



## CONSOLIDATED P R O S P E C T U S

The date of this Prospectus is 22 December, 2017<sup>1</sup>

### Muzinich Funds

An open-ended umbrella unit trust with segregated liability between sub-funds established in Ireland pursuant to the Unit Trusts Act, 1990 and authorised by the Central Bank as an undertaking for collective investment in transferable securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, as amended.

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<sup>1</sup> Please note that this Consolidated Prospectus contains the latest versions of the Prospectus, Supplements and relevant Country Supplements in respect of the Trust which have been filed with the Central Bank of Ireland up to the date of this Consolidated Prospectus.

## Important Information

The Directors of the Manager whose names appear under the heading "PARTIES" in this Prospectus accept responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

This Prospectus describes Muzinich Funds, a unit trust established in Ireland pursuant to the Act. The Trust is established as an umbrella unit trust with segregated liability between sub-funds.

The Trust is authorised by the Central Bank as an Undertaking for Collective Investment in Transferable Securities under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (S.I. 352 of 2011) as amended. All of the current Funds of the Trust are subject to the UCITS Regulations.

The authorisation of the Trust by the Central Bank shall not constitute a warranty as to the performance of the Trust and the Central Bank shall not be liable for the performance or default of the Trust. Authorisation of the Trust by the Central Bank is not an endorsement or guarantee of the Trust by the Central Bank nor is the Central Bank responsible for the contents of this Prospectus.

No person has been authorised to issue any advertisement or to give any information, or to make any representations in connection with the offering, issue or sale of Units, other than those contained in this Prospectus and, if issued, given or made, such advertisement, information or representations must not be relied upon as having been authorised by the Manager. Neither the delivery of this Prospectus nor the offer, issue or sale of any of the Units shall under any circumstances create any implication or constitute a representation that the information given in this Prospectus is correct as of any time subsequent to the date of this Prospectus.

This Prospectus does not constitute, and may not be used for the purposes of, an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised, or to any person to

whom it is unlawful to make such offer or solicitation. The distribution of this Prospectus and the offer, issue or sale of Units in certain jurisdictions may be restricted and, accordingly, persons into whose possession this Prospectus comes are required to inform themselves about, and to observe, any such restrictions. Prospective investors should inform themselves as to (a) the legal requirements within their own jurisdictions for the purchase or holding of Units, (b) any foreign exchange restrictions which may affect them in respect of the purchase or holding of shares, and (c) the income and other tax consequences which may apply to them in their own jurisdictions arising from the purchase, holding or disposal of Units.

Statements made in this Prospectus are based on the law and practice in force in Ireland as of the date of this Prospectus and are subject to changes in that law.

Article 25 of MiFID II sets out requirements in relation to the assessment of suitability and appropriateness of financial instruments for clients. Article 25(4) contains rules relating to the selling of financial instruments by a MiFID-authorized firm to clients in an execution only manner. Provided the financial instruments are comprised from the list contained in Article 25(4)(a) (referred to broadly as non-complex financial instruments for these purposes), a MiFID-authorized firm selling the instruments will not be required to also conduct what is referred to as an "appropriateness test" on its clients. UCITS (other than structured UCITS) are specifically referenced in the list in Article 25(4)(a). Accordingly, each Fund is deemed to be a non-complex financial instrument for these purposes.

Investors should be aware that investment in the Trust carries with it the potential for above average risk and is only suitable for investors who are in a position to take such risks. The value of Units as well as the income therefrom may go down as well as up, and investors may not get back any of the amount invested.

As certain Funds may invest in securities rated in the lower rating categories by the various credit rating agencies investment in those Funds should not constitute a substantial proportion of an investment portfolio and may not be suitable for all investors. Risk factors for an investor to

## Important Information cont/d...

consider are set out in this Prospectus in the section headed "RISK FACTORS".

Prospective investors should review this Prospectus and the relevant Supplement carefully and in their entirety and consult with their legal, tax, stockbroker and financial advisers for independent advice in relation to: (a) the legal requirements within their own countries for the purchase, holding, exchanging, redeeming or disposing of Units; (b) any foreign exchange restrictions to which they are subject in their own countries in relation to the purchase, holding, exchanging, redeeming or disposing of Units; (c) the legal, tax, financial or other consequences of subscribing for, purchasing, holding, exchanging, redeeming or disposing of Units; and (d) the provisions of this Prospectus and the relevant Supplement.

Investors should note that the information contained in the "Profile of a Typical Investor" sections in the relevant Supplement is provided for reference only. Before making any investment decisions investors should consider their own specific circumstances.

Where provided for in this Prospectus or in the relevant Supplement, distributions may be declared out of the capital of the relevant Fund in order to preserve cash flow to Unitholders. In any such cases, there is a greater risk that capital may be eroded and distributions will be achieved in a manner that foregoes the potential for future capital growth of your investment. This cycle may continue until all capital is depleted. Distributions out of capital may have different tax consequences to distributions of income and it is recommended that you seek appropriate advice in this regard. Certain Funds and Unit Classes may have as the priority objective the generation of income rather than capital. Investors should note that the focus on income may erode capital and diminish the relevant Fund's ability to sustain future capital growth. In this regard, distributions made during the life of the relevant Fund or an applicable Unit Class should be understood as a type of capital reimbursement.

The maximum redemption fee which the Manager may, in its absolute discretion, charge is 2%.

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## Definitions

The following definitions apply throughout this Prospectus unless the context otherwise requires:

<b><i>Accounting Date</i></b>	means the date by reference to which the annual accounts of a Fund shall be prepared in each year and shall be 30 November or such other date as the Manager may determine.
<b><i>Accounting Period</i></b>	means, in respect of each Fund, a period ending on an Accounting Date and commencing (in the case of the first such period) from and including the date of the first issue of Units of the relevant Fund or (in any other case) from the first day immediately following the last Accounting Date.
<b><i>Act</i></b>	means the Unit Trusts Act, 1990.
<b><i>Administration Agreement</i></b>	means the amended and restated administration agreement dated 22 December, 2011, as may be amended, and entered into between the Manager and the Administrator.
<b><i>Administration Expenses</i></b>	means the sums necessary to provide for all costs, charges and expenses including, but not limited to, couriers' fees, telecommunication costs and expenses, software licencing fees, out-of-pocket expenses, legal and professional expenses which the Manager incurs, whether in litigation on behalf of the Trust or in connection with the establishment of or ongoing administration of the Trust, or otherwise together with the costs, charges and expenses, including translation costs, of any notices including but not limited to reports, prospectuses, listing particulars and newspaper notices given to Unitholders in whatever manner plus value added tax ("VAT") (if any) on any such costs, charges and expenses and all properly vouched fees and reasonable out-of-pocket expenses of the Manager or its delegate (as administrator and as registrar and transfer agent) or of any distributor, paying agent or such other representative appointed on behalf of the Trust incurred pursuant to a contract to which the Manager or the Manager's delegate and such person are party.
<b><i>Administrator</i></b>	means State Street Fund Services (Ireland) Limited or such other company in Ireland approved by the Central Bank to provide administration, accounting, transfer agency and related services to the Trust.
<b><i>Base Currency</i></b>	means the currency in which a Fund is denominated, as specified under the section headed "Base Currency" in the relevant Supplement.
<b><i>Benchmark Government</i></b>	
<b><i>Bonds</i></b>	shall include US Treasury bonds, the German Bund and the UK Gilt, of various durations.
<b><i>Business Day</i></b>	means any day on which banks are open for business in Dublin, London and New York.
<b><i>Central Bank</i></b>	means the Central Bank of Ireland.
<b><i>Central Bank UCITS</i></b>	
<b><i>Regulations</i></b>	means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 and any UCITS guidance or regulations issued from time to time by the Central Bank.

## Definitions cont/d...

<b><i>Class or Classes</i></b>	means a class or classes of Units of a Fund.
<b><i>Contingent Convertible</i></b>	
<b><i>Securities</i></b>	means a type of investment instrument (such as a bond, note, debenture or preferred stock) that, upon the occurrence of a predetermined event (commonly known as a "trigger event"), can result in (i) a conversion into shares of the issuing company, potentially at a discounted price; (ii) the principal amount invested being written down on a permanent or temporary basis; or (iii) discretionary coupon payments in respect of the instrument being cancelled or deferred by the issuer. Trigger events can vary but these could include the capital ratio of the issuing company falling below a certain level or the share price of the issuer falling to a particular level for a certain period of time.
<b><i>Country Supplement</i></b>	means a Supplement specifying certain information relating to the offer of Units in a particular jurisdiction or jurisdictions.
<b><i>CRS</i></b>	means the Standard for Automatic Exchange of Financial Account Information approved on 15 July 2014 by the Council of the Organisation for Economic Cooperation and Development, also known as the Common Reporting Standard, and any bilateral or multilateral competent authority agreements, intergovernmental agreements and treaties, laws, regulations, official guidance or other instrument facilitating the implementation thereof and any law implementing the Common Reporting Standard;
<b><i>Dealing Day</i></b>	means in relation to a Fund such day or days being not less than two in each month at regular intervals as shall be specified under the section headed "Dealing Frequency and Dealing Deadline" in the Supplement for that Fund, and/or such other days as the Directors may determine from time to time and notify to Unitholders in advance.
<b><i>Denominated Class Currency</i></b>	means the currency of a Class as specified in the section headed "Unit Class Information" in the Supplement for the relevant Fund.
<b><i>Depository</i></b>	means State Street Custodial Services (Ireland) Limited or any successor entity approved by the Central Bank to act as depository of the Trust.
<b><i>Disbursements</i></b>	means in relation to the Depository all disbursements properly made by the Depository in connection with its safekeeping obligations of the Trust under the Trust Deed including (but not limited to) couriers' fees, telecommunication costs and expenses and the fees and out-of-pocket expenses of any sub-custodian appointed by it pursuant to the provisions of the Trust Deed and all costs, charges and expenses of every kind which it may suffer or incur in connection with such safekeeping obligations of the Trust and of each of its Funds (including the establishment thereof) and all matters attendant thereon or relative thereto and all legal and other professional expenses incurred or suffered by it in relation to or in any way arising out of the Trust and any VAT liability incurred by the Depository arising out of the exercise of its powers or the performance of its duties pursuant to the provisions of the Trust Deed.
<b><i>EEA Member States</i></b>	means the member states of the European Free Trade Association and the member states of the European Union.
<b><i>Eligible Assets Directive</i></b>	means Commission Directive 2007/16/EC of 19 March, 2007 as amended, consolidated or substituted from time to time.



## Definitions cont/d...

### *Exempt Irish Unitholder*

means:

- a qualifying management company within the meaning of section 739B(1) TCA;
- a specified company within the meaning of section 734(1) TCA;
- an investment undertaking within the meaning of section 739B(1) TCA;
- an investment limited partnership within the meaning of section 739J TCA;
- a pension scheme which is an exempt approved scheme within the meaning of section 774 TCA, or a retirement annuity contract or a trust scheme to which section 784 or 785 TCA applies;
- a company carrying on life business within the meaning of section 706 TCA;
- a special investment scheme within the meaning of section 737 TCA;
- a unit trust to which section 731(5)(a) TCA applies;
- a charity being a person referred to in section 739D(6)(f)(i) TCA;
- a person who is entitled to exemption from income tax and capital gains tax by virtue of section 784A(2) TCA and the Units held are assets of an approved retirement fund or an approved minimum retirement fund;
- a qualifying fund manager within the meaning of section 784A TCA or a qualifying savings manager within the meaning of section 848B TCA, in respect of Units which are assets of a special savings incentive account within the meaning of section 848C TCA;
- a person who is entitled to exemption from income tax and capital gains tax by virtue of section 787I TCA and the Units held are assets of a personal retirement savings account as defined in section 787A TCA;
- the National Pensions Reserve Fund Commission;
- the National Asset Management Agency;
- the Courts Service;
- a credit union within the meaning of section 2 of the Credit Union Act 1997;
- an Irish resident company, within the charge to corporation tax under Section 739G(2) TCA, but only where the fund is a money market fund;
- a company which is within the charge to corporation tax in accordance with section 110(2) TCA in respect of payments made to it by the Manager on behalf of the Trust; and
- any other person as may be approved by the Directors from time to time provided the holding of Units by such person does not result in a potential liability to tax arising to the Trust in respect of that Unitholder under Part 27, Chapter 1A TCA; and where necessary the Manager on behalf of the Trust is in possession of a Relevant Declaration in respect of that Unitholder.

## Definitions cont/d...

<b>ETF</b>	means an exchange traded fund.
<b>European Union</b>	means the group of European countries that participates in the world economy as one economic unit.
<b>FATCA</b>	means: <ul style="list-style-type: none"> <li>- sections 1471 to 1474 of the US Internal Revenue Code or any associated regulations or other official guidance;</li> <li>- any intergovernmental agreement, treaty, regulation, guidance or other agreement between the Government of Ireland (or any Irish government body) and the US, UK or any other jurisdiction (including any government bodies in such jurisdiction), entered into in order to comply with, facilitate, supplement, implement or give effect to the legislation, regulations or guidance described in the first indent above; and</li> <li>- any legislation, regulations or guidance in Ireland that give effect to the matters outlined in the preceding paragraphs.</li> </ul>
<b>FDI</b>	means Financial Derivative Instruments, as defined in the Regulations.
<b>Fund</b>	means each sub-fund of the Trust.
<b>Global Distributor</b>	means Muzinich & Co. Limited or such other successor entity appointed by the Manager to act as global distributor of the Trust.
<b>Hard Currency</b>	means US Dollar, Euro, Sterling, Japanese Yen and Swiss Franc,
<b>Intermediary</b>	means “Intermediary” as defined in the section headed “TAXATION”.
<b>Investment Management Agreement</b>	means the investment management agreement dated 9 July, 2013, as same may be amended, and entered into between the Manager and Investment Manager.
<b>Investment Manager</b>	means Muzinich & Co. Limited or such other successor entity appointed by the Manager to act as investment manager of the Trust.
<b>Investor Money Regulations</b>	means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) Investor Money Regulations 2015 for Fund Service Providers, as may be amended from time to time.
<b>Irish Resident</b>	means any person resident, or ordinarily resident, in Ireland other than an Exempt Irish Unitholder (as defined in the section headed “TAXATION”).
<b>ISA</b>	means an Individual Savings Account constituted pursuant to the regulations set out in Statutory Instrument 1998/1870 of the United Kingdom, as amended.
<b>Key Investor Information Document or KIID</b>	means the key investor information document for a Fund or Class.
<b>Manager</b>	means Muzinich & Co. (Ireland) Limited or any successor company approved by the Central Bank as manager of the Trust.
<b>Member State</b>	means a member state of the European Union.



## Definitions cont/d...

<b>MIFID II</b>	means Commission Delegated Directive (EU) of 7 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to safeguarding of financial instruments and funds belonging to clients, product governance obligations and the rules applicable to the provision or reception of fees, commissions or any monetary or non-monetary benefits.
<b>Net Asset Value per Class</b>	means the net asset value of a Class calculated in accordance with the provisions of the Trust Deed, as described under the heading “Net Asset Value”.
<b>Net Asset Value of a Fund</b>	means the net asset value of calculated in accordance with the provisions of the Trust Deed, as described under the heading “Net Asset Value”.
<b>Net Asset Value per Unit</b>	means the net asset value per Unit of a Class calculated in accordance with the provisions of the Trust Deed, as described under the heading “Net Asset Value”.
<b>OECD</b>	means the Organisation for Economic Co-Operation and Development.
<b>Prospectus</b>	means this prospectus as amended from time to time and the Supplements in respect of the Funds designed to be read and construed together and to form part of this document.
<b>Recognised Clearing System</b>	means “Recognised Clearing System” as defined in the section headed “TAXATION”.
<b>Recognised Exchange</b>	means any regulated stock exchange or market on which a Fund may invest. A list of such stock exchanges or markets is contained in the Trust Deed and listed in the section headed “LIST OF RECOGNISED EXCHANGES”.
<b>Regulations</b>	means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. No.352 of 2011), as amended.
<b>Related Parties</b>	means the Manager, the Investment Manager, the Sub-Investment Manager, the Global Distributor, the Depositary, the Administrator and/or entities related to any of them.
<b>Relevant Declaration</b>	means “Relevant Declaration” as defined in the section headed “TAXATION”.
<b>Relevant Period</b>	means “Relevant Period” as defined in the section headed “TAXATION”.
<b>Revenue Commissioners</b>	means the Irish Revenue Commissioners.
<b>SEC</b>	means the Securities and Exchange Commission.
<b>Securities Act</b>	means the United States Securities Act of 1933, as amended.
<b>Securities Financing Transactions</b>	means the repurchase agreements, reverse repurchase agreements, securities lending agreements and any other transactions within the scope of SFTR that a Fund is permitted to engage in as provided for in its Supplement.

