

Fund Summary

| | |
|--------------------------------|--|
| Fund Name | Muzinich MLoan Private Credit Fund |
| Fund Manager | Muzinich & Co. Limited |
| Asset Class | Private Credit |
| Sub-Asset Class | Corporate Credit (EU) |
| Strategy Description | The objective of the Fund is to preserve capital and provide investors with income through investment in primarily senior secured floating rate instruments, including syndicated loans and club loans. The Fund will focus on parallel lending alongside banks to middle market European corporates. |
| Net Return Objective* | RBA Cash + 5.5% - 6% p.a. (hedged to AUD) |
| Distribution Frequency | Monthly (majority of the returns will be distributed) |
| Fund Structure | Australian Denominated Feeder Fund |
| Terms of the Investment | <ul style="list-style-type: none"> • Open-ended with monthly application. • No initial lockup however an exit fee 2% applies in the first year • Quarterly redemption (max. 5% of the fund); provided that a Withdrawal Form is accepted no less than 91 days before the last Business Day of each calendar month |
| Fees (exclusive of GST) | <ul style="list-style-type: none"> • Management Fee – 1.60% p.a. of Net Asset Value • Performance Fee – 10% above a hurdle of 5% p.a. return, with a 100% catch up • Administration Fee – depends on the organizational expenses of the Master Fund (capped at 1.00% p.a.) |
| Drawdown Profile | Fully drawn on day one into an existing portfolio |
| Minimum Investment | \$100,000 |
| Key Dates | Refer to: https://www.partnersprivate.com.au/investments/muzinich-mloan-private-credit-fund/ |
| Offer Documents | Information Memorandum |

*Net Return Objectives are not guaranteed, and total returns may be above or below target range.

This summary has been provided for illustrative purposes only. All terms and conditions contained herein are subject to and will be superseded by the final documentation. Please refer to the Fund's Information Memorandum for further details. This summary is not an offer or solicitation to purchase interests in the Fund. Such interests are only offered pursuant to the terms of the Information Memorandum, which should be reviewed carefully prior to investing. Past performance and/or forward-looking statements are not a reliable indicator of future performance

Muzinich MLoan Private Credit Fund



The Opportunity

What is Parallel Lending?

Banks are limited by strict rules (like Basel III) and required to hold some equity at a higher cost of capital.

This is an opportunity to Muzinich as they are able to participate and co-lend with European banks on the same terms, working together, not competing. As such, Muzinich can avoid overcrowded parts of the market.

Benefits of the Parallel Lending

- More resilient: Muzinich lend to businesses with strong earnings compared to their debt costs. This helps protect against rising interest rates and economic downturns.
- Lower risk: Focus on companies with low debt levels (around 3x EBITDA), not highly leveraged or risky borrowers.
- Better protections: Unlike many larger loans that are covenant lite, lending through the banks include important terms such as financial covenants, providing greater protections to investors.
- Built to handle ups and downs in the economy: Careful risk management and conservative lending from day one. This follows the same lending practices as banks.
- Exposure to the illiquidity premium of private credit: This provides extra return for less liquid investments.
- Diversification away from traditional private credit funds.

The Fund Manager

Muzinich & Co Ltd is the investment manager, which has strong origins as a credit focused specialist asset management firm. Muzinich has 35 years of history, around US \$36 billion under management (as at 31 July 2023) and manage multiple strategies in public and private credit markets across the US, Europe and Asia. Founded by George Muzinich who is still owner of the firm and active as executive chairman.

There are 248 employees including 109 investment and risk professionals in 15 offices across Europe, the US and Asia Pacific. We believe this heritage of private ownership and alignment to investors positions Muzinich favourably versus other firms.

Investment Team

The strategy is managed by the Muzinich parallel lending team based in Milan. The team is supported by the larger Private Debt team and Syndicated loans team. Locally based teams allows Muzinich to work better and more closely with regional intermediaries and advisers to seek investment opportunities across Europe.

The team running Muzinich's parallel lending portfolios in Europe has four senior leaders and a dual investment committee and portfolio committee structure. There are 30 private debt investment professionals across eight offices in Europe, with an average of 16 years experience. Muzinich's locally based private debt professionals provide a differentiated approach.

Muzinich MLoan Private Credit Fund



The Strategy

The Muzinich MLoan Private Credit Fund provides access to a well-diversified, income generating strategy, investing predominantly in private European Senior Secured, Floating Rate loans with a focus on Parallel Lending.

Unique Origination Network

Muzinich can utilize the bank's distribution network and the high number of sourced transactions. This offers the asset manager the ability to rapidly build a highly diversified and granular portfolio while only being exposed to the most senior part of the capital structure.

Portfolio Diversification & Sector Selection

Typically, no single position will exceed 0.5–1% of the portfolio. This granularity can help protect against tail events and sector-specific shocks.

Sector selection is another pillar of the strategy where Muzinich avoids potentially more volatile or cyclical areas like real estate, retail, construction and startups. They prefer defensive and resilient sectors where cashflows are likely to be stable throughout the cycle, such as healthcare, pharma, telecom infrastructure, digital services and food retail.

Risk Management

Muzinich conducts heavy stress testing and qualitative credit processes on every transaction and on the portfolio level.

During the COVID-19 crisis, Muzinich had ~90 active portfolio companies in the parallel lending book, 11 of which breached debt covenants due to a fall in earnings. However, within 18 months, all covenant breaches were resolved and no capital losses were experienced.

Active management of leverage

By investing in companies with around 3x EBITDA leverage, Muzinich retains flexibility at the strategy level. In strong markets, they might raise fund leverage to 1.7x in an effort to enhance returns. In volatile periods, they can reduce this to 0.8x or lower to preserve capital.

Partners Private View

We believe now is an opportune time to invest in Parallel Lending via the Muzinich MLoan Private Credit Fund, which offers a diversified, seasoned and income-generating European exposure to this strategy.

In an environment where traditional credit markets remain uncertain and volatility persists, the Fund provides access to a high-quality portfolio designed to weather economic cycles and generate consistent returns.

Muzinich's approach is centred on parallel lending—a strategy where they co-lend alongside European banks on equal terms. This model provides robust structural protections and avoids the crowded segments of the private credit market, allowing for conservative credit selection and enhanced deal structuring.

We have strong conviction in Muzinich's disciplined investment process, which emphasizes on a highly quantitative credit process, stress testing, sector selection and active risk management.

The portfolio is deliberately diversified, with no single loan typically exceeding 1% of the fund, and it avoids more volatile sectors such as real estate and retail.

With over 35 years of credit experience, a global team of over 100 investment professionals, and a deeply embedded presence across Europe, Muzinich is well-positioned to navigate this complex market.

We believe this Fund is a compelling opportunity for investors seeking income, capital preservation, and diversification through a unique and proven strategy backed by a deeply experienced manager.