

Muzinich

MLoan Private Credit Fund



PARTNERS
PRIVATE

Fund Summary

Muzinich & Co

Asset Class	Private Credit
Sub-Asset Class	EU Corporate Credit
Strategy Description	Parallel lending alongside banks to middle market European corporates.
Distribution Frequency	Monthly
Target Return	9%-10% income hedged to Australian dollars
Fund Terms	Open-ended with no initial lockup. Exit fee of max. 2% applies in the first year.
Redemptions and notice period	Monthly application, quarterly redemption (max. 5% per qtr of the fund)
Drawdown Profile	Full drawdown
Minimum Investment	\$100,000
Offer Documents	Information Memorandum

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The Fund Manager

Muzinich & Co

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.

Key team members and governance

Local fund governance is provided by Equity Trustees as Responsible Entity of the Australian fund. 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.

The Fund

The Muzinich MLoan Private Credit Fund is a feeder fund into the underlying fund, the MLoan SICAV, S.A (Master Fund) EUR A Income Shares. The feeder fund provides access to a well-diversified, income generating strategy, investing predominantly in private European Senior Secured, Floating Rate loans. The strategy aims to benefit from the rising rates environment and capture a private credit illiquidity premium, and a provides monthly income, whilst allowing investors to redeem on a quarterly basis.

The program remains open for new subscriptions and redemptions on an on-going basis. This is a paradigm shift for private credit strategies, which have traditionally been illiquid and closed-ended. Muzinich focus on the lower mid-market (on average, a less competitive and better-quality segment of the market), providing flexible financing solutions to a diverse high growth universe of SMEs. A "diversifier" for private debt investors who seek solutions to complement their upper mid-market exposure.

The Fund Strategy

The strategy focuses on parallel lending. Parallel lending is a model where an asset manager co-lends on the same terms alongside a bank to provide financing to European lower middle-market businesses. By doing so, the asset manager (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. The strategy seeks to provide attractive returns, with a focus on floating rate instruments that benefit from the current rising rates environment.

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.