | 71 |
| | ER30 A | 64 | 69 | 68 | 81 | 96 |
| | ER40 BBB | 84 | 89 | 89 | 106 | 143 |
| | HE10 BB | 174 | 178 | 193 | 214 | 302 |
| | HE20 B | 373 | 362 | 388 | 336 | 517 |
| | HE30 CCC | 1255 | 1329 | 1329 | 1465 | 1121 |

CORPORATE BOND SPREADS (STW)



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MARKET PERFORMANCE % AND STATISTICS - JANUARY 31, 2026

| | | Performance Summary (%) | | | Characteristics | | | Performance History (%, annualised) | | | | | |
|---------------------------------|-------------------------------|-------------------------|---------|-------|-----------------|-----------|-------------|-------------------------------------|--------|--------|--------|--------|--------|
| High Yield | | MTD | Pr. Mth | QTD | YTD | DTW (yrs) | YTW (%) | STW (bps) | 1 Year | 2 Year | 3 Year | 4 Year | 5 Year |
| JUC0 | US HY | 0.48 | 0.64 | 0.48 | 0.48 | 2.96 | 6.69 | 295 | 7.58 | 8.55 | 8.76 | 5.13 | 4.51 |
| JC4N | US HY BB-B | 0.55 | 0.61 | 0.55 | 0.55 | 2.98 | 6.06 | 232 | 7.80 | 7.92 | 8.15 | 4.82 | 4.14 |
| HEC0 | Euro HY | 0.70 | 0.35 | 0.70 | 0.70 | 2.88 | 4.94 | 270 | 5.25 | 6.80 | 7.67 | 3.73 | 3.25 |
| HEC5 | Euro HY BB-B | 0.65 | 0.39 | 0.65 | 0.65 | 2.84 | 4.46 | 222 | 5.71 | 6.94 | 7.80 | 3.84 | 3.26 |
| Investment Grade | | | | | | | | | | | | | |
| C0A0 | US IG | 0.36 | -0.31 | 0.36 | 0.36 | 6.47 | 4.84 | 74 | 7.51 | 5.35 | 5.06 | 1.27 | 0.43 |
| C4NF | US BBB Corporates | 0.47 | -0.27 | 0.47 | 0.47 | 6.57 | 5.04 | 91 | 7.80 | 5.64 | 5.51 | 1.43 | 0.63 |
| ER00 | Europe IG | 0.80 | -0.20 | 0.80 | 0.80 | 4.45 | 3.12 | 72 | 3.35 | 4.21 | 4.80 | 0.59 | 0.03 |
| EN40 | Europe BBB | 0.81 | -0.15 | 0.81 | 0.81 | 4.42 | 3.20 | 80 | 3.60 | 4.49 | 5.09 | 0.53 | 0.00 |
| Governments (7-10 Year Indices) | | | | | | | | | | | | | |
| G402 | US Treasuries 7-10 Yrs | -0.21 | -0.76 | -0.21 | -0.21 | 6.99 | 4.16 | 1 | 7.22 | 3.62 | 2.47 | -0.79 | -1.49 |
| G4L0 | UK Gilts 7-10 Yrs | 0.09 | 0.15 | 0.09 | 0.09 | 7.13 | 4.44 | 0 | 5.31 | 2.35 | 1.85 | -1.92 | -2.82 |
| G4D0 | German Fed Govt 7-10 Yrs | 0.62 | -1.00 | 0.62 | 0.62 | 7.28 | 2.71 | 0 | 0.38 | 0.36 | 1.45 | -3.14 | -3.29 |
| Equities | | | | | | | | | | | | | |
| S&P | S&P 500 incl. Dividends | 1.44 | 0.06 | 1.44 | 1.44 | | | | 16.32 | 21.23 | 21.08 | 12.98 | 14.97 |
| DAX | DAX Index | 0.20 | 2.74 | 0.20 | 0.20 | | | | 12.92 | 20.49 | 17.50 | 12.22 | 12.81 |
| Syndicated Loans | | | | | | YTM (%) | 3Y DM (bps) | | | | | | |
| US | US Leveraged Loan Index | -0.18 | 0.61 | -0.18 | -0.18 | 7.94 | 462 | 4.62 | 6.61 | 8.03 | 6.32 | 5.87 | |
| Europe | European Leveraged Loan Index | -0.24 | 0.54 | -0.24 | -0.24 | 7.27 | 506 | 3.51 | 5.59 | 7.46 | 5.29 | 5.09 | |

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

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CREDIT MARKET UPDATE

US:

US corporate credit delivered positive returns in January. Despite continued volatility across markets, credit markets remained well-supported and were a source of relative stability. Macro-uncertainty was driven by various geopolitical dynamics and headlines including President Trump's continued desire to acquire Greenland, the US's capture of Venezuelan President Nicolas Maduro, and the build-up of US forces in the Middle East as President Trump focuses on Iran. An increased emphasis on US mid-term elections in November was also apparent, particularly in Trump's Davos speech and several US policy announcements that appeared aimed at easing cost pressures on US consumers. Credit spreads were tighter, and rates were higher as economic data continued to suggest fewer rate cuts may be needed. This month US high yield outperformed investment grade.