## Definitions cont/d...

<b><i>SFT Regulations or SFTR</i></b>	means Regulation 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012, including any supplementing delegated regulations in force from time to time, as may be amended, supplemented, consolidated, substituted in any form or otherwise modified from time to time.
<b><i>State</i></b>	means the Republic of Ireland.
<b><i>Sub-Investment Management Agreement</i></b>	means the sub-investment management agreement dated 9 July, 2013, as same may be amended and entered into between the Investment Manager and the Sub-Investment Manager.
<b><i>Sub-Investment Manager</i></b>	means Muzinich & Co., Inc. or such other successor entity appointed by the Manager in accordance with the requirements of the Central Bank to act as sub-investment manager of a Fund.
<b><i>Subscriptions/Redemptions Account</i></b>	means the account in the name of the Trust through which subscription monies and redemption proceeds and distribution income (if any) for each Fund are channelled, the details of which are specified in the application form.
<b><i>Supplement</i></b>	means any supplement of a Fund.
<b><i>TCA</i></b>	means the Irish Taxes Consolidation Act 1997, as amended.
<b><i>Trust</i></b>	means Muzinich Funds and any of its Funds.
<b><i>Trust Deed</i></b>	means the deed of trust dated 22 June, 2016, as may be amended and supplemented, between the Manager and the Depositary, acting as trustee of the Trust.
<b><i>Trustee</i></b>	means State Street Custodial Services (Ireland) Limited or any successor entity approved by the Central Bank to act as trustee of the Trust.
<b><i>UCITS</i></b>	means an undertaking for collective investment in transferable securities established pursuant to EC Council Directive 2009/65/EC of 13 July, 2009 as amended, consolidated or substituted from time to time.
<b><i>UCITS V</i></b>	means Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 amending Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities as regards depositary functions, remuneration and sanctions as amended from time to time and including any supplementing European Commission delegated regulations in force from time to time.
<b><i>United Kingdom or UK</i></b>	means the United Kingdom of Great Britain and Northern Ireland.
<b><i>United States or US</i></b>	means the United States of America (including the States and the District of Columbia, Puerto Rico, and the US Virgin Islands) and any other territories or possessions of the United States government, its agencies, or instrumentalities.
<b><i>Unit</i></b>	one undivided share in the assets of a Fund which may be designated as one or more Classes.
<b><i>Unitholder</i></b>	a person who is registered as the holder of a Unit from time to time.

## Definitions cont/d...

In this Prospectus, unless otherwise specified:

- all references to “**AUD**” are references to the currency of Australia;
- all references to “**CAD**” are references to the currency of Canada;
- all references to “**CHF**” are references to the currency of Switzerland;
- all references to “**CNY**” and “**RMB**” are references to the currency of the People's Republic of China;
- all references to “**DKK**” are references to the currency of Denmark;
- all references to “**Euro**” or “**EUR**” are references to the currency of the Member States who are participants in the single European currency;
- all references to “**GBP**” are references to the currency of the United Kingdom;
- all references to “**HKD**” are references to the currency of Hong Kong;
- all references to “**ISK**” are references to the currency of Iceland;
- all references to “**JPY**” are references to the currency of Japan;
- all references to “**NOK**” are references to the currency of Norway;
- all references to “**SEK**” are references to the currency of Sweden;
- all references to “**SGD**” are references to the currency of Singapore; and
- all references to “**US\$**” or “**USD**” are references to the currency of the United States.

## Directory

### TRUST

Muzinich Funds  
32 Molesworth Street  
Dublin 2  
Ireland

### MANAGER

Muzinich & Co. (Ireland) Limited  
32 Molesworth Street  
Dublin 2  
Ireland

### COMPANY SECRETARY TO THE MANAGER

MFD Secretaries Limited  
32 Molesworth Street  
Dublin 2  
Ireland

### DIRECTORS OF THE MANAGER

Brian O'Loughlin  
Frank O'Brien  
Ersilia Tagliavini (Molnar)  
Mark W. Clark  
Michael Ludwig

### INVESTMENT MANAGER & GLOBAL DISTRIBUTOR & UK FACILITIES AGENT

Muzinich & Co. Limited  
8 Hanover Street  
London W1S 1YQ  
England

### SUB-INVESTMENT MANAGER

Muzinich & Co., Inc.  
450 Park Avenue  
New York  
NY 10022  
USA

### DEPOSITARY

State Street Custodial Services (Ireland) Limited  
78 Sir John Rogerson's Quay  
Dublin 2  
Ireland

## Directory cont/d...

### ADMINISTRATOR, REGISTRAR AND TRANSFER AGENT

State Street Fund Services (Ireland) Limited  
78 Sir John Rogerson's Quay  
Dublin 2  
Ireland

### AUDITORS

Deloitte & Touche  
Deloitte & Touche House  
Earlsfort Terrace  
Dublin 2  
Ireland

### LEGAL ADVISERS IN IRELAND

Maples and Calder  
75 St Stephen's Green  
Dublin 2  
Ireland

### FRENCH CENTRALISING CORRESPONDENT

CACEIS Bank France  
1/3 Place Valhubert  
75206 Paris Cedex 13  
France

### ITALIAN PAYING AGENT

Banca Sella Holding S.p.A.	BNP Paribas Securities Services
Piazza Gaudenzio Sella 1	Via Ansperto n.5
13900 Biella	20123 Milano
Italy	Italy

Allfunds Bank - Milan Branch  
Via Santa Margherita, 7  
20121 Milano  
Italy

### SWEDISH PAYING AGENT

Skandinaviska Enskilda Banken AB (Publ)  
(through its Custody Services)  
SEB Merchant Banking  
Segels Torg 2  
SE-106 40  
Stockholm  
Sweden

## Directory cont/d...

### GERMAN INFORMATION AGENT

Deutsche Bank AG  
Global Securities Services/Issuer Services  
DR/Post IPO Services  
Taunusanlage 12  
D-60325 Frankfurt am Main  
Germany

### LUXEMBOURG PAYING AGENT

Societe Generale Bank & Trust  
11 Avenue Emile Reuter  
L-2420  
Luxembourg

### AUSTRIAN PAYING AGENT

Deutsche Bank Österreich AG  
A-1010 Wien  
Stock im Eisen-Platz 3  
Austria

### BELGIAN PAYING AGENT

SOCIÉTÉ GÉNÉRALE PRIVATE BANKING  
NV Kortrijksesteenweg  
302, 9000 Gent  
Belgium

### DANISH PAYING AGENT

StockRate Asset Management A/S  
Representative Services  
Sdr. Jernbanevej 18D  
DK - 3400 Hillerød  
Denmark

### PORTUGUESE PAYING AGENT

BEST - Banco Electrónico de Serviço Total S.A.  
Pç. Marquês de Pombal, 33  
1250-161 Lisboa  
Portugal

### SWISS PAYING AGENT

Banque Cantonale de Genève  
17, quai de l'Ile  
CH-1204  
Geneva  
Switzerland



## Directory cont/d...

### SWISS REPRESENTATIVE

Carnegie Fund Services S.A.  
11, rue du Général-Dufour  
CH - 1204 Geneva  
Switzerland

### LIECHTENSTEIN PAYING AGENT

LGT Bank AG  
Herrengasse 12  
FL-9490 Vaduz  
Liechtenstein

## Description of the Trust

The Trust was constituted on 8 May, 1998. The rules set out in the Trust Deed are binding upon the Depositary, the Manager and all Unitholders.

As at the date of this Prospectus, the following Funds have been approved by the Central Bank and are available for subscription.

Muzinich Americayield Fund	Muzinich ShortDurationHighYield Fund
Muzinich Bondyield ESG Fund	Muzinich Global High Yield Fund
Muzinich EmergingMarketsShortDuration Fund	Muzinich TargetYield Fund
Muzinich Enhancedyield Short-Term Fund	Muzinich Asia Credit Opportunities Fund
Muzinich Europeyield Fund	Muzinich Developed Markets High Yield Fund
Muzinich Global Tactical Credit Fund	Muzinich US Corporate Yield Fund
Muzinich LongShortCreditYield Fund	Muzinich Fixed Maturity 2021 Fund
Muzinich Emerging Market Debt Fund	Muzinich European Credit Alpha Fund
Muzinich Fixed Maturity 2024 Fund	

The relevant details for each Fund, including the terms and conditions of the offer of Units, details of the investment objectives and policies, applicable fees and expenses, shall be set out in this Prospectus and the relevant Supplement. Additional Funds may, with the prior approval of the Central Bank and the Depositary, be added by the Manager. The Manager may, create more than one Class in a Fund, details of which will be set out in this Prospectus and in the relevant Supplement. The Manager must notify the Central Bank of its intention to create additional Classes and the creation of additional Classes must be notified to, and cleared, in advance by the Central Bank.

Where a Class is denominated in a currency other than the Base Currency of a Fund, that Class may be hedged or unhedged as disclosed in this Prospectus or the relevant Supplement. Where a Class is to be unhedged, currency conversion will take place on subscriptions, redemptions and distributions at prevailing exchange rates and the value of the Unit expressed in the Denominated Class Currency will be subject to exchange rate risk in relation to the Base Currency. Where a Class is to be hedged, the Manager shall employ the hedging policy as more particularly set out in this Prospectus. The proceeds from the issue of Units in a Fund shall be applied in the records and accounts of the Trust for that Fund and the assets and liabilities and income and expenditure attributable thereto shall be applied to that Fund subject to the provisions of the Trust Deed.

The Act provides for the segregation of liability between Funds and there is no potential for cross contamination of liabilities between different Funds. However, there can be no categorical assurance that, should an action be brought against the Trust in the courts of another jurisdiction, the segregated nature of the Funds will necessarily be upheld. Accordingly, it is not free from doubt that the assets of any Fund of the Trust may not be exposed to the liabilities of other Funds of the Trust. As at the date of this Prospectus, the Directors are not aware of any existing or contingent liability of any Fund of the Trust.

The assets of each Fund shall belong exclusively to that Fund, shall be segregated from the assets of the other Funds, shall not be used to discharge directly or indirectly the liabilities of or claims against any other Fund and shall not be available for such purpose.

## Parties

### The Manager

The Manager is Muzinich & Co. (Ireland) Limited, a limited liability company incorporated in Ireland on 8 June, 1999. The Manager is ultimately a wholly owned subsidiary of Muzinich & Co., Inc. The Manager's main business consists of providing management and administration services to collective investment schemes and other investment vehicles. The Manager has authorised share capital of Euro5,000,000 and issued and fully paid capital of Euro250,000. The Manager may also provide management services to other unit trusts and investment companies in Ireland. The company secretary of the Manager is MFD Secretaries Limited. The address of the Manager, for the purposes of the Trust, is 32 Molesworth Street, Dublin 2, Ireland.

The Board of Directors consists of the following individuals:

#### Brian O'Loughlin (Irish)

Mr. Brian O'Loughlin has over thirty five years' experience in the financial services industry where he has gained extensive knowledge of both the securities and investment management aspects of the industry. Since 1999, his core professional activity has been the provision of investment advisory and consultancy services to both individuals and corporate bodies. His current activities also include active involvement in investment education. He is a Chartered Fellow of the Chartered Institute for Securities & Investment.

#### Frank O'Brien (Irish)

Mr. Frank O'Brien has extensive experience of investment and fund management as an investment analyst, fund manager, chief investment officer, consultant and latterly as a pension fund trustee and a non executive director.

Frank is a Certified Accountant. He is a former chairman of ACCA Ireland's Financial Services Network and a former president of ACCA Ireland. He is a founding member and a former chairman of the Society of Investment Analysts in Ireland, now CFA Ireland.

#### Ersilia Tagliavini (Molnar) (Italian)

Ms. Ersilia Tagliavini joined Muzinich & Co. Limited in 2001 and is currently a Director and the Chief Operating Officer - Europe. Prior to this, Ersilia was a Managing Director of Marketing and Client Relations for Muzinich and Managing Director of the London office and developed extensive experience in business development, marketing and client servicing in Europe. Ersilia holds a M.A. & B.A. in Economics from the University of Bologna, Italy and a MSc. International Marketing from South Bank University, London.

#### Mark W. Clark (American)

Mr. Mark Clark is a Director and the Chief Financial Officer of Muzinich & Co., Inc. and a Director of Muzinich & Co. Limited. Prior to joining Muzinich in November, 2005, Mark worked with Weiser LLP, Muzinich & Co., Inc.'s audit firm, with a focus in the financial services area. Mark spent over fifteen years working at Weiser LLP (November, 1988 to October, 2005), the last six years as a partner. Mark is a Certified Public Accountant and a graduate of Saint John's University with a B.S. Degree in Accounting.

#### Michael Ludwig (German)

Mr. Michael Ludwig is a Director of Muzinich & Co., Inc. and Muzinich & Co. Limited. Prior to joining Muzinich, Michael worked for Sal. Oppenheim jr. & Cie. in Cologne, Germany where he was an account officer for European government and multinational organizations. Prior to 1991, Michael worked for Manufacturers Hannover Trust and for Deutsche Bank where he completed Deutsche Bank's professional training program. Michael is a graduate of the German Banking Academy.

### Investment Manager

The Investment Manager of the Trust is Muzinich & Co. Limited.

Muzinich & Co. Limited is a limited liability company incorporated in the United Kingdom on 4 October 1999, and is regulated by the UK Financial Conduct Authority (the "FCA"). Muzinich & Co. Limited conducts a relationship-based investment management business which is largely institutional in nature. Many of the clients of Muzinich & Co. Limited are leading European banks, insurance companies and pension funds.

## Parties cont/d...

### Investment Manager (continued)

The Investment Manager may delegate the investment management functions to sub-investment managers, details of which will be provided to Unitholders on request and will be disclosed in the periodic reports.

### Sub-Investment Manager

The Sub-Investment Manager and promoter of the Trust is Muzinich & Co., Inc.

Muzinich & Co., Inc. was incorporated on 21 July, 1988 in the State of Delaware. Muzinich & Co., Inc has been registered with the SEC as an investment adviser since 16 August, 1991.

### Depository

State Street Custodial Services (Ireland) Limited acts as depository of the Trust's assets pursuant to the Trust Deed. The Depository provides, inter alia, safe custody for all the Trust's assets.

The Depository is a limited liability company incorporated in Ireland on 22 May, 1991 which is regulated by the Central Bank and is ultimately a wholly owned subsidiary of the State Street Corporation.

The Depository's principal business in the provision of custodial and safekeeping services for collective investment schemes and other portfolios. The Depository has delegated responsibility for the safekeeping of financial instruments and cash to the delegates set out in Appendix II.

The Depository shall carry out functions in respect of the Trust including but not limited to the following:

- (i) the Depository shall hold in custody all financial instruments capable of being registered or held in a financial instruments account opened in the Depository's books within segregated accounts opened in the name of the Trust, or the Manager on behalf of the Trust, which are clearly identified as belonging to the Trust and hold in custody all financial instruments capable of being physically delivered to the Depository;

- (ii) the Depository shall verify the Trust's ownership of all any assets (other than those referred to in (i) above) and maintain and keep up-to-date a record of such assets it is satisfied are owned by the Trust;
- (iii) the Depository shall ensure effective and proper monitoring of the Trust's cash flows (which function includes ensuring that cash of the Trust has been booked in cash accounts (such as Subscriptions/Redemptions Accounts) which meet the requirements of the Regulations);
- (iv) the Depository shall be responsible for certain fiduciary and oversight obligations in respect of the Trust - see "Summary of Oversight Obligations" below.

Duties and functions in relation to (iii) and (iv) above may not be delegated by the Depository.

### Summary of Oversight Obligations

The Depository is obliged, among other things, to:

- (a) ensure that the sale, issue, repurchase, redemption and cancellation of Units effected on behalf of the Trust are carried out in accordance with the Regulations and the Trust Deed;
- (b) ensure that the value of Units is calculated in accordance with the Regulations and the Trust Deed;
- (c) carry out the instructions of the Manager unless they conflict with the Regulations or the Trust Deed;
- (d) ensure that in each transaction involving the Trust's assets, any consideration is remitted to it within the usual time limits;
- (e) ensure that the Trust's income is applied in accordance with the Regulations and the Trust Deed;

## Parties cont/d...

- (f) enquire into the conduct of the Trust in each Accounting Period and report thereon to the Unitholders. The Depositary's report will be delivered to the Manager in good time to enable the Manager to include a copy of the report in the annual report of the Trust. The Depositary's report will state whether, in the Depositary's opinion, the Trust has been managed in that period:
- (i) in accordance with the limitations imposed on the investment and borrowing powers of the Trust by the Central Bank, the Trust Deed and the Regulations; and
- (ii) otherwise in accordance with the provisions of the Regulations and the Trust Deed.

If the Trust has not been managed in accordance with (i) or (ii) above, the Depositary will state why this is the case and will outline the steps that the Depositary has taken to rectify the situation

- (g) notify the Central Bank promptly of any material breach by the Trust or the Depositary of any requirement, obligation or document to which Regulation 114(2) of the Central Bank UCITS Regulations relates; and
- (h) notify the Central Bank promptly of any non-material breach by the Trust or the Depositary of any requirement, obligation or document to which Regulation 114(2) of the Central Bank UCITS Regulations relates where such breach is not resolved within 4 weeks of the Depositary becoming aware of such non-material breach.

