

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	

Main Market Driver

Macro: Geopolitical uncertainty

Micro: New issue supply easily absorbed by persistent demand

Default Rates (Dollar weighted)**

	US	EUR
LTM	1.5%	10.2%

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

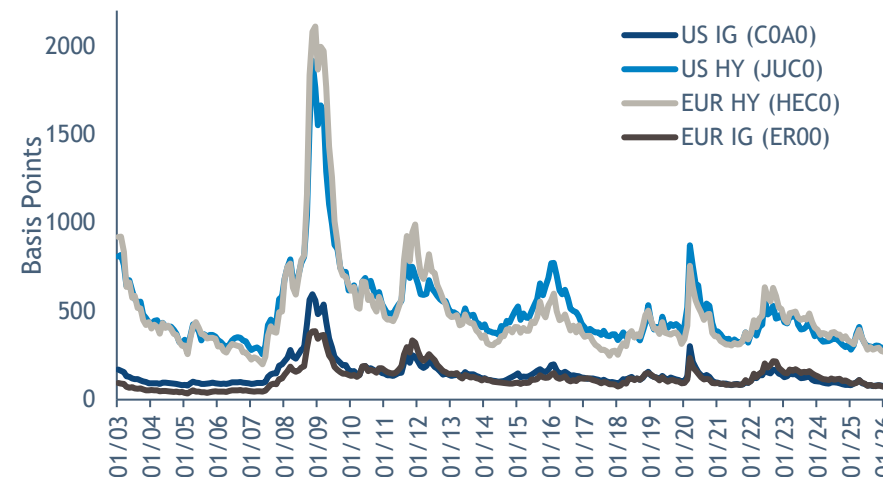
US New Issuance Pipeline (Announced)

Treehouse Foods

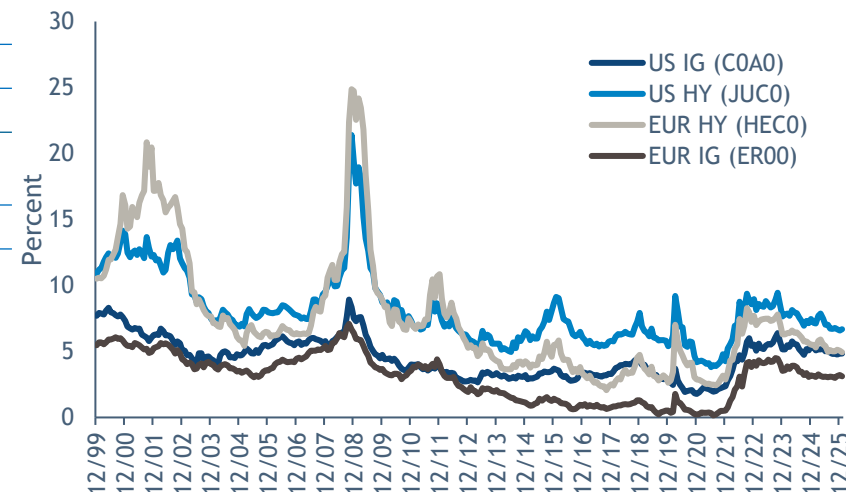
Note: Reference to the names of each company mentioned in this communication is merely for explaining the investment strategy and should not be construed as investment advice or investment recommendation of those companies.

Muzinich views and opinions are for illustrative purposes only and not to be construed as investment advice. Unless stated all data figures are sourced from Bloomberg as of December 31st, 2025. Full information on indices is provided on page 5. *JP Morgan; European figures include non-Euro issues of European companies. **Moody's Default Report as of November 30th, 2025. Most recent data available used.

