

*Muzinich & Co*

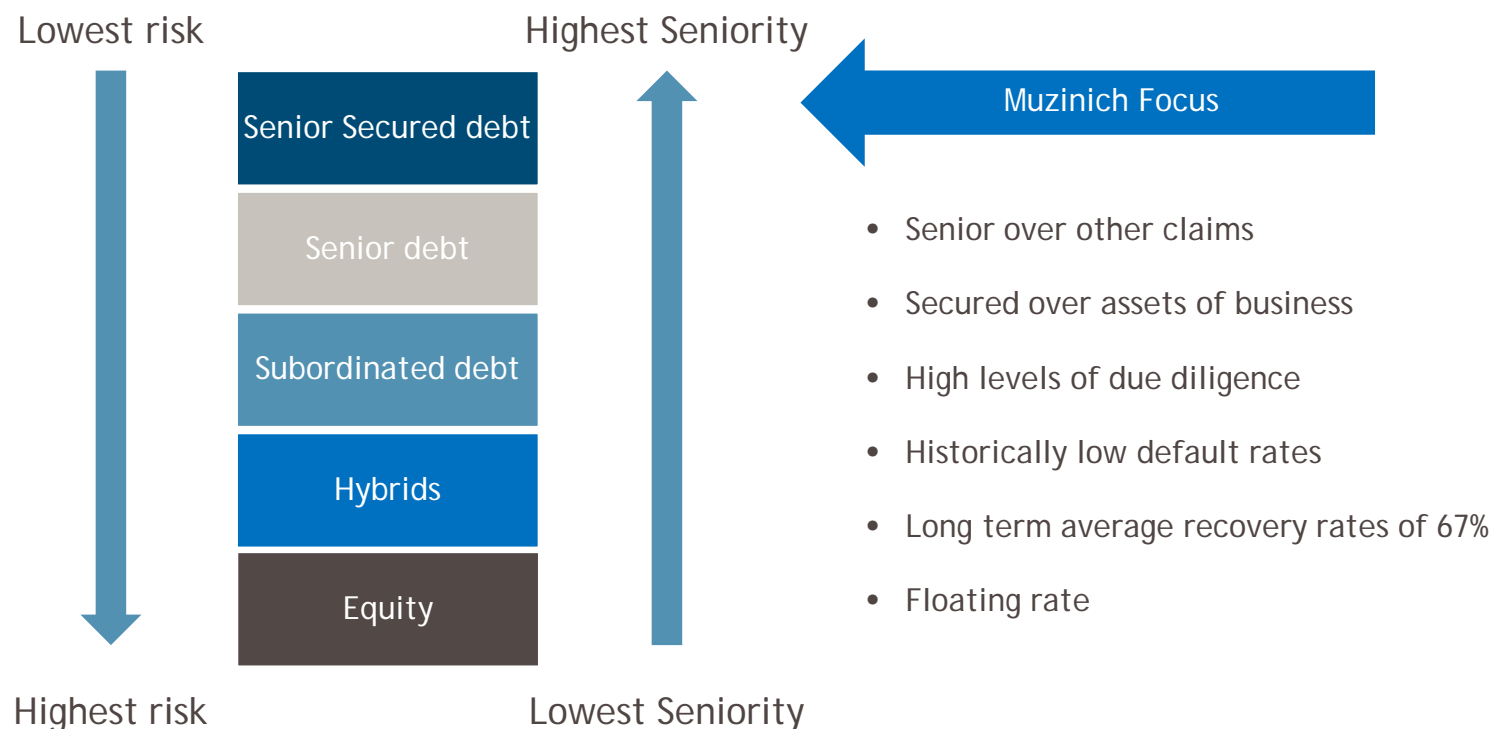
Managers of Global Corporate Credit

# Syndicated Loans Overview

AAM Conference  
June 2018

# Our Focus: Senior Secured Syndicated Loans

Secured and low duration

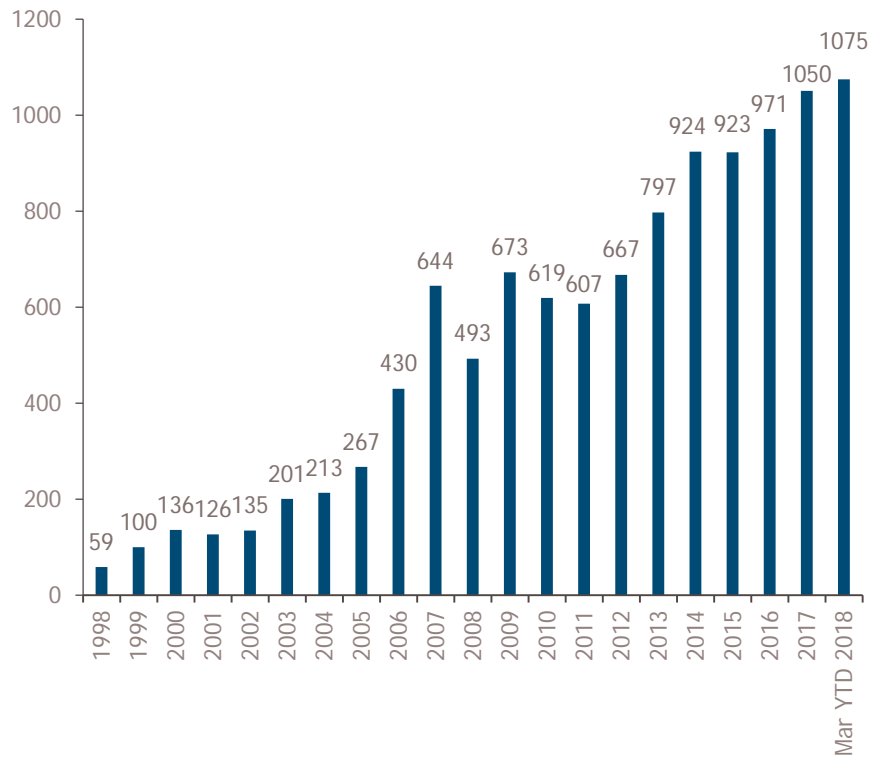


The statements above are based on the beliefs and assumptions of our team and on the information currently available to our team at the time of such statements. Although we believe that the