The duties provided for above may not be delegated by the Depositary to a third party.

In discharging its role, the Depositary shall act honestly, fairly, professionally, independently and in the interests of the Trust and the Unitholders.

### Administrator

State Street Fund Services (Ireland) Limited acts as administrator, registrar and transfer agent of the Trust. Pursuant to the Administration Agreement, the Manager has delegated the administration function to the Administrator.

The Administrator has responsibility for the administration of the Trust's affairs including the calculation of the Net Asset Value per Unit and preparation of the accounts of the Trust, subject to overall supervision of Manager.

The Administrator is a limited liability company incorporated in Ireland on 23 March, 1992 and is ultimately a wholly owned subsidiary of the State Street Corporation.

### Global Distributor

Muzinich & Co. Limited acts as global distributor for the Units of the Trust. Muzinich & Co. Limited may appoint sub-distributors to distribute the Units of the Trust.

### Paying Agents/Representatives/Sub-Distributors

Paying agents/representatives/sub-distributors/ correspondent banks ("**Paying Agents**") may be appointed on behalf of the Trust. Local laws/regulations in EEA Member States may require the appointment of Paying Agents and maintenance of accounts by such Paying Agents through which subscription and redemption monies or distributions may be paid. Unitholders who choose or are obliged under local regulations to pay or receive subscription or redemption monies or distributions via an intermediate entity rather than directly to the Depositary (e.g. a Paying Agent in a local jurisdiction) bear a credit risk against that intermediate entity with respect to: (a) subscription monies prior to the transmission of such monies to the Depositary for the account of the Trust or the relevant Fund; and (b) redemption monies payable by such intermediate entity to the relevant Unitholder.

## Parties cont/d...

### Paying Agents/Representatives/Sub-Distributors cont/d...

Country Supplements dealing with matters pertaining to Unitholders in jurisdictions in which Paying Agents are appointed may be prepared for circulation to such Unitholders and, if so, a summary of the material provisions of the agreements appointing the Paying Agents will be included in the relevant Country Supplements.

All Unitholders on whose behalf a Paying Agent is appointed may avail of the services provided by Paying Agents appointed on behalf of the Trust.

### Dealings by Related Parties

There is no prohibition on dealings in the assets of a Fund by Related Parties and/or their respective officers, directors or executives, provided that the transaction is effected on normal commercial terms negotiated at arm's length. Such transactions must be in the best interests of the Unitholders.

Transactions permitted are subject to either:

- (i) a certified valuation by a person approved by the Depositary, or the Manager in the case of transactions involving the Depositary, as independent and competent being obtained; or
- (ii) execution of the transaction on best terms on an organised investment exchanges under their rules; or
- (iii) execution of such transaction on terms which the Depositary is satisfied (or by the Manager in the case of a transaction involving the Depositary) conform with the principle that such transactions be carried out as if effected on normal commercial terms negotiated at arm's length and in the best interest of Unitholders.

The Depositary or the Manager in the case of transactions involving the Depositary must document how paragraphs (i), (ii) or (iii) were complied with and, in the case of (iii) above, the rationale evidencing the basis for being satisfied the principles above were complied with.

The Depositary may hold amounts for a Fund subject to the provisions of Section 30 of the Central Bank Act, 1989. Amounts held by the Depositary for a Fund must be held on terms which comply with the first paragraph above.

### Conflicts of Interest

Related Parties and their respective affiliates, officers and unitholders (collectively the "Parties") are or may be involved in other financial, investment and professional activities which may on occasion cause conflicts of interest with the management of the Trust. These include management of other funds, purchases and sales of securities, investment and management counselling, brokerage services, depositary and custodial services and serving as directors, officers, advisers or agents of other funds or other companies, including companies in which a Fund may invest. In particular, it is envisaged that the Investment Manager may be involved in managing or advising on the investments of other investment funds which may have similar or overlapping investment objectives to or with a Fund. Each of the Parties will respectively ensure that the performance of its respective duties will not be impaired by any such involvement that they might have. In the event that a conflict of interest does arise, the Manager shall endeavour to ensure that it is resolved fairly.

In the event that there are instances where organisational or administrative arrangements for the management of conflicts of interest in place at the Manager or its delegates are not sufficient to ensure, with reasonable confidence, that the risk of damage to the interests of the Trust or its Unitholders can be prevented, the Manager will be promptly informed in order for them to take any necessary decision to ensure that in any case the Manager acts in the best interests of the Trust and its Unitholders. Unitholders will be notified of this matter by an appropriate durable medium and given reasons for the decision of the Manager in such circumstances.



## The Funds

### Investment Objectives and Policies of the Funds

The investment objective and investment policies of each Fund is set out in the Supplement for the relevant Fund. The investment objective of a Fund may not be altered without the prior written approval of all Unitholders or without approval on the basis of a majority of votes cast at general meeting. Material changes to the investment policies of a Fund require the prior written approval of all Unitholders or Unitholder approval on the basis of a majority of votes cast at general meeting. In the event of a change of investment objective and/or a material change to the investment policies, a reasonable notification period will be provided by the Fund to enable Unitholders to redeem their Units prior to implementation of these changes.

## Unit classes

### General

Details of Classes and the applicable Manager Fees, Administrative Fees and performance fees are set out in the section headed "Unit Class Information" in the Supplement for the relevant Fund.

### Description of the Units

Units may be designated as one or more Classes, the respective rights of which may differ. The Units of each Class will rank *pari passu* with each other in all respects provided that they may differ as to certain matters, details of which will be set out in the Prospectus, including, *inter alia*, currency of denomination, hedging strategies, if any, applied to the currency of a particular Class, distribution policy, the level of fees and expenses to be charged, or the minimum initial subscription amount applicable. A separate portfolio of assets is not maintained for each Class. Fractions of Units may be issued when the amount subscribed for is not equivalent to an exact number of Units, provided however that fractions shall not be less than 0.001 of a Unit, unless otherwise indicated in the Prospectus.

The following is a list of descriptions of particular Unit characteristics and is not an exhaustive list of descriptions of Units available in the Trust.

#### **H Units/ NH Units/ EH Units**

H Units, NH Units and EH Units (together, "H Units") are available to institutional investors (for investors in the European Union, this means "Eligible Counterparties" as defined under MIFID II) investing for their own account. In addition, H Units are available to investors that are not allowed to accept and retain commissions due to regulatory requirements or due to individual fee arrangements with their clients. In such circumstances, the H Units minimum initial subscription will not be applicable at the discretion of the Manager.

#### **S Units**

Acceptance by the Manager of subscriptions in this Class is conditional upon the execution of a separate agreement between the investor and the Investment Manager or an affiliate at the Manager's discretion.

#### **Founder Units**

The Founder Units will be offered to "day one" investors subject to the discretion of the Manager

to determine otherwise. Acceptance by the Manager of subscriptions in this Class is conditional upon the execution of a separate agreement between the investor and the Investment Manager or an affiliate at the Manager's discretion.

#### *Launch - 3 Years*

The Manager shall be entitled to receive out of the assets of the relevant Fund an annual fee in respect of the Founder Units accrued daily and payable monthly in arrears as disclosed in the Supplement for the relevant Fund. Such fees shall apply for a three year period from the date of launch of the relevant Fund.

#### *3 Years +*

At the end of the three year period, the Manager shall be entitled to receive out of the assets of the relevant Fund an increased annual fee in respect of the Founder Units accrued daily and payable monthly in arrears as disclosed in the Supplement for the relevant Fund.

#### **M Units**

Acceptance by the Manager of subscriptions in this Class is conditional upon the execution of a separate agreement between the investor and the Investment Manager or an affiliate at the Manager's discretion.

#### **JPY Units**

The Net Asset Value of the JPY Units shall be rounded down to the nearest four decimal places. In addition, fractions of Units will not be issued in respect of JPY Units; rather fractions of Units will be rounded down.

#### **E and N Units**

Units of a Fund may be subject to a performance fee as further detailed below in the section headed "PERFORMANCE FEES". The inclusion of a reference to "E" or "N", as appropriate, in the name of the Class will indicate whether an equalisation performance fee or non-equalisation performance fee calculation applies and it will be expressly referred to in the relevant Supplement of a Fund in the section headed "Unit Class Information".

#### **X Units**

Acceptance by the Manager of subscriptions in an X Unit Class is conditional upon the execution of a separate agreement between the investor and the Investment Manager or an affiliate. Certain X Unit

## Unit classes cont/d...

### X Units cont/d...

Classes charge an Administrative Fee, as set out in the relevant Supplement. Where no Administrative Fee applies to an X Unit Class, as set out in the relevant Supplement, this separate agreement will provide for a Manager Fee to be paid by investors. The Manager Fee includes the Manager's direct payment of the annual basis point-based fees payable by a Fund to the Fund's Depositary and Administrator.

### Distribution Policy

The distribution policy applicable for each Class, if any, is set out below. Dividends will be paid by electronic transfer or by cheque sent by ordinary post to the registered address of the Unitholder, or, in the case of joint holders, to the name and address of the first Unitholder appearing on the register. Any distribution which is unclaimed six years from the date it became payable shall be forfeited and become the property of the relevant Fund.

Unitholders should note that any distribution income being paid out by a Fund and held in the Subscriptions/Redemptions Account shall remain an asset of the relevant Fund until such time as the income is released to the Unitholder and that during this time the Unitholder will rank as a general unsecured creditor of the Trust.

### Accumulation Units

This Accumulation Units will accumulate the income and realised and unrealised net capital gains and will not pay any distributions in respect of any Accounting Period.

### Income Units

Income Units will distribute interest income earned after the deduction of expenses in respect of each Accounting Period. Any sums not distributed will be accumulated and reflected in the Net Asset Value of the Unit. The distributions will normally be payable twice a year, in or around June and December in each year. Income Units which have a distribution frequency designated in the name of the Units, such as "(Monthly)" or "(Quarterly)", will declare dividends in accordance with their applicable frequency. Dividends that are declared monthly will be declared on the last Business Day of each month and dividends that are declared quarterly will be declared on or around 31 March, 30 June, 30 September and 31 December, unless

otherwise set out in the relevant Supplement.

### Discretionary Units

Discretionary Units may pay distributions (if any) out of interest income earned and realised and unrealised net capital gains after the deduction of expenses in respect of each Accounting Period on any Business Day as may from time to time be determined by the Manager, in its absolute discretion. The amount of the distribution (if any) for any Accounting Period will be determined by the Manager. Any sums not distributed will be accumulated and reflected in the Net Asset Value per Unit for the Discretionary Units.

Discretionary Units of Muzinich Enhancedyield Short-Term Fund may pay distributions (if any) out of net income and realised and unrealised gains net of realised and unrealised losses in respect of each Accounting Period and interim Accounting Period and out of capital, on any Business Day as may from time to time be determined by the Manager, in its absolute discretion. The amount of the distribution (if any) for any Accounting Period and interim Accounting Period will be determined by the Manager. Any sums not distributed will be accumulated and reflected in the Net Asset Value per Unit for these Discretionary Units.

### Discretionary S Units

Discretionary S Units may pay distributions out of interest income earned and realised and unrealised net capital gains after the deduction of expenses in respect of each Accounting Period on any Business Day as may from time to time be determined by the Manager, in its absolute discretion. The amount of the distribution for any Accounting Period will be determined by the Manager, subject to a minimum distribution payment of 2% per Accounting Period. Any sums not distributed will be accumulated and reflected in the Net Asset Value of the Unit.

### Select Distribution Units

This Class of Units may pay distributions out of interest income earned and realised and unrealised net capital gains after the deduction of expenses in respect of each Accounting Period and interim Accounting Period on any Business Day as may from time to time be determined by the Manager in its absolute discretion. Any sums not distributed will be accumulated and reflected in the Net Asset Value of the Unit.

## Unit classes cont/d...

### Hedged Classes

These Classes will be hedged against interest rate risks and/or exchange rate fluctuation risks between the Denominated Class Currency and the Base Currency of the relevant Fund. In addition, these Classes will be hedged against exchange rate fluctuations between the Denominated Class Currency and the currencies in which the investments of the relevant Fund may be denominated. Where the Investment Manager seeks to hedge against currency fluctuations, while not intended, this could result in over-hedged or under-hedged positions due to external factors outside the control of the Investment Manager on behalf of the Trust. The Investment Manager will try to mitigate the risk of depreciation by using financial instruments such as options and forward currency contracts, in no case exceeding 105% of the Net Asset Value attributable to the relevant hedged Class of the relevant Fund, provided that the relevant hedged Class is re-weighted on at least a monthly basis. Hedged positions will be kept under review to ensure that over-hedged positions do not exceed the permitted level and positions materially in excess of 100% of the relevant Net Asset Value will not be carried forward from month to month. To the extent that hedging is successful for a particular Class the performance of the Class is likely to move more in line with the performance of the underlying assets with the result that investors in that Class will not gain if the Denominated Class Currency falls against the Base Currency and/or the currency in which the assets of the relevant Fund are denominated. Any currency exposure of these Classes may not be combined with, or offset against, that of any other Class of the relevant Fund. The currency exposures of the assets of the relevant Fund will not be separately allocated to these Classes.

Although hedging strategies may be used in relation to each hedged Class within the relevant Fund, the financial instruments used to implement such strategies shall be assets/liabilities of the relevant Fund as a whole. However the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant hedged Class of the relevant Fund.

### Issue Price of Units

#### *Initial Issues*

During the initial offer period of a Fund or Class the Manager shall, before the issue of any Units in the Fund or Class, determine the initial issue price thereof. The terms upon which the initial issue of Units shall be available shall be specified in the section headed "Unit Class Information" in the Supplement for the relevant Fund.

#### *Subsequent Issues*

Following the launch of the Units and expiry of any fixed price applied during the initial offer period, Units shall be issued at a price equal to the prevailing Net Asset Value per Unit (plus duties and charges as applicable) for the relevant Fund for the relevant Dealing Day on which the Units are to be issued.

## Risk factors

An investment in any of the Funds should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. The difference over time between the issue and redemption price of Units means that an investment in a Fund should be viewed as medium to long term.

Investments in the Funds are neither insured nor guaranteed by any government, government agencies or instrumentalities or any bank guarantee fund. Units are not deposits or obligations of, or guaranteed or endorsed by, any bank and the amount invested in Units may fluctuate up and/or down. Potential investors should be aware that they may not get back the full amount invested.

Investors should note that because investments in securities can be volatile there can be no assurance that the investment objectives of the Funds will be achieved and results may vary substantially over time. The Funds may seek to reduce volatility through hedging at the portfolio level including through the use of derivatives.

Potential investors should consider the following risks, which do not purport to be exhaustive, before investing in any of the Funds and should refer to the section headed “Fund Specific Risks” for details of risks specific to a particular Fund.

### General Risks

#### **Investing in Fixed Income Securities Risk**

The prices of fixed income securities fluctuate in response to perceptions of the issuer’s creditworthiness and also tend to vary inversely with market interest rates. The value of such securities is likely to decline in times of rising interest rates. Conversely, when rates fall, the value of these investments is likely to rise. Typically, the longer the time to maturity the greater are such variations. A Fund investing in fixed income securities will be subject to credit risk (i.e. the risk that an issuer of securities will be unable or unwilling to pay principal and interest when due, or that the value of a security will suffer because investors believe the issuer is less able or willing to pay). This is broadly gauged by the credit ratings of the securities in which a Fund invests. However, ratings are only the opinions of the agencies issuing them and are not absolute guarantees as to quality. Not all government securities are backed by the full faith and credit of

the relevant national government. Some are backed only by the credit of the issuing agency or instrumentality. Accordingly, there is at least a chance of default on these government securities in which the Funds may invest, which may subject a Fund to additional credit risk.

#### **Political and/or Regulatory Risks**

The value of a Fund’s assets may be affected by uncertainties such as international political developments, changes in government policies, changes in taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which investment may be made. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in certain countries in which investment may be made may not provide the same degree of investor protection or information to investors as would generally apply in major securities markets.

#### **Counterparty Risk**

Where permitted by the investment policy, a Fund may have credit exposure to counterparties by virtue of investment positions in swaps, options, Securities Financing Transactions and forward exchange rate and other contracts held by the Fund. To the extent that a counterparty defaults on its obligation and the Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income, and incur costs associated with asserting its rights. If an over-the-counter counterparty (which is not a credit institution in accordance with the requirements of the Central Bank) engaged by the Trust, in respect of a Fund, is subject to a credit rating downgrade, this could potentially have significant implications for the relevant Fund both from a commercial perspective and a regulatory perspective. Pursuant to the Central Bank UCITS Regulations, a rating downgrade for such over-the-counter counterparty to A-2 or below (or a comparable rating) shall require the relevant Fund without delay to conduct a new credit assessment of the relevant over-the-counter counterparty. Irrespective of the measures the Trust, in respect of a Fund, may implement to reduce counterparty credit risk, there can be no assurance that a counterparty will not default or that the relevant



## Risk factors cont/d...

### Counterparty Risk (con/t)

Fund will not sustain losses on the transactions as a result.

