

Muzinich & Co. Corporate Credit Snapshot | November 2025

Muzinich & Co.

KEY TAKEAWAYS

-US credit markets generated positive returns across the board this month. US rates were lower on the back of market expectations of a Federal Reserve (Fed) rate cut in December

-Europe generated mixed returns this month as rates moved higher with various European Central Bank (ECB) speakers reiterating that rates are on hold for now and the ECB will take a data-dependent approach going forward. As a result, lower rated, less rate-sensitive high yield gained while European investment grade credit lagged

-The recent theme of AI-related debt issuance continued in both Europe and the US. The technology sector underperformed this month as the market braces for continued issuance by the large technology companies

-Emerging markets (EM) debt delivered positive returns in November. Among the headlines for the month were continuing peace talks for Ukraine held by the US, Ukraine, and Russia, with a month-end visit to Moscow by Hungarian Prime Minister Orban to discuss oil and gas supplies with Russian President Putin

HIGH YIELD AND LEVERAGED LOAN TECHNICALS

US Retail Fund Flows

US\$0.5 billion in high yield outflows, US\$0.1 billion in leveraged loan retail outflows

MTD (through 11.30)

HY New Issuance*	US	EUROPE
YTD	US\$310.1 bn	US\$129.9 bn
MTD	US\$24.9 bn	US\$9.8 bn
Loan New Issuance*	US	
YTD	US\$924.2 bn	
MTD	US\$49.3 bn	

Main Market Driver

Macro: Rates and End of US Government Shutdown

Micro: Mixed technicals

Default Rates (Dollar weighted)**

	US	EUR
LTM	1.8%	9.0%

US New Issuance Names (500 mn and above) MTD

Taylor Morrison, Tenet Healthcare, Nielsen, Wayfair Inc., Nabors Industries Inc., Cipher Compute, Garda World Security, Breakwater Energy, Allison Transmission Inc., Carpenter Technology, Acushnet Co., XPLR, Commercial Metals Co, Synergy, Graham Holdings, Applied Digital, Stonebriar, Molina Healthcare Inc., Crosscountry, Genmab, DBR Land Holdings, Sabre Financial, Ardagh Metal Packaging, United Rentals.

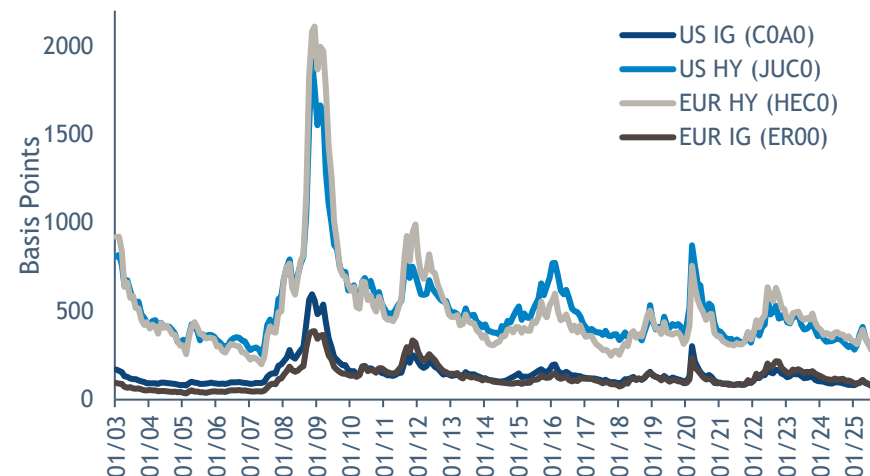
US New Issuance Pipeline (Announced)

Post Holdings, Enerflex Inc., Hilton

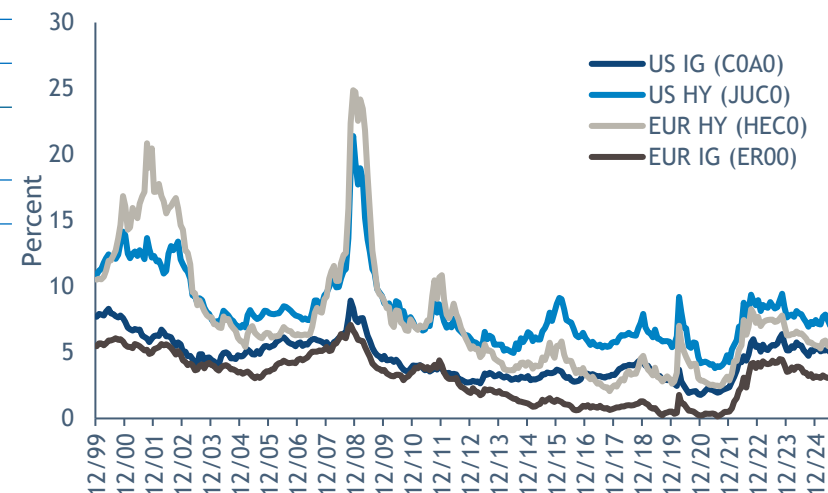
Note: Reference to the names of each company mentioned in this communication is merely for explaining the investment strategy and should not be construed as investment advice or investment recommendation of those companies.