EM:

Emerging markets (EM) debt delivered strong positive returns this month. Within EM, corporate credit outperformed sovereigns, led by the performance of Asian high yield. In terms of EM investment grade, Eastern Europe was the best performing region. Strong inflows into EM and other credit asset classes supported elevated supply, including robust January primary issuance for corporate credit. Sovereign issuance was also vigorous, driven by the Middle East & Africa region which issued more than twice the supply seen in 2025, with Saudi Arabia accounting for roughly half of the regional issuance. At the quasi-sovereign level, Saudi issuers are increasingly replacing energy dividends with bond funding. There were no defaults in January in EM, and we saw conditions improve across regions and sectors. In Latin America, the technology, media, and telecommunications (TMT) sector outperformed; in Eastern Europe, the utilities sector excelled; and in Asia, credit was broadly supported by bond tenders and exchanges.

Europe:

European credit markets generated positive returns across the board in January. Despite continued volatility across markets, European credit markets remained well-supported and were a source of relative stability. Macro-uncertainty was driven by various geopolitical dynamics and headlines including President Trump's continued desire to acquire Greenland, the US's capture of Venezuelan President Nicolas Maduro, and the build-up of US forces in the Middle East as President Trump focuses on Iran. Credit spreads were tighter, while rates were slightly lower in Europe. This month investment grade outperformed in Europe on the back of a modest rates tailwind.

Outlook

As we enter February, we are watching geopolitical developments in the Middle East. On the macroeconomic front, one key indicator to watch may be the US dollar; a currency is often viewed as a barometer of both the economy's health and confidence in the administration running it. Demand for US assets remains robust, but international investors seem to be showing interest in hedging against administration-related risks, contributing to US dollar depreciation. At the same time, we believe the global credit landscape remains fundamentally solid—corporate earnings continue to be mostly healthy, and supportive technicals are reinforcing historically tight spreads.

Important Information

The following indices referenced in the snapshot are ICE BofA indices:

JUC0 - ICE BofA US Cash Pay High Yield Constrained Index
JUC1 - ICE BofA BB US Cash Pay High Yield Constrained Index;
JUC2 - ICE BofA Single-B US Cash Pay High Yield Constrained Index;
JUC3 - ICE BofA CCC and Lower US Cash Pay High Yield Constrained Index;
JUC4 - ICE BofA BB-B US Cash Pay High Yield Constrained Index;
JC4N - ICE BofA BB-B US Non-Financial Cash Pay High Yield Constrained Index;
HEC0 - ICE BofA Euro High Yield Constrained Index;
HE10 - ICE BofA BB Euro High Yield Index;
HE20 - ICE BofA Single-B Euro High Yield Index;
HE30 - ICE BofA CCC & Lower Euro High Yield Index;
HEC5 - ICE BofA BB-B Euro Non-Financial High Yield Constrained Index;
COA0 - ICE BofA US Corporate Index;
COA1 - ICE BofA AAA US Corporate Index;
COA2 - ICE BofA AA US Corporate Index;
COA3 - ICE BofA Single-A US Corporate Index;
COA4 - ICE BofA BBB US Corporate Index;
C4NF - ICE BofA BBB US Non-Financial Corporate Index;
ER00 - ICE BofA Euro Corporate Index;
ER10 - ICE BofA AAA Euro Corporate Index;
ER20 - ICE BofA AA Euro Corporate Index;
ER30 - ICE BofA Single-A Euro Corporate Index;
ER40 - ICE BofA BBB Euro Corporate Index;
EN40 - ICE BofA BBB Euro Non-Financial Index;
G4Q2 - ICE BofA 7-10 Year US Treasury Index
G4L0 - ICE BofA 7-10 Year UK Gilt Index
G4D0 - ICE BofA 7-10 Year German Government Index;
EMCL - ICE BofA US Emerging Markets Liquid Corporate Plus Index.

S&P 500 - The Standard & Poor's 500 Index (S&P 500) is an index of 500 stocks seen as a leading indicator of U.S. equities and a reflection of the performance of the large cap universe, made up of companies selected by economists.

DAX - The German Stock Index is a total return index of 30 selected German blue chip stocks traded on the Frankfurt Stock Exchange. The equities use free float shares in the index calculation.

Bloomberg US Leveraged Loan Index - The Bloomberg US Leveraged Loan Index measures the performance of USD denominated, high-yield, floating-rate, institutional leveraged loan market. The US Loan Index was created in 2024, with history backfilled to January 1, 2019.

Bloomberg European Leveraged Loan Index - The Bloomberg European Leveraged Loan Index measures the performance of the EUR- and GBP- denominated, high-yield, floating-rate, institutional leveraged loan market. The index was created in 2025, with history backfilled to January 1, 2019.

All performance, duration, yield and spread data downloaded from Bloomberg. Markit iBoxx USD Leveraged Loan (IBOXLTRI), S&P 500 incl. Dividends, and DAX figures from Bloomberg. You cannot invest directly into an index.

Important Information | January 2026



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