### Over-the-Counter Market Risk

Where any Fund acquires securities on over-the-counter ("OTC") markets, there is no guarantee that the Fund will be able to realise the fair value of such securities due to their tendency to have limited liquidity and comparatively high price volatility.

### Investment Manager Risk

The Manager may consult the Investment Manager with respect to the valuation of unlisted investments. There is an inherent conflict of interest between the involvement of the Investment Manager in determining the valuation price of each Fund's investments and the Investment Manager's other responsibilities as the fee of the Investment Manager will increase as the value of the Funds increases.

### Withholding Tax Risk

Distributions, interest and consent payments on securities issued in countries other than Ireland may be subject to withholding taxes imposed by such countries. The Trust may not be entitled to avail of the relevant double taxation agreement in place between Ireland and the other countries. Potential investors' attention is drawn to further details given under the heading "TAXATION" below.

### FATCA

The United States and Ireland have entered into an intergovernmental agreement to implement FATCA (the "IGA"). Under the IGA, an entity classified as a Foreign Financial Institution (an "FFI") that is treated as resident in Ireland is expected to provide the Revenue Commissioners with certain information in respect of its "account" holders (i.e. Unitholders). The IGA further provides for the automatic reporting and exchange of information between the Revenue Commissioners and the IRS in relation to accounts held in Irish FFIs by U.S. persons, and the reciprocal exchange of information regarding U.S. financial accounts held by Irish residents. Provided the Trust complies with the requirements of the IGA and the Irish legislation, it should not be subject to FATCA withholding on any payments it receives and may not be required to withhold on payments which it makes.

Although the Trust will attempt to satisfy any obligations imposed on it to avoid the imposition of the FATCA withholding tax, no assurance can be given that the Trust will be able to satisfy these obligations. In order to satisfy its FATCA obligations, the Trust will require certain information from investors in respect of their FATCA status. If the Trust becomes subject to a withholding tax as a result of the FATCA regime, the value of the Units held by all Unitholders may be materially affected.

All prospective investors / Unitholders should consult with their own tax advisors regarding the possible FATCA implications of an investment in the Trust.

### CRS

Ireland has provided for the implementation of CRS through section 891F of the TCA and the enactment of the Returns of Certain Information by Reporting Financial Institutions Regulations 2015 (the "CRS Regulations").

The CRS, which applies in Ireland from 1 January 2016, is a global OECD tax information exchange initiative which is aimed at encouraging a coordinated approach to disclosure of income earned by individuals and organisations.

The Trust is a Reporting Financial Institution for CRS purposes and will be required to comply with the Irish CRS obligations. In order to satisfy its CRS obligations, the Trust will require its investors to provide certain information in respect of their tax residence and may, in some cases, require information in relation to the tax residence of the beneficial owners of the investor. The Trust, or a person appointed by the Trust, will report the information required to the Revenue Commissioners by 30 June in the year following the year of assessment for which a return is due. The Revenue Commissioners will share the appropriate information with the relevant tax authorities in participating jurisdictions.

All prospective investors / Unitholders should consult with their own tax advisors regarding the possible CRS implications of an investment in the Trust.



## Risk factors cont/d...

### Re-Investment of Cash Collateral

Where cash collateral is re-invested, in accordance with the conditions imposed by the Central Bank, a Fund will be exposed to the risk of a failure or default of the issuer of the relevant security in which the cash collateral has been invested.

### Taxation

Potential investors' attention is drawn to the taxation risks associated with investing in a Fund. Further details are given under the heading "TAXATION" below.

Furthermore, if the Trust becomes liable to account for tax, in any jurisdiction, including any interest or penalties thereon if an event giving rise to a tax liability occurs, the Manager on behalf of the Trust shall be entitled to deduct such amount from the payment arising on such event or to compulsorily redeem or cancel such number of Units held by the Unitholder or the beneficial owner of the Units as have a value sufficient after the deduction of any redemption fee to discharge any such liability. The relevant Unitholder shall indemnify and keep the Trust indemnified against any loss arising to the Trust by reason of the Trust becoming liable to account for tax and any interest or penalties thereon on the happening of an event giving rise to a tax liability including if no such deduction, appropriation or cancellation has been made.

## Risk factors cont/d...

### Fund Specific Risks

In addition to the risk factors as set out at the section headed “General Risks” above, prospective investors should note the following:

Fund Name	Credit Risk	High Yield Debt Risk	Contingent Convertible Securities Risk	Senior Loan Risk	Interest Rate Risk	Call Risk	Liquidity Risk	Market Risk	Security Selection Risk	Currency Risk	Operational Risk	Derivatives Risk - Hedging Transactions	Derivatives Risk - Leveraging and Shorting Transactions	Efficient Portfolio Management Risk	Emerging Markets Risk	ESG Risk	Stock Connect Risks
Muzinich Americayield Fund	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓					
Muzinich Bondyield ESG Fund	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓					✓
Muzinich EmergingMarketsShortDuration Fund	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			✓		
Muzinich Enhancedyield Short-Term Fund	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓					
Muzinich Europeyield Fund	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓					
Muzinich Global Tactical Credit Fund	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			✓		
Muzinich LongShortCreditYield Fund	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				
Muzinich ShortDurationHighYield Fund	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓					
Muzinich Global High Yield Fund	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓		
Muzinich TargetYield Fund	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓			
Muzinich Asia Credit Opportunities Fund	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓		✓
Muzinich Developed Markets High Yield Fund	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓			
Muzinich US Corporate Yield Fund	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓			
Muzinich Fixed Maturity 2021 Fund	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓		
Muzinich Emerging Market Debt Fund	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓		
Muzinich European Credit Alpha Fund	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				
Muzinich Fixed Maturity 2024 Fund	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓		

### Credit Risk

Risk that an issuer of bonds and other debt securities such as senior loans will be unable to pay interest or principal when due. The prices of bonds and other debt securities are affected by the credit quality of the issuer. Debt may be rated for credit quality, with lower ratings indicative of higher credit risk, but even high ratings do not

guarantee creditworthiness. Changes in the financial condition of an issuer, general economic conditions, and specific economic conditions that affect a particular type of issuer can impact the credit quality of an issuer. Such changes may weaken an issuer's ability to make payments of principal or interest, on time or at all (i.e. default), reducing a Fund's Net Asset Value per Unit.

## Risk factors cont/d...

### Fund Specific Risks cont/d...

#### High Yield Debt Risk

Risk that high yield bonds, which may also be referred to as “junk bonds,” and other types of high yield debt instruments may have greater credit risk than higher quality debt securities because the companies that issue them are not as financially strong as companies with investment grade ratings. High yield debt is considered to be inherently speculative due to the risk associated with the issuer’s continuing ability to make principal and interest payments. Lower quality debt securities generally tend to be more sensitive to this risk than higher quality investment grade debt securities. While credit ratings may be available to assist in evaluating an issuer’s credit quality, they may not accurately predict an issuer’s ability to make timely payment of principal and interest. During times of economic downturn, issuers of debt, including high yield debt bonds and corporate loans, may not have the ability to access the credit markets to refinance their debt or meet other credit obligations.

#### Contingent Convertible Securities

Investing in Contingent Convertible Securities subjects the relevant Fund to the risks of debt, but also the risks associated with an investment in the underlying equity security. Contingent Convertible Securities are likely to be adversely impacted should specific trigger events occur (as specified in the contract terms of the issuing company). Due to the uncertainty regarding the determination of whether a conversion event will occur, it may be difficult to predict when, if at all, a Contingent Convertible Security will be converted.

Contingent Convertible Securities may not have a defined maturity and can have fully discretionary coupons, with the potential to be cancelled at the issuer’s discretion or at the request of the issuer’s regulatory authority. Certain Contingent Convertible Securities are callable (i.e. redeemable) at the option of the issuer in its sole discretion and therefore, it cannot be assumed that Contingent Convertible Securities will be redeemed on a call date and calls can be extended. As a result, the relevant Fund may not receive a return of principal expected on a call date, or at any date.

Contingent Convertible Securities will in the majority of circumstances be issued in the form of

subordinated, convertible debt instruments in order to provide the appropriate regulatory capital treatment prior to a conversion. The rights and claims of the holders of the Contingent Convertible Securities against the issuer in respect of or arising under the terms of the Contingent Convertible Securities shall generally rank junior to the claims of all holders of unsubordinated obligations of the issuer. In addition, due to the discretionary nature of coupons, which may be deferred or cancelled, and the potential for the principal amount invested being written down on a permanent or temporary basis, the relevant Fund may in certain circumstances suffer a loss of capital invested when equity holders have not.

The value of Contingent Convertible Securities is unpredictable and will be influenced by many factors including, without limitation, (i) the trading price of the relevant issuer’s underlying equity securities; (ii) the creditworthiness of the issuer and/or fluctuations in such issuer’s applicable capital ratios; (iii) supply and demand for the Contingent Convertible Securities; and (iv) economic, financial and political events that affect the issuer, its particular market or the financial markets in general.

#### Senior Loan Risk

Risk that senior loans are also subject to the risk that the value of the collateral, if any, securing a loan may decline, be insufficient to meet the obligations of the borrower, be expensive to hold, or be difficult to liquidate. In the event of a default, the Fund may have difficulty collecting on any collateral and would not have the ability to collect on any collateral for an uncollateralized loan.

#### Interest Rate Risk

Risk that fixed-rate bonds held in a Fund may fall in price with an increase in the prevailing level of interest rates in the economy. This risk usually decreases for bonds of lower rating and shorter maturity.

#### Call Risk

Risk that an issuer of a corporate debt instrument may redeem the instrument by repaying it early. This may reduce a strategy’s income, if the proceeds are reinvested at lower rates.

## Risk factors cont/d...

### Fund Specific Risks cont/d...

#### **Liquidity Risk**

Risk that not all investments may be listed or rated and consequently liquidity may be low. The accumulation and disposal of holdings may be time consuming and may need to be conducted at unfavourable prices, particularly in extreme market conditions or due to deterioration in the financial prospects of their issuers. Some high yield debt securities may also trade at less favourable prices if they are subject to restrictions on resale or extended settlement periods.

#### **Market Risk**

Risk that the entire market(s) in which a Fund invests can experience sharp price swings due to a variety of factors, including changes in economic forecasts, market volatility in other markets such as the stock market, large sustained sales of bonds by major investors, high-profile defaults, or the market's psychology. This degree of volatility may be more pronounced in the high yield market than in the market for higher rated bonds. The prices of high yield debt instruments could decline not only due to a deterioration in the financial condition of the issuers of such bonds, but also due to movements in the markets overall.

#### **Security Selection Risk**

Risk that securities selected by the Investment Manager may perform differently than the overall market or may not meet the Investment Manager's expectations. This may be a result of specific factors relating to the issuer's financial condition or operations or changes in the economy, governmental actions or inactions, or changes in investor perceptions regarding the issuer.

#### **Currency Risk**

Risk that the Fund may invest in multiple currencies or may have investors subscribe in multiple currencies which may fluctuate in value relative to each other. Additionally, the risk that a Class may be exposed to currencies other than the one in which the Class is denominated. Although the Investment Manager endeavours to protect the Fund against currency risk, such hedging, achieved through derivative instruments (see "Derivatives Risk: Hedging Transactions" below), is at the Investment Manager's discretion and it may not be possible or practical to protect the Fund or individual Classes against all currency risk. Where

a Class is to be unhedged, the value of the Unit expressed in the Denominated Class Currency will be subject to exchange rate risk in relation to the Base Currency.

#### **Operational Risk**

Risk that operational processes, including those relating to the safekeeping of assets, may fail, resulting in losses.

#### **Derivatives Risk**

The prices of derivative instruments, including the prices of futures and options, are highly volatile. Price movements of forward contracts, futures contracts, and other derivative contracts are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programmes and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly markets in currencies and interest rate related futures and options. Such intervention often is intended to directly influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. The use of derivative instruments also involves certain special risks, including (1) dependence on the ability to predict movements in the prices of securities being hedged and movements in interest rates, (2) imperfect correlation between the hedging instruments and the securities or market sectors being hedged, (3) the fact that skills needed to use these instruments are different from those needed to select a Fund's securities and (4) the possible absence of a liquid market for any particular instrument at any particular time. While the prudent use of derivatives and Securities Financing Transactions can be beneficial, they also involve risks different from, and, in certain cases, greater than, the risks presented by more traditional investments. A Fund will be exposed to a credit risk on parties with whom it trades and may also bear the risk of settlement default. There is a general market risk that applies to all derivatives or Securities Financing Transactions whereby the value may change in a way which may be detrimental to a Fund's interests. A Fund may also be exposed to legal risk, particularly in the context of OTC derivatives and Securities Financing

## Risk factors cont/d...

### Fund Specific Risks cont/d...

#### Derivatives Risk cont/d...

Transactions. Legal risk is the risk of loss due to the unexpected application of a law or regulation, or because contracts are not legally enforceable or documented correctly. Conflicts of interest may arise as a result of the Fund's trading with counterparties. Such parties may obtain information regarding the Fund's activities and strategies that could be used by such third parties to the detriment of the Fund.

- i. *Hedging Transactions:* Risk that the Fund may use FDI to protect against perceived risks as described under the other headings in this section. Risk that transactions in derivatives can expose participants both to credit risk of the underlying reference instrument and to unique risks of the derivative instrument. Derivative instruments may rise or fall in price, and such price movements may coordinate poorly with price movements of the cash instruments such derivatives reference. Derivatives may be subject to risk of non-payment or non-delivery by a counterparty. There is no guarantee that derivatives will provide the anticipated return or protection.
- ii. *Leveraging and Shorting Transactions:* Risk that the Fund may use FDI to protect against perceived risks as described under the other headings in this section, and as investment instruments for gaining synthetic long or short exposure to individual securities and/or broader markets or market indices. Use of leverage can magnify both gains and losses in a portfolio, while shorting can reduce portfolio gains in a rising market. The use of derivatives for investment purposes increases the risk of portfolio volatility and carries all of the risk associated with derivatives as described herein.
- iii. *Leverage Risk:* a Fund may engage in leverage for investment purposes or as part of a hedging strategy, as will be outlined in the relevant Supplement, if applicable. The use of leverage creates special risks and may significantly increase the Fund's investment risk. Leverage will create an opportunity for greater yield and total

return but, at the same time, will increase the Fund's exposure to capital risk and interest costs. Any investment income and gains earned on investments made through the use of leverage that are in excess of the interest costs associated therewith may cause the Net Asset Value of the Units to increase more rapidly than would otherwise be the case. Conversely, where the associated interest costs are greater than such income and gains, the Net Asset Value of the Units may decrease more rapidly than would otherwise be the case.

#### Efficient Portfolio Management Risk

The Investment Manager on behalf of a Fund may employ techniques and instruments relating to transferable securities, money market instruments and/or other financial instruments (including FDI) in which it invests for efficient portfolio management purposes. Many of the risks attendant in utilising derivatives, as disclosed in the section headed "Derivatives Risk" above, will be equally relevant when employing such efficient portfolio management techniques and in particular counterparty risk. Investors should also be aware that from time to time, a Fund may engage with repurchase/reverse repurchase agreements and/or counterparties that are related parties to the Depositary or other service providers of the Trust. Such engagement may on occasion cause a conflict of interest with the role of the Depositary or other service provider in respect of the Depositary. Please refer to the section headed "Conflicts of Interest" for further details on the conditions applicable to any such related party transactions. The identity of any such related parties will be specifically identified in the Trust's semi-annual and annual reports.

#### Emerging Markets Risk

Risk that investments in emerging markets may be more risky and volatile than investments in more developed markets. Some of these markets may have relatively unstable governments, economies based on only a few industries, and securities markets that trade only a limited number of securities. Many emerging markets do not have well developed regulatory systems and disclosure standards may be less stringent than those of developed markets. The risk of expropriation, confiscatory taxation, nationalisation and social, political and economic instability are greater in



## Risk factors cont/d...

### Fund Specific Risks cont/d...

#### Emerging Markets Risk cont/d...

emerging markets than in developed markets. In addition to withholding taxes on investment income, some emerging markets may impose different capital gains taxes on foreign investors.

- i. *Accounting Standards:* in emerging markets there is an absence of uniform accounting, auditing and financial reporting standards and practices.
- ii. *Business Risks:* in some emerging markets, crime and corruption, including extortion and fraud, pose a risk to businesses. Property and employees of underlying investments may become targets of theft, violence and/or extortion.
- iii. *Currency Risk:* the currencies in which investments are denominated may be unstable, may be subject to significant depreciation and may not be freely convertible.
- iv. *Country Risk:* the value of a Fund's assets may be affected by political, legal, economic and fiscal uncertainties. Existing laws and regulations may not be consistently applied.
- v. *Market Characteristics/Liquidity and Settlement Risks:* in general, emerging markets are still in the early stages of their development, have less volume, are less liquid and experience greater volatility than more established markets and many emerging markets are not highly regulated. When seeking to sell emerging market securities, little or no market may exist for the securities. The combination of price volatility and the less liquid nature of securities markets in emerging markets may, in certain cases, affect a Fund's ability to acquire or dispose of securities at the price and time it wishes to do so, and consequently may have an adverse impact on the investment performance of a Fund. Settlement of transactions may be subject to delay and administrative uncertainties.
- vi. *Political Risk:* the risk of government intervention is particularly high in the emerging markets because of both the political climate in many of these countries and the less developed character of their markets and economies. Government actions in the future could have a significant effect on economic

conditions in such countries, which could affect private sector companies and the value of securities in a Fund's portfolio.