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 November 30th, 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 October 31st, 2025. Most recent data available used.

CORPORATE BOND SPREADS (STW) BY INDEX



CORPORATE BOND YIELDS (YTW) BY INDEX



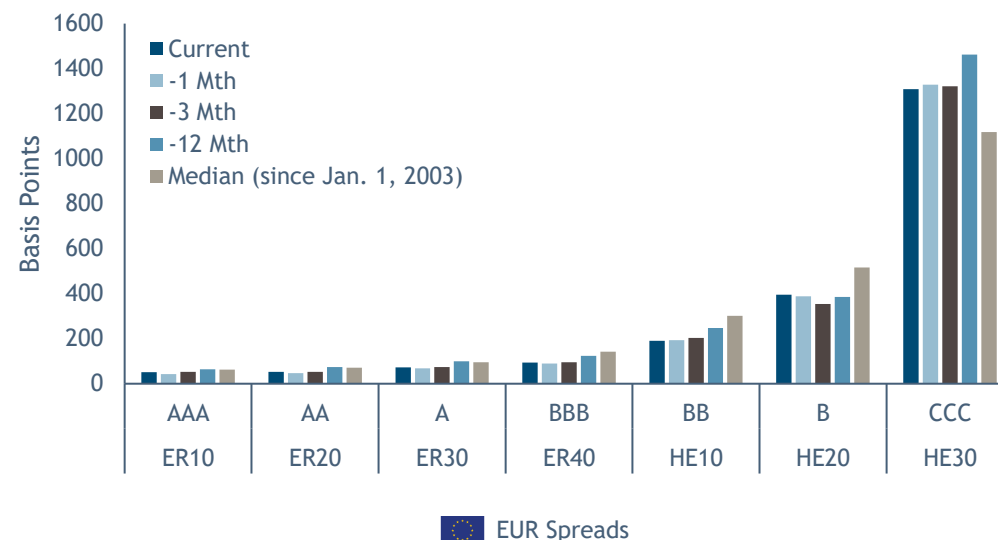
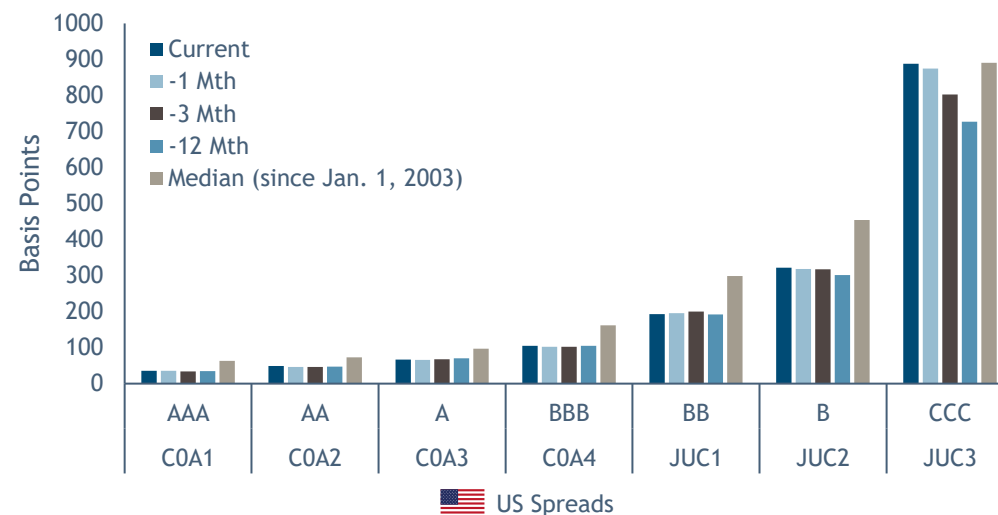
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CORPORATE BOND SPREADS (STW) - NOVEMBER 30, 2025

	Index	Rating	Current STW	-1 Mth	-3 Mth	-12 Mth	Median (since Jan. 1, 2003)
US	COA0	IG	82	80	81	84	127
	JUC0	HY	304	306	300	297	437
	JUC4	BB/B	241	242	245	235	370
	COA1	AAA	36	36	34	35	63
	COA2	AA	49	46	46	47	73
	COA3	A	67	66	68	70	97
	COA4	BBB	105	102	102	105	162
	JUC1	BB	193	196	200	192	299
	JUC2	B	322	318	317	301	454
	JUC3	CCC	888	875	803	727	891
EM	EMCL	All	176	161	165	180	295
EUR	ER00	IG	81	76	83	109	114
	HEC0	HY	293	290	298	359	415
	ER10	AAA	51	43	53	64	62
	ER20	AA	53	47	53	74	71
	ER30	A	72	68	74	99	96
	ER40	BBB	94	89	96	124	143
	HE10	BB	191	193	204	247	302
	HE20	B	395	388	354	386	517
	HE30	CCC	1309	1329	1321	1463	1118