CORPORATE BOND SPREADS (STW) BY INDEX



CORPORATE BOND YIELDS (YTW) BY INDEX



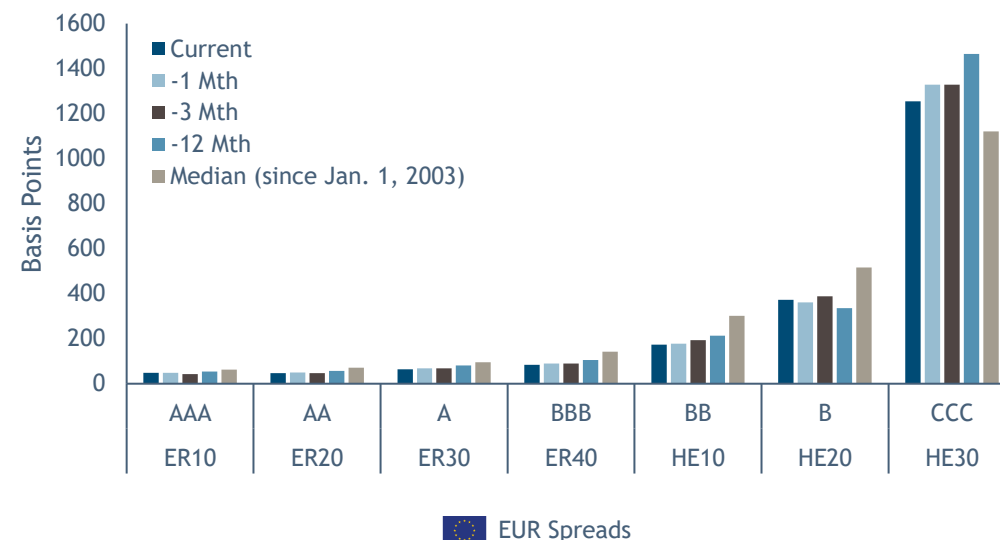
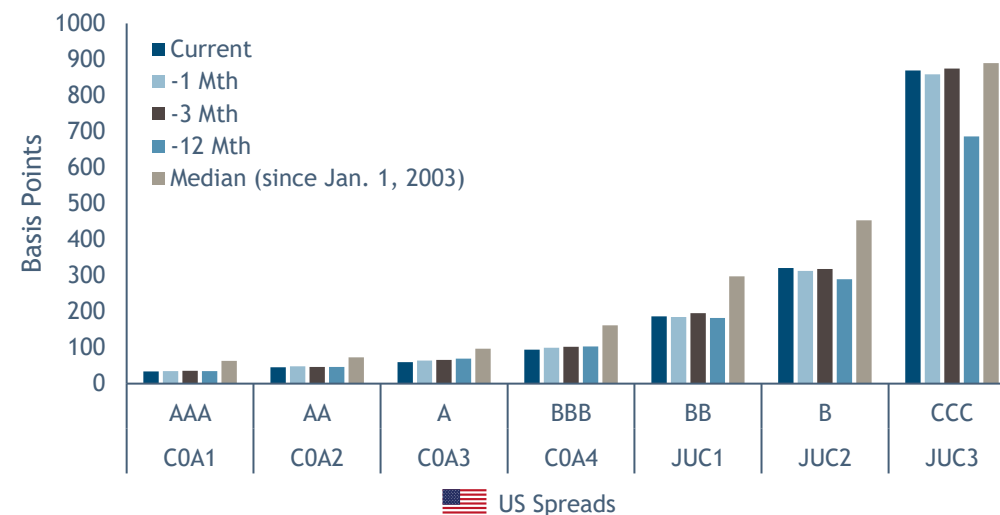
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CORPORATE BOND SPREADS (STW) - JANUARY 31, 2026

	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													
COA0	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)													
G4O2	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.

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.

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.

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;
C0A0 - ICE BofA US Corporate Index;
C0A1 - ICE BofA AAA US Corporate Index;
C0A2 - ICE BofA AA US Corporate Index;
C0A3 - ICE BofA Single-A US Corporate Index;
C0A4 - 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;
G4O2 - 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.

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