#### Depository Risk

If a Fund invests in assets that are financial instruments that can be held in custody ("Custody Assets"), the Depositary is required to perform full safekeeping functions and will be liable for any loss of such assets held in custody unless it can prove that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. In the event of such a loss (and the absence of proof of the loss being caused by such an external event), the Depositary is required to return identical assets to those lost or a corresponding amount to the Fund without undue delay.

If a Fund invests in assets that are not financial instruments that can be held in custody ("Non-Custody Assets"), the Depositary is only required to verify the Fund's ownership of such assets and to maintain a record of those assets which the Depositary is satisfied that the Fund holds ownership of and keep that record up to date. In the event of any loss of such assets, the Depositary will only be liable to the extent the loss has occurred due to its negligent or intentional failure to properly fulfil its obligations pursuant to the Trust Deed.

As it is likely that the Funds may each invest in both Custody Assets and Non-Custody Assets, it should be noted that the safekeeping functions of the Depositary in relation to the respective categories of assets and the corresponding standard of liability of the Depositary applicable to such functions differs significantly.

The Funds enjoy a strong level of protection in terms of Depositary liability for the safekeeping of Custody Assets. However, the level of protection for Non-Custody Assets is significantly lower. Accordingly, the greater the proportion of a Fund invested in categories of Non-Custody Assets, the greater the risk that any loss of such assets that may occur may not be recoverable. While it will be determined on a case-by-case whether a specific investment by the Fund is a Custody Asset or a



## Risk factors cont/d...

### Fund Specific Risks cont/d...

Non-Custody Asset, generally it should be noted that derivatives traded by a Fund over-the-counter will be Non-Custody Assets. There may also be other asset types that a Fund invests in from time to time that would be treated similarly. Given the framework of Depositary liability under UCITS V, these Non-Custody Assets, from a safekeeping perspective, expose a Fund to a greater degree of risk than Custody Assets, such as publicly traded equities and bonds.

### **ESG Risk**

Risk that a portfolio which excludes companies that are deemed unattractive in their environmental, social, and governance (“ESG”) characteristics might underperform or outperform a portfolio that is run without regard to ESG characteristics.

### **Subscriptions/Redemptions Account Risk**

The Trust operates a Subscriptions/Redemptions Account for all of the Funds. Monies in the Subscriptions/Redemptions Account are deemed assets of the respective Funds and shall not have the protection of the Investor Money Regulations. Where monies are held by the Trust in a Subscriptions/Redemptions Account for the account of a Fund, an investor shall rank as an unsecured creditor of the Trust in respect of any claim in relation to monies held in such Subscriptions/Redemptions Account in the event such Fund (or another Fund of the Trust) becomes insolvent.

### **Stock Connect Risks**

A Fund may invest in certain eligible securities listed and traded on the Shanghai Stock Exchange or Shenzhen Stock Exchange (“**Stock Connect Securities**”) through the Northbound Trading Link of the Shanghai Hong Kong Stock Connect Program or Shenzhen Hong Kong Stock Connect Program, as the case may be (“**Stock Connect**”). Stock Connect is a securities trading and clearing programme developed by The Stock Exchange of Hong Kong Limited (“**SEHK**”), the Shanghai Stock Exchange (“**SSE**”) or Shenzhen Stock Exchange (“**SZSE**”) as the case may be, Hong Kong Securities Clearing Company Limited (“**HKSCC**”) and China Securities Depository and Clearing Corporation Limited (“**ChinaClear**”) for the establishment of mutual market access between SEHK and SSE/SZSE. A Fund may trade and settle select securities listed on the

SSE/SZSE through the SEHK and HKSCC trading link (such trading can be termed “**Northbound**”).

No individual investment quotas apply to investors in Stock Connect Securities through Stock Connect. In addition, there are no lock-up periods or restrictions on the repatriation of principal and profits.

Nonetheless, trading through Stock Connect is subject to a number of restrictions which may impact a Fund’s investments. In particular, it should be noted that Stock Connect is in its initial stages. Further developments are likely and there is no assurance as to whether or how such developments may restrict or affect a Fund’s investments.

In addition, the application and interpretation of the laws and regulations of Hong Kong and the People’s Republic of China (“**PRC**”) and the rules, policies or guidelines published or applied by any regulator which regulates Stock Connect and activities relating to Stock Connect (including without limitation, the China Securities Regulatory Commission (“**CSRC**”), the People’s Bank of China, the State Administration of Foreign Exchange, the Securities and Futures Commission, the Hong Kong Monetary Authority or any other regulator, agency or authority with jurisdiction, authority or responsibility in respect of Stock Connect), or any exchange, clearing system or other entity which provides services relating to Stock Connect (including without limitation, the SEHK and any relevant subsidiary, HKSCC, SSE/SZSE or ChinaClear) (“**Stock Connect Rules**”) from time to time in respect of Stock Connect or any activities arising from Stock Connect is untested and there is uncertainty as to how they will be applied.

### **Home Market Rules**

A fundamental principle of trading securities through Stock Connect is that the laws and rules of the home market of the applicable securities shall apply to investors in such securities. In respect of Stock Connect Securities, Mainland China is the home market and thus investors in Stock Connect Securities should observe Mainland China securities regulations, SSE/SZSE listing rules and other rules and regulations. If SSE/SZSE rules or other PRC law requirements are breached, SSE/SZSE has the power to carry out an investigation, and may, through SEHK exchange participants, require such exchange participants to provide information

## Risk factors cont/d...

### Fund Specific Risks cont/d...

#### Home Market Rules cont/d...

about investors, which may include the Funds, and assist in investigations.

Nevertheless, certain Hong Kong legal and regulatory requirements will also continue to apply to the trading of Stock Connect Securities.

#### Pre-trade Checking; No Uncovered Short Selling

PRC laws prohibit any uncovered short selling of A Shares. Therefore the SSE/SZSE checks that in respect of any sell orders given by an investor, the investor holds sufficient Stock Connect Securities to be able to fulfil such a sell order. It should be noted that this requirement affects investors who hold Stock Connect Securities through their account with their brokers in Hong Kong through Stock Connect. This is because under the Stock Connect Rules, the SEHK is also required to check that in respect of any Northbound sell orders given by an exchange participant, the relevant exchange participant holds sufficient Stock Connect Securities to be able to fill such Northbound sell orders.

Pre-trade checking will be carried out at the start of each day on which SEHK is open for Northbound trading (“Trading Day”). Accordingly, a broker through whom the relevant Fund places a sell order may reject a sell order if the relevant Fund does not have sufficient Stock Connect Securities in its account by the applicable cut off time specified by that broker or if there has been a delay or failure in the transfer of the relevant Stock Connect Securities to any clearing account of the broker.

#### Aggregate and Daily Renminbi (“RMB”) Quotas

Buy orders are subject to aggregate and daily RMB quotas that apply to the market in general. The aggregate quota caps the absolute amount of funds inflow into the PRC under Northbound trading at a specified level (“Aggregate Quota”). The daily quota caps the net buy value of cross boundary trades under Stock Connect on each Trading Day (“Daily Quota”). The Aggregate Quota and/or the Daily Quota may change from time to time without prior notice. The SEHK and the SSE/SZSE may also set pricing and other restrictions on buy orders in order to prevent the artificial use or filling of the Aggregate Quota or Daily Quota.

If Northbound trading is suspended as a result of a breach of the Aggregate or the Daily Quotas, brokers will be unable to carry out any buy orders and any instructions to buy that have been submitted but not yet executed may be rejected. In addition, it is possible for the SEHK to subsequently reject the order even after the broker has accepted it for execution in the event that the Aggregate or Daily Quotas have been exceeded. It is notable that under the SEHK rules, a Fund may sell its Stock Connect Securities regardless of whether there has been a breach of the Aggregate or Daily Quotas.

#### RMB Exchange Risk

Starting from 2005, the exchange rate of the RMB is no longer pegged to the US Dollar. The RMB has now moved to a managed floating exchange rate based on market supply and demand with reference to a basket of foreign currencies. The daily trading price of the RMB against other major currencies in the inter-bank foreign exchange market would be allowed to float within a narrow band around the central parity published by the People's Bank of China. As the exchange rates are based primarily on market forces, the exchange rates for RMB against other currencies, including US Dollars and Hong Kong dollars, are susceptible to movements based on external factors. It should be noted that the RMB is currently not a freely convertible currency as it is subject to foreign exchange control policies of the PRC government. The possibility that the appreciation of RMB will be accelerated cannot be excluded. On the other hand, there can be no assurance that the RMB will not be subject to devaluation. In particular, there is no guarantee that the value of RMB against the investors' base currencies will not depreciate. Any devaluation of the RMB could adversely affect the value of investors' investments in the relevant Fund. Investors whose Base Currency is not the RMB may be adversely affected if the RMB depreciates against the Base Currency of holding of the investors in that such investors' investments may be worth less when they exchange RMB back to their Base Currency.

## Risk factors cont/d...

### Fund Specific Risks cont/d...

Further, the PRC government's imposition of restrictions on the repatriation of RMB out of the PRC may limit the depth of the RMB market in Hong Kong and reduce the liquidity of the Fund. Any delay in repatriation of RMB may result in delay in payment of redemption proceeds to the redeeming Unitholders. The PRC government's policies on exchange control and repatriation restrictions are subject to change, and the Fund's or the investors' position may be adversely affected.

### **Suspension, Restriction and Cessation of Operation of Stock Connect**

SEHK (or any relevant subsidiary) may, under certain circumstances as specified in the SEHK rules, temporarily suspend or restrict all or part of the order-routing and related supporting services with regard to all or any Northbound trading of Stock Connect Securities, and for such duration and frequency as SEHK may consider appropriate. SEHK has absolute discretion to change the operational hours and arrangements of Stock Connect at any time and without advance notice, whether on a temporary or permanent basis, due to operational needs, inclement weather, under emergency situations or otherwise. Moreover, SEHK (or any relevant subsidiary) may cease the provision of the Stock Connect Northbound trading service permanently.

### **Suspension of Trading on A Shares and H Shares**

The SEHK rules state that where any H Shares with corresponding A Shares accepted as Stock Connect Securities are suspended from trading on SEHK but the Stock Connect Securities are not suspended from trading on the SSE/SZSE, the service for routing the Stock Connect Securities sell orders and Stock Connect Securities buy orders for such Stock Connect Securities to the SSE/SZSE for execution will normally remain available. However, SEHK may, in its discretion, restrict or suspend such service without prior notice and the relevant Fund's ability to place sell orders and buy orders may be affected.

### **No Off-Exchange Trading and Transfers**

Unless otherwise provided by the CSRC, Stock Connect Securities may not be sold, purchased or otherwise transferred in any manner otherwise than through Stock Connect in accordance with the Stock Connect Rules. Accordingly, there may be a

limited market and/or lower liquidity for Stock Connect Securities purchased through Stock Connect (as compared to the same shares purchased through other channels). In addition, any scrip entitlements received by the Fund in respect of Stock Connect Securities are not eligible for trading through Stock Connect. Accordingly, there is a risk of low or even no liquidity for such shares received by way of scrip entitlement.

### **No Day Trading**

Day (turnaround) trading is not permitted on the PRC's A share market. If the Fund buys Stock Connect Securities on T day, it can only sell the Stock Connect Securities on or after settlement has been completed (normally on T+1 day).

### **Placing Orders**

Only limit orders with a specified price are allowed pursuant to Stock Connect Rules, where buy orders may be executed at or lower than the specified price and sell orders may be executed at or higher than the specified price. Market orders will not be accepted.

### **No Manual Trade or Block Trade**

There will be no manual trade or block trade facility for Northbound trading under Stock Connect.

### **Rejection of Orders**

There may be circumstances when SEHK, on SSE/SZSE's request, may require a SEHK exchange participant to reject orders from the Fund.

### **Warning Statements**

SSE/SZSE may ask SEHK to require SEHK exchange participants to issue warning statements (verbally or in writing) to the Fund and may require participants not to extend trading in Stock Connect Securities to the relevant Fund.

### **Ownership**

Hong Kong law recognises the proprietary interest of investors in shares held for them by their broker or custodian in the Central Clearing and Settlement System. Such recognition should apply equally to Stock Connect Securities held for Hong Kong and overseas investors by the relevant Clearing Participant through HKSCC. In addition, in the PRC (where Stock Connect Securities are registered in a securities account opened with ChinaClear in the name of HKSCC), it is expressly

## Risk factors cont/d...

### Fund Specific Risks cont/d...

#### **Ownership cont/d...**

stipulated in the “Several Provisions on the Pilot Program of Shanghai-Hong Kong Stock Market Connect” (as promulgated by CSRC to prescribe the launch and operation of the Stock Connect) that HKSCC acts as the nominee holder and the Hong Kong and overseas investors own the rights and interests with respect to the Stock Connect Securities. Accordingly, the regulatory intention appears to be that Hong Kong and overseas investors (including the relevant Funds) should also have proprietary rights over Stock Connect Securities under PRC laws, although this cannot be guaranteed.

However, as Stock Connect is a recent initiative there may be some uncertainty surrounding such arrangements. In addition, while Hong Kong and overseas investors (including the relevant Funds) may have proprietary rights over Stock Connect Securities, they must act through HKSCC as nominee in order to enforce such rights in accordance with its rules.

In the event HKSCC is insolvent, the Stock Connect Securities should not form the bankruptcy estate of HKSCC. Insolvency proceedings will be governed by Hong Kong laws, and it is expected (but is not entirely certain) that ChinaClear and PRC courts will recognise the power of the liquidator duly appointed under Hong Kong law in relation to the Stock Connect Securities.

#### **Operational Hours and Contingency Events**

SEHK has absolute discretion to determine from time to time the operational hours of Stock Connect, and will have absolute discretion to change the operational hours and arrangements of Stock Connect at any time and without advance notice. SEHK exchange participants have the right to cancel Stock Connect orders in case of contingency events such as a typhoon. In the event of a contingency and if SEHK loses communication lines with Stock Connect, SEHK exchange participants may not be able to send in client order cancellations for Stock Connect Securities and the Fund will still bear settlement obligations if the orders are matched and executed.

#### **Investigations and Warnings**

If the SSE/SZSE rules or any applicable Mainland China securities laws and regulations are breached,

SSE/SZSE has the power to carry out an investigation and may, through SEHK, require SEHK exchange participants to provide information to SEHK for investigation purposes.

#### **Liability**

Hong Kong Exchanges and Clearing Limited, SEHK, SSE/SZSE, their respective subsidiaries, directors, employees and agents shall not bear responsibility for losses or damage resulting directly or indirectly from or in connection with investments in Stock Connect Securities.

#### **Foreign Ownership Limits**

Under PRC laws, there is a limit to how many shares a single foreign investor is permitted to hold in a single PRC-listed company, and also a limit to the maximum combined holdings of all foreign investors in a single PRC-listed company. Such foreign ownership limits may be applied on an aggregate basis (i.e. across both domestically and overseas issued shares of the same listed company, whether the relevant holdings are through Northbound trading or other investment channels). The single foreign investor limit is currently set at 10% of the shares of a PRC-listed company and the aggregate foreign investor limit is currently set at 30% of the shares of a PRC-listed company. Such limits are subject to change from time to time.

If the foreign ownership limits are breached, SSE/SZSE will notify SEHK and, on a last-in-first-out basis, SEHK will identify the relevant trades involved and require the relevant exchange participants to require the investors concerned (which could include a Fund) to sell the shares within the timeframe stipulated by SEHK. If the relevant investors fail to sell their shares, exchange participants are required to force-sell the shares for the relevant investors in accordance with the Stock Connect Rules.

#### **Capital Gains Tax**

Stocks in Mainland China are currently subject to a 10% capital gains tax. A Fund investing through Stock Connect is expected to be exempt from such capital gains / withholding tax under current regulations in Mainland China but such exemption is subject to change by the authorities in Mainland China and a Fund may therefore be subject to withholding tax at any time in the future.



## Transacting in the Trust

### KIID Statement

Investors are required to obtain a copy of the Key Investor Information Documents for the relevant Fund and its Classes prior to subscribing to a Fund. Investors will be required to represent (which representation forms part of the application form) that they have received a copy of the relevant Key Investor Information Document in paper or electronic form. The Key Investor Information Documents are available on the Manager's website at <http://www.muzinich.com/> or alternatively via the following website <http://www.fundinfo.com/en/home/>.