expectations reflected in these statements are reasonable, we can give no assurance that these expectations will prove to be correct. The information contained in this presentation does not, in any way, constitute investment advice. Source: Recovery rate Moody's Annual Default Study, published February 15, 2018.

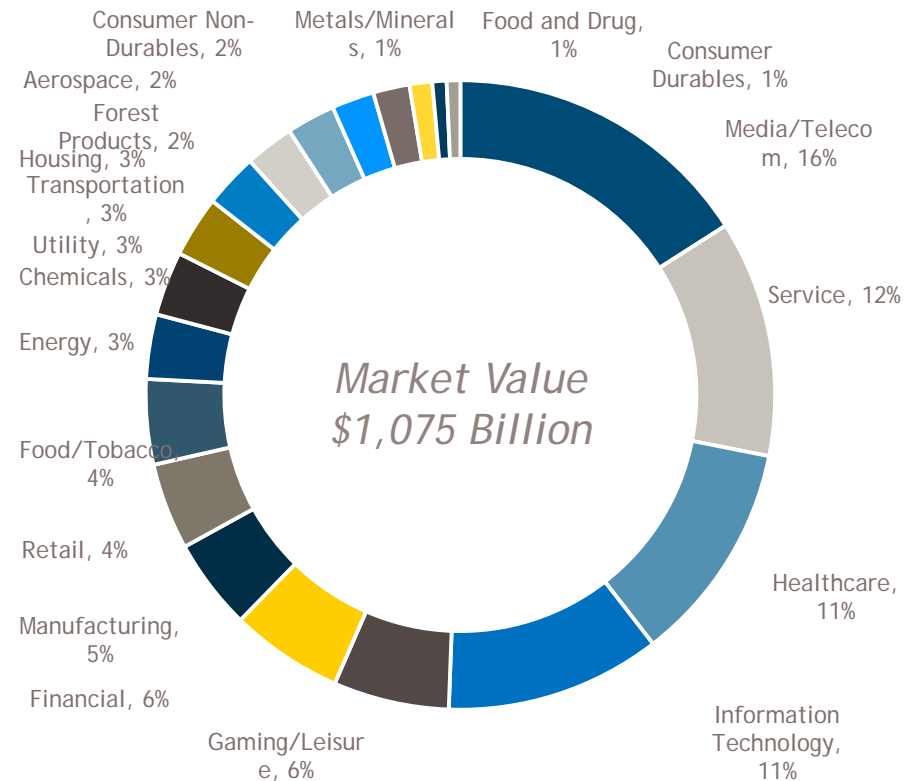
# Market Size & Diversification

Growing, diversified, corporate market

US Syndicated Loan Market (USD bn)