CORPORATE BOND SPREADS (STW)



MARKET PERFORMANCE % AND STATISTICS - NOVEMBER 30, 2025

		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	0.52	0.20	0.72	7.86	2.99	6.68	304	7.38	9.92	9.46	4.61	4.74
JC4N	US HY BB-B	0.65	0.26	0.92	8.00	3.05	6.05	241	7.42	9.13	8.69	4.26	4.25
HEC0	Euro HY	0.09	0.09	0.18	4.78	2.93	5.12	293	5.44	8.22	8.16	3.29	3.29
HEC5	Euro HY BB-B	0.05	0.27	0.32	5.15	2.90	4.60	241	5.92	8.31	8.22	3.40	3.26
Investment Grade													
COA0	US IG	0.64	0.45	1.09	8.12	6.57	4.77	82	6.20	7.52	6.32	0.41	0.27
C4NF	US BBB Corporates	0.61	0.38	0.99	8.23	6.69	4.98	102	6.26	7.84	6.79	0.50	0.52
ER00	Europe IG	-0.23	0.69	0.45	3.24	4.48	3.13	81	2.80	5.37	4.72	0.08	-0.09
EN40	Europe BBB	-0.23	0.74	0.50	3.34	4.47	3.22	91	2.97	5.74	5.08	-0.02	-0.10
Governments (7-10 Year Indices)													
G4O2	US Treasuries 7-10 Yrs	1.01	0.69	1.70	9.00	7.12	3.92	0	6.56	6.12	3.50	-1.20	-1.58
G4L0	UK Gilts 7-10 Yrs	0.08	2.51	2.60	5.92	7.23	4.36	0	3.94	3.85	1.61	-2.91	-2.87
G4D0	German Fed Govt 7-10 Yrs	-0.23	0.76	0.54	0.45	7.45	2.59	0	-1.35	1.97	0.92	-3.72	-3.27
Equities													
S&P	S&P 500 incl. Dividends	0.25	2.34	2.59	17.79				14.97	24.06	20.55	12.30	15.26
DAX	DAX Index	-0.51	0.32	-0.18	19.73				21.45	21.24	18.30	12.09	12.39
Syndicated Loans							YTM (%)	3Y DM (bps)					
US	US Leveraged Loan Index	0.35	0.11	0.46	4.86		7.62	445	5.32	7.62	8.96	6.44	6.36
Europe	European Leveraged Loan Index	0.52	-0.22	0.30	4.20		7.04	488	4.65	6.79	8.38	5.41	5.35

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

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CREDIT MARKET UPDATE

US:

US credit markets generated positive returns across the board this month. With November as a historically strong month for risk assets, this year was no exception. Spreads widened at the start of the month (during the last part of the US government shutdown) but rallied back in the second half of the month, ending November mostly unchanged. Rates were lower on the back of market expectations of a Federal Reserve (Fed) rate cut in December. While the lack of economic data during the US government shutdown kept uncertainty elevated, the market gave more weight to weaker data and the expectation of a more dovish Fed chair next year. US credit outperformed European credit in both investment grade and high yield; US investment grade saw the strongest performance as US rates moved lower. The recent theme of AI-related debt issuance continued. The technology sector underperformed this month as the market braces for continued issuance by the large technology companies to fund AI-related capital expenditure.

Europe:

European credit markets generated mixed returns this month. Rates moved higher as various European Central Bank (ECB) speakers reiterated that rates are on hold for now and the ECB will take a data-dependent approach going forward. As a result, lower rated, less rate-sensitive high yield gained while European investment grade credit lagged; both rating bands underperformed their US counterparts as US rates moved lower this month.

EM:

Emerging markets (EM) debt delivered positive returns in November. Among the headlines for the month were continuing peace talks for Ukraine held by the US, Ukraine, and Russia, with a month-end visit to Moscow by Hungarian Prime Minister Orban to discuss oil and gas supplies with Russian President Putin. In Brazil, a new rollback of tariffs by the US is expected as President Lula da Silva spoke optimistically about his communication with President Trump. Meanwhile, Chile's ultra-conservative presidential candidate José Antonio Kast opened a roughly twenty-point lead over his leftist contender ahead of the December runoff as voter perceptions of him improved, according to a new poll at month end. Central banks in Mexico, Israel, Poland, and South Africa all cut policy rates by 25 basis points this month.

Outlook

As we have previously mentioned, while spreads remain at historically tight levels, we see this as justified; companies continue to report strong earnings with solid interest coverage. We remain committed to our tried-and-true credit assessment methodology to ascertain company credit worthiness. In a market that is preoccupied by a potential bubble bursting, we believe that at current yields, well-curated credit still offers meaningful protection against potential downside volatility.

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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