### US Persons

Units have not and will not be registered in the United States under any applicable legislation. Units are not available for offer or sale in any state in the United States, or to persons (including companies, partnerships, trusts or other entities) who are "US Persons" (as defined in Rule 902 of Regulation S under the Securities Act), nor may Units be owned or otherwise held by such persons. Accordingly, this Prospectus may not be distributed in the United States or to a US Person. The Manager reserves the right to give notice to any Unitholder that is or that subsequently becomes incorporated in the United States or to a US Person to (1) transfer the Units to a person that is not a US Person or (2) request a redemption or cancellation of the Units, and the Manager may redeem or cancel the Units if the Unitholder fails to make such transfer or request within 30 days of that notice provided by the Manager.

### Use of a Subscriptions/Redemptions Account

The Trust operates a single, omnibus Subscriptions/Redemptions Account for all of the Funds, in accordance with the requirements of the Central Bank relating to umbrella fund cash accounts. Accordingly, monies in the Subscriptions/Redemptions Account are deemed assets of the respective Funds and shall not have the protection of the Investor Money Regulations. It should be noted however that the Depositary will monitor the Subscriptions/Redemptions Account in performing its cash monitoring obligations and ensuring effective and proper monitoring of the Trust's cash flows in accordance with its obligations as prescribed under the Regulations.

The Trust Deed sets out requirements regarding the treatment of assets and liabilities of each Fund, including:

- (a) the records and accounts of each Fund shall be maintained separately in the base currency of the relevant Fund;
- (b) the liabilities of each Fund shall be attributed exclusively to that Fund;
- (c) the assets of each Fund shall belong exclusively to that Fund, shall be segregated in the records of the Depositary from the assets of other Funds, and shall not be used to discharge directly or indirectly the liabilities of or claims against any other Fund and shall not be available for any such purpose.

The Manager and the Depositary shall put in place procedures to enable amounts within a Subscriptions/Redemptions Account to be attributed to the relevant Fund in order to comply with the Trust Deed.

Where monies are held by the Trust in a Subscriptions/Redemptions Account for the account of a Fund, an investor shall rank as an unsecured creditor of the Trust in respect of any claim in relation to monies held in such Subscriptions/Redemptions Account in the event such Fund (or another Fund of the Trust) becomes insolvent.

### Subscriptions

#### **Subscription Procedure**

Application forms are available from the Manager or Administrator. Applications for Units should be made in writing (by post or by facsimile or electronic means with the original to follow by post promptly thereafter) to the Administrator by completing an application form, or in such other form or manner as may be prescribed by the Manager from time to time, the original of which should be delivered to the Administrator, together with all necessary supporting anti-money laundering documentation, promptly thereafter.

Failure to provide the original application form, and supporting anti-money laundering documentation, shall result in applicants being unable to redeem or transfer Units on request until

## Transacting in the Trust (cont/d)

### Subscriptions cont/d...

#### **Subscription Procedure cont/d...**

such time as the Administrator has received the original application form and supporting anti-money laundering documentation. In addition, applicants should understand that the failure to provide all required anti-money laundering documentation and information (or updated documentation and information where applicable) may ultimately result in the cessation of the business relationship with the applicant by the Trust or the Administrator. Any change to a Unitholder's registration details or payment instructions must also be received in original form. On acceptance of their initial application, applicants will be allocated a unitholder number and this, together with the Unitholder's personal details, will be proof of identity. This unitholder number should be used for all future dealings by the Unitholder. Where an original application for Units in a Fund has been received and is in order, subsequent applications for Units may be forwarded by facsimile or by electronic means (without forwarding the original application form) provided all required money laundering checks are completed.

#### **Subscription Deadlines**

Applications must be received by the Administrator at its registered office no later than the time specified under the heading "Dealing Frequency and Dealing Deadline" for the relevant Fund. Any application received after the time aforesaid shall be deemed to be made in respect of the next Dealing Day immediately following such Dealing Day. The deadline for receipt of subscription monies into the Subscriptions/Redemptions Account is 4.00 p.m. (Irish time) three Business Days after the relevant Dealing Day. Upon receipt into the Subscriptions/Redemptions Account, subscription monies will become the property of the relevant Fund and accordingly an investor will be treated as a general creditor of the relevant Fund during the period between receipt of subscription monies into the Subscriptions/Redemptions Account and the issue of Units.

Monies subscribed for each Fund should be in the Denominated Class Currency of the relevant Class of the relevant Fund. Investors wishing to place orders in other currencies shall seek the prior consent of the Manager. Monies subscribed for

Units in a currency other than the Denominated Class Currency of such Class will be converted by the Manager to the Denominated Class Currency of the Class at what the Manager considers to be the appropriate exchange rate and such subscription shall be deemed to be in the amount so converted.

#### **Documents an Investor will Receive**

Units shall only be issued in registered form and, whether during the initial offer or subsequently, certificates in respect of Units will not be issued. Unitholders will be sent a contract note within three Business Days of the relevant Dealing Day and a written ownership confirmation within ten Business Days of the processing of their application.

#### **Minimum Subscription**

A minimum initial subscription amount applies for each Class from the date of this Prospectus and is set out in the table below. The Manager may at its discretion accept subscriptions in any Class which are lower than the minimum initial subscription amount and/or waive the relevant minimum initial subscription amount in respect of any Class for an investor. A minimum initial subscription amount of GBP75 million in respect of the Discretionary S Units of Muzinich ShortDurationHighYield Fund and a minimum initial subscription amount of GBP/EUR/USD20 million (or corresponding currency equivalent) in respect of the Class A Units of Muzinich Enhancedyield Short-Term Fund applies.



## Transacting in the Trust cont/d...

### Subscriptions cont/d...

#### Minimum Subscription

Minimum Initial Subscription Amount					
Unit Category	USD	GBP	EUR	CHF	SEK
Founder Units/ X Units/ EX Units/ EX1 Units/ NX Units/ NRX Units/ S Units/ S1 Units/ G Units/ G1 Units/ Select Distribution Units	100,000,000	100,000,000	100,000,000	100,000,000	500,000,000
H Units/ NH Units/ EH Units	5,000,000	5,000,000	5,000,000	5,000,000	25,000,000
M Units	100,000	100,000	100,000	100,000	500,000
A Units/ AD Units/ N Units/ NJ Units / E Units	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000
R Units/ NR Units/ ER Units/ P Units/ EP Units/ NP Units/ A1 Units/ T Units	1,000	1,000	1,000	1,000	5,000
Unit Category	DKK	NOK	SGD	HKD	CAD
Founder Units/ X Units/ EX Units/ EX1 Units/ NX Units/ NRX Units/ S Units/ S1 Units/ G Units/ G1 Units/ Select Distribution Units	500,000,000	500,000,000	150,000,000	750,000,000	100,000,000
H Units/ NH Units/ EH Units	25,000,000	25,000,000	7,500,000	37,500,000	5,000,000
M Units	500,000	500,000	150,000	750,000	100,000
A Units/ AD Units/ N Units/ NJ Units / E Units	5,000,000	5,000,000	1,500,000	7,500,000	1,000,000
R Units/ NR Units/ ER Units/ P Units/ EP Units/ NP Units/ A1 Units/ T Units	5,000	5,000	1,500	7,500	1,000
Unit Category	AUD	RMB	JPY	CZK	ISK
Founder Units/ X Units/ EX Units/ EX1 Units/ NX Units/ NRX Units/ S Units/ S1 Units/ G Units/ G1 Units/ Select Distribution Units	100,000,000	600,000,000	10,000,000,000	2,000,000,000	5,000,000,000
H Units/ NH Units/ EH Units	5,000,000	30,000,000	500,000,000	100,000,000	250,000,000
M Units	100,000	600,000	10,000,000	2,000,000	5,000,000
A Units/ AD Units/ N Units/ NJ Units / E Units	1,000,000	6,000,000	100,000,000	20,000,000	50,000,000
R Units/ NR Units/ ER Units/ P Units/ EP Units/ NP Units/ A1 Units/ T Units	1,000	6,000	100,000	20,000	50,000

## Transacting in the Trust cont/d...

### Special Provisions Governing Applications for Units

The Trust Deed provides that the Manager or its delegate may issue Units at their Net Asset Value in exchange for securities which a Fund may acquire in accordance with its investment objectives and policies and may hold or sell, dispose of or otherwise convert such securities into cash. No Units shall be issued until ownership of the securities has been transferred for the account of the relevant Fund or if the in specie subscription would prejudice existing Unitholders. The value of the securities shall be determined by the Manager or its delegate on the relevant Dealing Day in accordance with the provisions for valuing the assets set out under "Calculation of the Net Asset Value of the Units". The number of Units issued shall not exceed such number of Units which would have been issued for the equivalent value in cash on the said Dealing Day.

The Manager and the Administrator have the right to cancel any application for Units and reserves the right to charge interest at a reasonable commercial rate on subscriptions which are not settled in full within three Business Days of the relevant Dealing Day. The applicant remains liable for any loss incurred by the Manager or the Administrator in the case of non-settlement irrespective of whether the application for Units was cancelled by the Manager or the Administrator. The Administrator shall be held harmless by the applicant against any loss arising as a result of a failure to process the subscription if such information as has been requested by the Administrator has not been provided by the applicant.

The Manager or its delegate may reject at its discretion any application for such Units, in whole or in part, in which event the application monies or any balance thereof will be returned to the applicant by transfer to the applicant's designated account or by post, each at the applicant's sole risk.

If the number of Units subscribed for on any Dealing Day is equal to one tenth or more of the total number of Units of that Fund in issue or deemed to be in issue on such Dealing Day, then the Manager or its delegate may in its discretion refuse to issue any Units in excess of one tenth of the total number of Units of that Fund in issue or deemed to be in issue as aforesaid and, if the

Manager or its delegate so refuses, the requests for subscription on such Dealing Day shall be reduced rateably and the Units to which each request relates which are not issued by reason of such refusal shall be treated as if a request for subscription had been made in respect of each subsequent Dealing Day until all the Units to which the original request related have been subscribed. Requests for subscription which have been carried forward from an earlier Dealing Day shall (subject always to the foregoing limits) be complied with in priority to later requests.

The Manager or its delegate may, at any time at its discretion, temporarily discontinue, cease definitively or limit the issue of Units to persons or corporate bodies resident or established in certain countries or territories. The Manager or its delegate may also prohibit certain persons or corporate bodies from acquiring Units if such a measure is necessary or desirable for the protection of the Unitholders as a whole and the Trust.

In addition the Manager or its delegate may:

- (a) reject at its discretion any application for Units in whole or in part; or
- (b) repurchase at any time Units held by Unitholders who are excluded by virtue of any law or requirement of any country or governmental authority from purchasing or holding Units; or
- (c) repurchase at any time Units held by Unitholders at its discretion.

Subject to the discretion of the Directors to determine otherwise, the minimum size of a Fund shall be \$10 million or the currency equivalent and the Manager shall return any subscriptions to Unitholders where the minimum size is not reached within a period of 2 years.

### Redemptions

#### Redemption Procedure

Redemption forms are available from the Manager or the Administrator. The Manager or its delegate will at any time during the term of a Fund, on receipt by it or by its delegate of a redemption form or a request in writing by a Unitholder, redeem on any Dealing Day all or any part of such Unitholder's holding of Units at a price per Unit equal to the Net Asset Value per Unit (less duties and charges as applicable). Redemption requests

## Transacting in the Trust cont/d...

### Redemptions cont/d...

#### Redemption Procedure cont/d...

can be processed on receipt of electronic instructions only where payment is to be made to the account or record of the Unitholder.

### Redemptions

#### Redemption Procedure

Redemption forms are available from the Manager or the Administrator. The Manager or its delegate will at any time during the term of a Fund, on receipt by it or by its delegate of a redemption form or a request in writing by a Unitholder, redeem on any Dealing Day all or any part of such Unitholder's holding of Units at a price per Unit equal to the Net Asset Value per Unit (less duties and charges as applicable). Redemption requests can be processed on receipt of electronic instructions only where payment is to be made to the account or record of the Unitholder.

#### Redemption Deadlines

Redemption requests must be received (by post or by facsimile or electronic means with the original to follow by post) by the Manager or its delegate at its registered office no later than the time specified under the heading "Dealing Frequency and Dealing Deadline" for the relevant Fund. Any request received after the time aforesaid shall be deemed to be made in respect of the next Dealing Day immediately following such Dealing Day.

#### Settlement

The redemption proceeds will be payable to the Unitholder within three Business Days after the relevant Dealing Day on which the redemption is to be effected subject to receipt by the Manager or its delegate of the original redemption request and certificates (if any) in respect of the Units. Unless otherwise requested by the payee, the redemption price payable to the Unitholder will be paid in the Denominated Class Currency of the relevant Class by bank transfer at the expense of the Unitholder. Every such bank transfer shall be made payable to the order of such Unitholder, or in the case of joint Unitholders, made payable to the order of the joint Unitholder who has requested such redemption at the risk of such Unitholder or joint Unitholders.

Investors should note that any redemption proceeds being paid out by a Fund and held for any

time in the Subscriptions/Redemptions Account shall remain an asset of the relevant Fund until such time as the proceeds are released to the investor. This would include, for example, cases where redemption proceeds are temporarily withheld pending the receipt of any outstanding identity verification documents as may be required by the Manager or the Administrator. This enhances the need to address these issues promptly so that the proceeds may be released. It should also be noted that the investor shall have ceased being a Unitholder and instead will rank as a general unsecured creditor of the Trust.

### **Special Provisions Governing Redemptions of Units**

If the number of Units falling to be redeemed on any Dealing Day is equal to one tenth or more of the Net Asset Value of that Fund or one tenth or more of the total number of Units of that Fund in issue or deemed to be in issue on such Dealing Day, then the Manager or its delegate may in its discretion refuse to redeem any Units in excess of one tenth of the Net Asset Value of that Fund or one tenth of the total number of Units of that Fund in issue or deemed to be in issue as aforesaid and, if the Manager or its delegate so refuses, the requests for redemption on such Dealing Day shall be reduced rateably and the Units to which each request relates which are not redeemed by reason of such refusal shall be treated as if a request for redemption had been made in respect of each subsequent Dealing Day until all the Units to which the original request related have been redeemed. Requests for redemption which have been carried forward from an earlier Dealing Day shall (subject always to the foregoing limits) be complied with pro rata to later requests. The maximum period for which a redemption can be refused and carried forward under the foregoing provisions shall not exceed twenty (20) consecutive Dealing Days.

Where repurchase monies in respect of repurchase requests received from any one Unitholder would amount to more than 5% of the Net Asset Value of a Fund on any Dealing Day, the Manager may, only with the consent of the Unitholder, satisfy the repurchase request by the distribution of assets in specie and may elect by notice in writing to the Unitholder to appropriate and transfer to him such assets in satisfaction or part satisfaction of the repurchase price or any part of the said repurchase price. Where a notice of election is served on a Unitholder the Unitholder may, by a further notice

## Transacting in the Trust cont/d...

### Special Provisions Governing Redemptions of Units cont/d...

served on the Manager, require the Manager instead of transferring the assets in question to arrange for a sale of the assets and for payment to the Unitholder of the net proceeds of sale (the cost of the sale may be charged to the Unitholder). Accordingly, repurchases in specie are at the discretion of the Manager, may only be made with the consent of the Unitholder and asset allocation is subject to the approval of the Depositary. Any distribution of the assets of the relevant Fund in specie will not prejudice the rights of any remaining Unitholders.

All of the aforementioned payments and transfers will be made subject to any withholding tax or other deductions which may apply.

### Compulsory Redemption of Units

The Manager may at any time redeem, or request the transfer of, Units held by Unitholders, including in circumstances where Units are held by Unitholders who are excluded from purchasing or holding Units e.g. by virtue of being: (i) in breach of any law or requirement of any country or governmental authority; (ii) a US Person; or (iii) a person in circumstances which in the opinion of the Manager might result in the Trust or any of its Funds incurring any liability to taxation or other pecuniary disadvantage which they might not otherwise have incurred or suffered under the Trust Deed. Any such redemption will be made on a Dealing Day at a price equal to the Net Asset Value per Unit on the relevant Dealing Day on which the Units are to be redeemed.

### Switching

Subject to the Units or Classes being in issue and being offered for sale, and provided that the issue and redemption of Units or Classes has not been suspended, Unitholders may, in respect of Units held in one or more Funds or Classes within a Fund (the “Original Units”), apply to switch some or all of such Original Units into Units in one or more other Funds or Classes within other Funds (the “New Units”). Applications for switching should be made in writing (by letter or facsimile) to the Administrator by completing a switching form in such format as the Manager may from time to time prescribe (“Switching Form”), the original of which should be delivered to the Administrator.

The dealing deadlines specified under the heading “Dealing Frequency and Dealing Deadline” for the relevant Fund, and the minimum initial subscription amounts (unless waived at the discretion of the Manager) for the relevant Fund/Class must be adhered to when switching units.