Industry Allocation

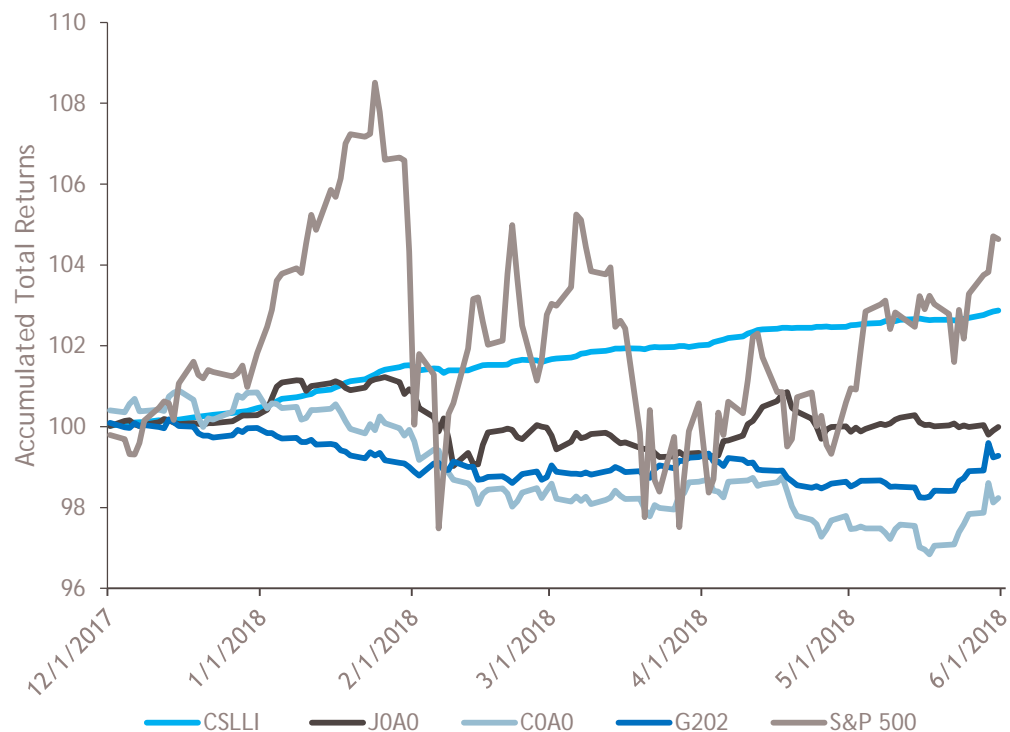


Source: Credit Suisse Leveraged Loan Index (CS LLI). Data as of March 31, 2018. Totals depicted above may not equate to 100.00 due to the effects of rounding. Updated quarterly.

# Total Returns and Volatility

Compares favorable to other asset classes

Relative Asset Class Performance (rebased to 100 at Dec 1, 2017)



Low Volatility For Returns (Annualized)

Index	1 year (%)		3 years (%)		5 years (%)	
	Return	Vol	Return	Vol	Return	Vol
Credit Suisse LLI (CS LLI)	4.50	1.21	4.18	2.62	4.11	2.32
US High Yield (JOAO)	2.24	2.13	4.86	5.49	4.84	5.02
US IG (COAO)	0.09	2.62	2.57	3.46	3.08	3.51
US Treasury 3-5 year (G202)	-1.16	1.80	0.53	2.12	0.96	2.20
S&P 500 Index	14.37	8.60	10.96	10.29	12.96	9.86

Source: Bloomberg - Data as of May 31, 2018. RHT data as of May 31, 2018. BofA US Treasury 3-5yr Index (G202), Credit Suisse Leveraged Loan Index (CS LLI), BofA US Corporate Master Index (COAO), BofA US High Yield Cash Pay Index (JOAO), S&P 500 Index.

## Market Index Descriptions

COA0 - The ICE BofA ML US Corporate Index tracks the performance of US dollar denominated investment grade corporate debt publicly issued in the US domestic market. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch), at least 18 months to final maturity at the time of issuance, at least one year remaining term to final maturity as of the rebalancing date, a fixed coupon schedule and a minimum amount outstanding of \$250 million.

CS LLI - Credit Suisse Leveraged Loan Index - The Credit Suisse Leveraged Loan Index is designed to mirror the investable universe of US dollar denominated leveraged loan market. The index is rebalanced monthly on the last business day of the month instead of daily. Qualifying loans must have a minimum outstanding balance of \$100 million for all facilities except TL A facilities (TL A facilities need a minimum outstanding balance of \$1 billion), issuers domiciled in developed countries, at least one year long tenor, be rated "5B" or lower, fully funded and priced by a third party vendor at month-end.

G2O2 - ICE BofAML 3-5 Year US Treasury Index is a subset of ICE BofAML US Treasury Index including all securities with a remaining term to final maturity greater than or equal to 3 years and less than 5 years

JOA0 - The ICE BofA ML US Cash Pay High Yield Index tracks the performance of US dollar denominated below investment grade corporate debt, currently in a coupon paying period that is publicly issued in the US domestic market. Qualifying securities must have a below investment grade rating (based on an average of Moody's, S&P and Fitch), at least 18 months to final maturity at the time of issuance, at least one year remaining term to final maturity as of the rebalancing date, a fixed coupon schedule and a minimum amount outstanding of \$250 million.

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.

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