On the next Dealing Day following the receipt of the Switching Form, or on such earlier day as the Manager or its delegate in its absolute discretion may agree, the Original Units to be switched shall be switched into the appropriate number of New Units. The Original Units shall on that Dealing Day have the same value (the “Switched Amount”) as if they were being redeemed by the Manager or its delegate from the Unitholder. The appropriate number of New Units shall be equal to the number of Units in that Fund or Funds that would be issued on that Dealing Day if the Switched Amount were invested in that Fund or Funds, provided that, for this purpose, no subscription fee shall be chargeable.

Upon any such switch, there shall be reallocated from the Fund or Funds to which the Original Units belonged, assets or cash equal in value to the Switched Amount to the Fund or Funds to which the New Units belong.

Upon any such switch, the Manager or its delegate shall procure that the relevant registers are amended accordingly.

Potential investors should consult their own professional advisors as to the tax implications of switching Units under the laws of the jurisdictions in which they may be subject to tax.

### Transfer of Units

Units in each Fund will be transferable by instrument in writing signed by the transferor and the transferor shall be deemed to remain the holder of the Units until the name of the transferee is entered in the relevant register in respect thereof. The instrument of transfer must be accompanied by a certificate from the transferee that it is not, nor is it acquiring such Units on behalf of or for the benefit of a US Person. In the case of the death of one of the joint Unitholders, the survivor or survivors will be the only person or persons recognised by the Manager as having any title to or interest in the Units registered in the names of such joint Unitholders.

## Transacting in the Trust cont/d...

### Transfer of Units cont/d...

A fee not exceeding Euro25 may be charged by the Manager for the registration of each transfer and the issue of a new registered certificate, if requested, in the name of the transferee and a balance registered certificate, if necessary and requested, in the name of the transferor and such fee must, if required by the Manager, be paid before the registration of the transfer.

### Net Asset Value

The assets of a Fund will be valued as follows:

#### Calculation of the Net Asset Value of the Units

The Net Asset Value of a Fund will be quoted in the Base Currency. The Net Asset Value per Unit will be quoted in the relevant Denominated Class Currency. It will be calculated by the Manager on each Dealing Day by dividing the value of the assets of the Fund less its liabilities as at the official close of business in the market that closes last on the relevant Dealing Day (the “**Valuation Point**”) by the number of Units then in issue or deemed to be in issue as at the Valuation Point, and by adjusting the resulting total to the nearest two decimal places at the discretion of the Manager. The increase or decrease in the Net Asset Value of a Fund (as it relates to non-Class specific gains or losses) over or under, as the case may be, the closing Net Asset Value of that Fund on the immediately preceding Dealing Day is then allocated between the different Classes in that Fund based on their pro rata closing Net Asset Values on the immediately preceding Dealing Day, as adjusted for subscriptions and redemptions executed at the prices calculated as at the immediately preceding Dealing Day. Class specific gains or losses for the period are allocated to the relevant Class (including the gains or losses on and costs of financial instruments employed for currency hedging between a Base Currency and a Denominated Class Currency). Each Net Asset Value per Class is then divided by the number of Units in issue, respectively, and then rounded to the nearest two decimal places (unless otherwise indicated with respect to a Class) to give the Net Asset Value per Unit, unless an alternative rounding methodology is specified in the Supplement for a Fund.

The assets of the Trust will be valued as follows:

- (a) Assets listed or traded on a regulated market or OTC market (other than those

referred to at (h) and (i) below) for which market quotations are readily available shall be valued at the closing mid-market price as at the Valuation Point on the principal exchange or market for such investment. Securities listed or traded on a regulated market or OTC market but acquired at a premium or at a discount outside or off the relevant market or OTC market may be valued taking into account the level of premium or discount as at the date of valuation of the investment provided that the Depositary must ensure that the adoption of such a procedure is justifiable in the context of establishing the probable realisation value of the security.

- (b) Securities which are listed or traded on a regulated market where the market price is unrepresentative or not available and unlisted securities shall be valued at the probable realisation value as at the Valuation Point estimated with care and in good faith by (i) the Manager or (ii) by a competent person appointed by the Manager and approved for that purpose by the Depositary or (iii) any other means provided that the value is approved by the Depositary. Where reliable market quotations are not available for fixed income securities, the value of such securities may be determined using matrix methodology compiled by the Manager or competent person (as approved by the Depositary) whereby such securities are valued by reference to the valuation of other securities which are comparable in rating, yield, due date and other characteristics.
- (c) If the assets are listed on several stock exchanges or OTC markets, the closing mid-market price on the stock exchange or OTC market which, in the opinion of the Manager or its delegate, constitutes the main market for such assets, will be used.
- (d) Cash and other liquid assets will be valued at their face value with interest accrued or less debit interest, where applicable, to the end of the Valuation Point.



## Transacting in the Trust cont/d...

### Calculation of the Net Asset Value of the Units cont/d...

- (e) Units or shares in open-ended collective investment schemes will be valued as at the Valuation Point at the latest available net asset value or latest bid price as published by the relevant collective investment scheme or, if listed or traded on a recognised exchange, in accordance with (a) above. Units or shares in closed-ended collective investment schemes if listed on a stock exchange or OTC market will be valued at the last traded price or if unavailable or unrepresentative, the probable realisation value as at the Valuation Point estimated with care and in good faith by the Manager or its delegate approved for such purpose by the Depositary.
- (f) Premiums/discounts on prices of securities traded on an OTC market (valued in accordance with paragraph (a) above) shall be provided by an independent broker or market maker or if such prices are unavailable, by the Investment Manager and such securities shall with the approval of the Depositary be valued based on the prices so provided. However, the Manager or its delegate may adjust the value of such investments if it considers that such adjustment is required to reflect the fair value thereof.
- (g) Any value expressed otherwise than in the Base Currency of the relevant Fund (whether of an investment or cash) and any non-Base Currency borrowing shall be converted into that Base Currency at the rate as at the Valuation Point (whether official or otherwise) which the Manager deems appropriate in the circumstances.
- (h) Derivative contracts traded on a regulated market including without limitation futures and options contracts and index futures shall be valued at the settlement price as determined by the market. If the settlement price is not available, the value shall be the probable realisation value estimated with care and in good faith by (i) the Manager or (ii) a competent person appointed by the Manager and approved for the purpose by the Depositary or (iii)

any other means provided that the value is approved by the Depositary.

- (i) Forward foreign exchange and interest rate swap contracts shall be valued in the same manner as (b) above.

Notwithstanding the generality of the foregoing, the Manager or its delegate may adjust the value of any asset if, in relation to currency, marketability, dealing costs and such other considerations as it deems relevant, it considers that such adjustment is required to reflect the fair value thereof with the approval of the Depositary.

In the event of it being impossible or incorrect to carry out a valuation of an individual investment in accordance with the valuation rules set out in paragraphs (a) to (i) above, or if such valuation is not representative of the securities fair market value, the Manager or its delegate is entitled to use an alternative method of valuation provided that the Manager deems it necessary and the alternative method has been approved by the Depositary and the rationale is clearly documented.

In calculating the value of the assets of a Fund or any portion thereof and in dividing such value by the number of Units in issue and deemed to be in issue in the relevant Fund:

- (i) every Unit agreed to be issued by the Manager or its delegate shall be deemed to be in issue at the Valuation Point on which the subscription of such Unit is effected and the assets of the relevant Fund shall be deemed to include not only cash in the hands of the Depositary but also the amount of any cash to be received in respect of Units agreed to be issued after deducting therefrom (in the case of Units agreed to be issued for cash) or providing thereout the subscription fee referred to below in the section headed entitled "Charges".
- (ii) where investments have been agreed to be purchased or sold but such purchase or sale has not been completed such investments shall be included or excluded and the gross purchase or net sale consideration excluded or included



## Transacting in the Trust cont/d...

### Calculation of the Net Asset Value of the Units cont/d...

- |        |  |       |  |
|--------|--|-------|--|
|        | as the case may require as if such purchase or sale had been duly completed;   |       | levied on income including claims in respect of the fees payable to the Manager and the Depositary and double taxation relief;   |
| (iii)  | where notice of a reduction of the value of the assets of the relevant Fund by the cancellation of Units has been given by the Manager or its delegate to the Depositary but such cancellation has not been completed the Units to be cancelled shall be deemed not to be in issue at the Valuation Point on which the repurchase is effected and the value of the assets of the relevant Fund shall be reduced by the amount payable to the Manager or its delegate upon such cancellation; | (ix)  | there shall be deducted from the value of the assets of the relevant Fund the amount of the fees payable to the Manager and the Depositary and the Administration Expenses and Disbursements accrued but remaining unpaid together with a sum equal to the VAT (if any) chargeable in respect of the services supplied in consideration of the said amount of the fee payable to the Manager and the Depositary; |
| (iv)   | there shall be deducted from the value of the assets of the relevant Fund the total amount of any actual or estimated liabilities properly payable out of capital including outstanding borrowings, if any (but excluding liabilities taken into account under sub-paragraph (ii) above), and any estimated liability for tax on net unrealised capital gains;   | (x)   | there shall be deducted from the value of the assets of the relevant Fund the total amount (whether actual or estimated by the Manager) of any liabilities for taxation leviable on income including income tax and corporation tax (but not taxes leviable on capital or on realised or unrealised capital gains);  |
| (v)    | there shall be deducted from the value of the assets of the relevant Fund such sum in respect of tax on capital gains realised prior to the valuation being made as in the estimate of the Manager of its delegate will become payable;  | (xi)  | there shall be deducted from the value of the assets of the relevant Fund the total amount (whether actual or estimated by the Manager or its delegate) of any other liabilities properly payable out of income including accrued interest on borrowings (if any).   |
| (vi)   | there shall be added to the value of the assets of the relevant Fund a sum representing any interest or dividends accrued but not received;  | (xii) | where a reduction in value may be suffered by a Fund, known as "dilution" when trading the underlying investments as a result of net inflows or net outflows of the respective Fund, the Manager may adopt a swing pricing mechanism in the calculation of the Net Asset Value as described further below in the section headed "Swing Pricing".   |
| (vii)  | there shall be added to the value of the assets of the relevant Fund the amount (if any) available for distribution in respect of the current Distribution Period and any amount available for distribution but undistributed in respect of any previous Distribution Period;  |       |  |
| (viii) | there shall be added to the value of the assets of the relevant Fund the total amount (whether actual or estimated by the Manager or its delegate) of any claims for repayment of any taxation   |       |  |

## Transacting in the Trust cont/d...

### Swing Pricing

Transaction charges and other costs that may be incurred by liquidating and purchasing the underlying assets and the spreads between the buying and selling prices as a result of net inflows or net outflows can result in a reduction in value of a Fund. In order to counter this effect and to protect Unitholders' interests the Manager may adopt a swing pricing mechanism as part of its valuation policy. This means that in certain circumstances the Manager may make adjustments as part of the calculation of the Net Asset Value per Unit to counter the impact of dealing and other costs on occasions when these are deemed to be significant.

If on any Valuation Day, the aggregate net investor(s) transactions in a Fund exceed a pre-determined threshold, the Net Asset Value per Unit may include an adjustment upwards or downwards to reflect the costs attributable to the net inflows and net outflows respectively. Typically, such adjustments will include an increase within the Net Asset Value per Unit when there are net subscriptions into the Fund and a decrease within the Net Asset Value per Unit when there are net redemptions out of the Fund. The Manager is responsible for setting the threshold, which will be a percentage of the net assets of the respective Fund. The threshold is based on objective criteria such as the size of a Fund and the dealing costs for a Fund, and may be revised from time to time.

The swing pricing mechanism may be applied across all Funds of the Trust. The percentage adjustment which may be included in the Net Asset Value will be set by the Directors and subsequently reviewed on a periodic basis to reflect an approximation of current dealing and other costs. The extent of the adjustment may vary from Fund to Fund due to different transaction costs in certain jurisdictions on the sell and the buy side, but may not exceed 2% of the amount of the Net Asset Value per Unit prior to the inclusion of the adjustment.

The Net Asset Value per Unit of each Unit Class in a Fund will be calculated separately but any adjustment included will be at Fund level and in percentage terms, equally included in the Net Asset Value per Unit of each Unit Class. If swing pricing is applied to a Fund on a particular Valuation Day, the inclusion of the adjustment in

the Net Asset Value will apply to all transactions placed on that day.

Investors are advised that the volatility of the Fund's Net Asset Value might not reflect the true portfolio performance as a consequence of the application of swing pricing.

### Publication of the Net Asset Value

Except where the determination of the issue and redemption of Units has been suspended in the circumstances described below, the Net Asset Value per Unit on each Dealing Day will be made available at the registered office of the Administrator and up-to-date details will be made available on the internet via the Manager's website at <http://www.muzinich.com/> or, alternatively, via the following websites <http://www.fundinfo.com/en/home/> or <http://www.morningstar.co.uk/>. In addition, the Net Asset Value per Unit may be published in such publications as the Manager may determine in the jurisdictions in which the Units are offered for sale, details of which will be set out in the relevant Country Supplement. Dealing prices posted on the internet must be up-to-date

### Temporary Suspension of Calculation of the Net Asset Value and of Issues and Redemptions

Under the conditions of Regulation 104(2)(a)(ii) of the Regulations, the Manager may, with the consent of the Depositary, temporarily suspend the calculation of the Net Asset Value of each or any Fund, the Net Asset Value per Unit of each such Fund and the issue and redemption of Units of such Funds to and from Unitholders when:

- (i) during any period when any of the principal markets or stock exchanges on which a substantial portion of the investments from time to time are quoted is closed other than for ordinary holidays, or during which dealings therein are restricted or suspended;

## Transacting in the Trust cont/d...

### Temporary Suspension of Calculation of the Net Asset Value and of Issues and Redemptions cont/d...

- (ii) during any period when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the Manager, disposal or valuation of investments of the relevant Fund is not reasonably practicable without this being seriously detrimental to the interests of Unitholders or if, in the opinion of the Manager, the Net Asset Value per Unit cannot be fairly calculated;
- (iii) during any period during which there is a breakdown in the means of communication normally employed in determining the price of any of the investments or the current prices on any market or stock exchange;
- (iv) during any period when the relevant Fund is unable to repatriate funds from abroad for the purpose of making payments on the repurchase of Units from Unitholders or during which any transfer of funds involved in the realisation or, with respect to a suspension of the issue of Units, acquisition of investments or payments due on repurchase of Units from Unitholders cannot in the opinion of the Manager be effected at normal rates of exchange;
- (v) upon mutual agreement between the Manager and the Depositary for the purpose of winding up the Trust or terminating the relevant Fund; or
- (vi) if any other reason makes it impossible or impracticable to determine the value of a substantial portion of the investments of the Trust or any Fund.

application for such issue or filing of the written request for such redemption.

Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

Any such suspension will be notified without delay to the Central Bank and shall be notified to Unitholders if in the opinion of the Manager it is likely to exceed fourteen days and will be notified to investors or Unitholders requesting issue or redemption of Units by the Manager at the time of

## Fees and expenses

Details of the fees and expenses payable out of the assets of the Funds are disclosed below and/or in the section headed “Unit Class Information” in the Supplement for the relevant Fund.

### Manager

The Manager shall be entitled to receive out of the assets of each Fund an annual fee (the “**Manager Fee**”). The Manager Fee shall accrue daily and is payable monthly in arrears at an annual rate of up to 4% of the Net Asset Value of each Fund. The Manager is entitled to recover its reasonable out-of-pocket expenses from the relevant Fund. The exact Manager Fee applicable for the Classes of the Funds is as disclosed in the section headed “Unit Class Information” in the Supplement for the relevant Fund.

The Manager shall also be entitled to be repaid all of its Administration Expenses out of the assets of the Funds.

### Manager’s Administrative Fee

In addition, the Manager may be entitled to receive an annual administrative fee (the “**Administrative Fee**”) accrued daily and payable monthly in arrears, at the annual rate with respect to each Fund as disclosed in the section headed “Unit Class Information” in the Supplement for the relevant Fund.

The Manager may use the Administrative Fee to cover some other administrative costs at the discretion of the Manager, in respect of the relevant Fund.

### Depository

The Depository shall be entitled to receive an annual fee of up to 0.02% of the Net Asset Value of each Fund, accrued daily and payable monthly in arrears out of the assets of the relevant Fund. The Depository is entitled to recover its reasonable out-of-pocket expenses from the relevant Fund.

### Administrator

The Administrator shall be entitled to receive an annual fee of up to 0.02% of the Net Asset Value of each Fund, accrued daily and payable monthly in arrears, out of the assets of the relevant Fund. The Administrator is entitled to recover its reasonable out-of-pocket expenses from the relevant Fund.

### Investment Manager

The Investment Manager shall be entitled to receive an annual fee, accrued daily and payable monthly in arrears paid by the Manager out of its Manager Fee (plus VAT, if any), and is entitled to recover its reasonable out-of-pocket expenses from the relevant Fund.

### Sub-Investment Manager

The Sub-Investment Manager shall be entitled to receive an annual fee, accrued daily and payable monthly in arrears paid by the Manager, out of its Manager Fee, or Investment Manager out of the fee it receives (plus VAT, if any) and is entitled to recover its reasonable out-of-pocket expenses from the relevant Fund.

### Global Distributor/Sub-Distributors

The Global Distributor will not receive a fee for its distribution services.

The fees and out of pocket expenses of any sub-distributor appointed by the Manager on behalf of the Trust or a Fund may be paid out of the Manager Fee or will be at normal commercial rates and will be borne by the Trust or the Fund in respect of which a sub-distributor has been appointed.

### Paying Agents

The fees and out of pocket expenses of Paying Agents/Representatives appointed by the Manager on behalf of the Trust or a Fund will be at normal commercial rates and will be borne by the Trust or the Fund in respect of which a Paying Agent/Representative has been appointed.

## Fees and expenses cont/d...

### General

Each Fund is responsible for the expenses incurred by it in connection with litigation. Pursuant to provisions contained in the Trust Deed, the Depositary shall be indemnified out of the assets of a Fund in certain circumstances including costs and expenses incurred in litigation by or on behalf of the Fund. The Manager is entitled to recover from a Fund the costs and expenses incurred by it in litigation by or on behalf of that Fund.

Each Fund pays out of its assets all fees, costs and expenses, including Administration Expenses and Disbursements, of or incurred by the Manager and the Depositary in connection with the ongoing management, administration and operation of the Fund and any feeder fund which is sponsored by the Investment Manager or an affiliate and which invests substantially all of its assets therein. Such fees, costs expenses and disbursements payable by the relevant Fund include (in each case plus any applicable VAT), but are not limited to: auditors' and accountants' fees; lawyers' fees; commissions, fees and reasonable out-of-pocket expenses payable to any placing agent, structuring agent, paying agent, correspondent bank, distributor or such other representative of the Units; merchant banking, stockbroking or corporate finance fees including interest on borrowings; taxes or duties imposed by any fiscal authority; costs of preparation, translation and distribution of all prospectuses, reports, certificates, confirmations of purchase of Units and notices to Unitholders; fees and expenses incurred in connection with the listing of Units on any Recognised Exchange and in complying with the listing rules thereof and the fees and expenses incurred in connection with the registration of the Trust or a Fund with any regulatory authority; custody and transfer expenses; expenses of Unitholders' meetings; insurance premia; any other expenses, including clerical costs of issue or redemption of Units; the cost of preparing, translating, printing and/or filing in any language the Trust Deed and all other documents relating to the Trust or to the relevant Fund including registration statements, prospectuses, listing particulars, KIIDs, explanatory memoranda, annual, semi-annual and extraordinary reports with all authorities (including local securities dealers associations) having jurisdiction over the Trust or any of the Funds or

the offer of Units and the cost of delivering any of the foregoing to the Unitholders; advertising expenses relating to the distribution of Units; the cost of publication of notices in local newspapers in any relevant jurisdiction; and the cost of terminating the Trust or any Fund.

Neither the Manager, Investment Manager nor Sub-Investment Manager shall enter into any soft commission arrangements.

## Fees and expenses cont/d...

### Establishment Costs

The establishment costs of each Fund (where applicable) are set out below.

Fund	Establishment Costs
Muzinich Emerging Markets Short Duration Fund	The establishment costs for the Fund amounted to approximately Euro20,000 and will be amortised over the first five Accounting Periods.
Muzinich Global Tactical Credit Fund	The establishment costs for the Fund amounted to approximately Euro50,000 and will be amortised over the first five Accounting Periods.
Muzinich Target Yield Fund	The establishment costs for the Fund are not anticipated to exceed Euro35,000 and will be amortised over the first five Accounting Periods.
Muzinich Asia Credit Opportunities Fund	The establishment costs for the Fund are not anticipated to exceed Euro35,000 and will be amortised over the first five Accounting Periods.
Muzinich Developed Markets High Yield Fund	The establishment costs for the Fund are not anticipated to exceed Euro35,000 and will be amortised over the first five Accounting Periods.
Muzinich US Corporate Yield Fund	The establishment costs for the Fund are not anticipated to exceed Euro35,000 and will be amortised over the first five Accounting Periods.
Muzinich Fixed Maturity 2021 Fund	The establishment costs for the Fund are not anticipated to exceed Euro35,000 and will be amortised over the first five Accounting Periods.
Muzinich Emerging Market Debt Fund	The establishment costs for the Fund are not anticipated to exceed Euro35,000 and will be amortised over the first five Accounting Periods.
Muzinich European Credit Alpha Fund	The establishment costs for the Fund are not anticipated to exceed Euro35,000 and will be amortised over the first five Accounting Periods.
Muzinich Fixed Maturity 2024 Fund	The establishment costs for the Fund are not anticipated to exceed Euro35,000 and will be amortised over the first five Accounting Periods.

### Charges

The maximum subscription fee and redemption fee applicable for each Fund is set out in the Supplement for the relevant Fund.

#### Subscription Fee

A maximum subscription fee not exceeding 5% of the Net Asset Value per Unit may be added to the total subscription amount and the resultant sum rounded up to the nearest cent. Details of the actual maximum subscription fee that may be imposed are set out in the Supplement for the relevant Fund. **There is no current intention to charge a subscription fee, unless it is specifically requested by an intermediary.** The Manager may at its sole discretion waive such fee or differentiate between applicants as to the amount of such fee or fees within the permitted limits. Any subscription fee charged will be documented in the contract note issued by the Administrator.

### Redemption Fee

The Manager may, in its absolute discretion, charge a redemption fee (as detailed in the Supplement for the relevant Fund) per Unit being redeemed, and such fee shall be payable for the benefit of the relevant Fund. The maximum redemption fee which the Manager may, in its absolute discretion, charge is 2%.



## Performance fees

Details of the performance fee methodologies applied by the Trust are set out below. The section headed “Unit Class Information” in the Supplement for the relevant Fund details those Funds which apply a performance fee.

### Equalisation Performance Fee

An equalisation performance fee (“**Equalisation Performance Fee**”) may be payable out of the assets of the relevant Fund calculated on a Unit-by-Unit basis for each Class so that each issued Unit is charged a performance fee which equates with that issued Unit’s performance.

The Equalisation Performance Fee will be calculated annually (a “**Performance Period**”).

A “**Performance Period**” with respect to a Unitholder means the period beginning on either the closing date of such Unitholder’s initial purchase of Units or the first day following the last day of the immediately preceding Performance Period, as the case may be, and ending at the last Valuation Point in the relevant year or the earlier of (i) the dates of any redemptions (in whole or in part) of capital, (ii) the date of a mandatory withdrawal, and (iii) the date on which the relevant Fund terminates. The first Performance Period will commence on the Business Day immediately following the close of the initial offer period for a Class and will end at the last Valuation Point in the relevant year.

The Equalisation Performance Fee in respect of each issued Unit will be a specified percentage (details of which are set out in the section headed “Unit Class Information” in the Supplement for the relevant Fund where applicable) of the increase in the Net Asset Value per Unit in each case in excess of the high water mark (hereinafter called the “**High Water Mark**”). The High Water Mark at any Valuation Point is the GREATER of:

- (i) the highest Net Asset Value per Unit on the last day of any preceding Performance Period; or
- (ii) the initial issue price per Unit at the end of the initial offer period.

The use of a High Water Mark ensures that investors will not be charged an Equalisation Performance Fee until any previous losses are recovered.

The Equalisation Performance Fee is payable annually in arrears in respect of each Performance Period. The Equalisation Performance Fee will accrue weekly and be taken into account in the calculation of the Net Asset Value per Unit as at each Valuation Point. In the event that a Unitholder redeems Units prior to the end of a Performance Period, the amount of any accrued but unpaid Equalisation Performance Fee in respect of such Units will be paid to the Investment Manager promptly thereafter.

The Equalisation Performance Fee in respect of each Performance Period will be calculated by reference to the Net Asset Value per Unit before the deduction of any accrued performance fees.

### *Deficit Subscriptions*

If Units are issued at a time when the Net Asset Value per Unit is less than the High Water Mark (hereinafter called a “**Deficit Subscription**”), the adjustments set out below will be made by the Administrator to reduce inequities that could otherwise result for a Unitholder or the Investment Manager.

When a Deficit Subscription occurs, the Unitholder will be required to pay an Equalisation Performance Fee with respect to any subsequent appreciation in the value of those Units from the Net Asset Value per Unit at the date of issue calculated to the Valuation Point to the High Water Mark. The Equalisation Performance Fee will be charged at the end of the Performance Period by redeeming such number of the Unitholder’s Units as have an aggregate Net Asset Value (after accrual of any Equalisation Performance Fee) equal to the applicable percentage of any such appreciation (a “**Performance Fee Redemption**”). The aggregate Net Asset Value of the Units so redeemed will be paid to the Investment Manager as an Equalisation Performance Fee. Performance Fee Redemptions are employed to ensure that the relevant Fund maintains a uniform Net Asset Value per Unit. As regards the Unitholder’s remaining Units, any appreciation in the Net Asset Value per Unit of those Units above the High Water Mark will be charged an Equalisation Performance Fee in the normal manner previously described.

## Performance fees cont/d...

### Equalisation Performance Fee cont/d...

#### **Premium Subscriptions**

When Units are purchased when the Net Asset Value per Unit is greater than the High Water Mark for the Units (hereinafter called a “**Premium Subscription**”), the prospective Unitholder is required to pay an additional sum equal to the accrued performance fee per Unit (hereinafter called the “**Performance Fee Credit**”). The Performance Fee Credit is designed to ensure that all holders of Units have the same amount of capital at risk per Unit.

The Performance Fee Credit will be at risk in the relevant Fund and may depreciate based on the performance of the relevant Fund subsequent to the subscription. In the event of a decline in the Net Asset Value per Unit, the Performance Fee Credit due to the Unitholder will reduce in line with the performance fee accrual for other Units until the Performance Fee Credit is exhausted. Subsequent appreciation in the Net Asset Value per Unit will result in a recapture of any Performance Fee Credit lost due to such reductions, but only to the extent of the previously lost Performance Fee Credit the amount paid at subscription.

At the end of the Performance Period, an amount equal to the lower of the Performance Fee Credit paid at the time of the Premium Subscription calculated to the Valuation Point (less any Performance Fee Credit previously applied) or such percentage (details of which are set out in the section headed “Unit Class Information” in the Supplement for the relevant Fund where applicable) of the excess of the Net Asset Value per Unit over the High Water Mark is applied in the subscription for additional Units for the Unitholder. Such subscription is calculated using the Net Asset Value per Unit (net of Equalisation Performance Fees) at the Valuation Point. If the Unitholder redeems Units subscribed at the time of the Premium Subscription (hereinafter called “**Premium Units**”) before the last day in any Performance Period, the Unitholder will receive additional redemption proceeds equal to any Performance Fee Credit then remaining multiplied by a fraction, the numerator of which is the number of Premium Units being redeemed and the denominator of which is the number of Premium Units owned by the Unitholder immediately prior to the redemption.

The Depositary shall verify the calculation of any Equalisation Performance Fee paid to the Investment Manager.

**Where Equalisation Performance Fees are payable by the relevant Fund these will be based on net realized and unrealized gains and losses as at the end of each calculation period. As a result, Equalisation Performance Fees may be paid on unrealized gains which may subsequently never be realised.**

### Non-Equalisation Performance Fee

A non-equalisation performance fee (“**Non-Equalisation Performance Fee**”) may be payable out of the assets of the relevant Fund.

***Definitions** (for the avoidance of doubt, these definitions apply solely to the Non-Equalisation Performance Fee methodology detailed below):*

- “**Net Asset Value per Unit**” or “**NAV**” means the published price per Unit for those Classes applying a Non-Equalisation Performance Fee.
- “**Current Day Net Asset Value per Unit**” or “**Current Day NAV**” means the Net Asset Value per Unit (as above) but before any performance fee has been accrued on that day.
- “**High Water Mark**” means the NAV at launch for the first Performance Period and in subsequent Performance Periods it is the NAV at the end of the previous Performance Period if a Non-Equalisation Performance Fee was payable.
- “**Performance Period**” is quarterly being end of March, June, September and December.
- “**Crystallisation**” The point at which any Non-Equalisation Performance Fee becomes payable to the Investment Manager.

The relevant Fund will pay a Non-Equalisation Performance Fee of a specified percentage (details of which are set out in the section headed “Unit Class Information” in the Supplement for the relevant Fund where applicable) (calculated on a daily basis) of the outperformance of the Current Day NAV, subject to the High Water Mark. If the relevant Fund underperforms in relation to the High Water Mark, no Non-Equalisation Performance Fee is paid.

## Performance fees cont/d...

### Non-Equalisation Performance Fee cont/d...

The Non-Equalisation Performance Fee accrues daily and is included in the daily calculation of the NAV. The performance fee crystallises at the end of each Performance Period and also on redemption and is paid to the Investment Manager quarterly in arrears.

There is no maximum monetary cap on the amount that may be charged to the relevant Fund in respect of the Non-Equalisation Performance Fee as this is determined by the rate of growth of the relevant Fund when compared to the High Water Mark.

### ***Non-Equalisation Performance Fee Calculation Methodology***

A Non-Equalisation Performance Fee is accrued where the Current Day NAV is above the High Water Mark.

At the applicable Valuation Point, the Non-Equalisation Performance Fee accrual adjustment is calculated by comparing the prior day's NAV with the Current Day NAV multiplied by the number of Units in issue at that Valuation Point. If over the Performance Period the Current Day NAV is above the High Water Mark, a Non-Equalisation Performance Fee will be accrued. If the Current Day NAV underperforms the High Water Mark, any Non-Equalisation Performance Fee accumulated during that Performance Period will be forfeited and credited back to the NAV per Unit. No further Non-Equalisation Performance Fee will be accrued until (and if) the Current Day NAV rises above the High Water Mark.

The Non-Equalisation Performance Fee accrual will never fall below zero. Any cumulative Non-Equalisation Performance Fee accruals from the beginning of the Performance Period will be included in the calculation of the NAV of each relevant Class on that day.

### ***Payment/Crystallisation***

Payment (otherwise known as crystallisation) of the Non-Equalisation Performance Fee occurs on redemption (i.e. when an investor sells their Units) and on the last day of each Performance Period. Any Non-Equalisation Performance Fee accrued within the relevant Fund at that point is due to the Investment Manager and is payable in arrears at the end of the Performance Period. Once the Non-Equalisation Performance Fee has

crystallised/been paid no refund will be made in respect of any Non-Equalisation Performance Fee paid out at that point in subsequent Performance Periods.

### ***High Water Mark***

The High Water Mark is designed to ensure that a Non-Equalisation Performance Fee is only charged where the Current Day NAV has increased over the Performance Period. The High Water Mark ensures that investors will not be charged a Non-Equalisation Performance Fee in respect of any day on which the Current Day NAV is below the highest level achieved at the end of any prior Performance Period.

A High Water Mark cannot be reset downwards. So if, at the end of the Performance Period, the NAV has fallen below the High Water Mark, then the High Water Mark will remain unchanged until the relevant Fund is no longer below the High Water Mark.

The Depositary shall verify the calculation of any Non-Equalisation Performance Fee paid to the Investment Manager.

**Where Non-Equalisation Performance Fees are payable by the relevant Fund these will be based on net realized and unrealized gains and losses as at the end of each calculation period. As a result, Non-Equalisation Performance Fees may be paid on unrealized gains which may subsequently never be realised.**

## General information

### Anti-Money Laundering Procedures

Measures aimed towards the prevention of money laundering may require a detailed verification of the applicant's identity and is performed in line with the requirements as set out by the Criminal Justice (Money Laundering & Terrorist Financing) Act 2010. Depending on the circumstances of each application, a detailed verification might not be required where the application is made through a recognised intermediary and the intermediary confirms it has performed customer due diligence ("CDD") in line with the Third Anti-Money Laundering Directive or equivalent anti-money laundering legislation. These exceptions will only apply if the financial institution or intermediary referred to above is within a country recognised by Ireland as having equivalent anti-money laundering regulations.

By way of example an individual may be required to produce a copy of a passport or identification card duly certified by a notary public, together with an original or certified copy of a document bearing evidence of his/her address such as an original utility bill or bank statement.

In the case of corporate applicants this may require production of a certified copy of the certificate of incorporation (and any change of name), memorandum and articles of association (or equivalent), financial statements, the names, occupations, dates of birth and residential and business addresses of all directors and documentation on beneficial owners.

The Manager or its delegate reserves the right to request such information as is necessary to verify the identity of an applicant. In the event that the Manager or its delegate requires further proof of the identity of any applicant, it will contact the applicant on receipt of subscription instructions. In the event of delay or failure by the applicant to produce any information required for verification purposes, the Manager or its delegate may refuse to accept the application and subscription monies. Failure to provide the original application form and/or to produce any information required for verification purposes shall result in applicants being unable to redeem or transfer Units on request until such time as the Administrator has received the required documentation.

### Data Protection

Prospective investors should note that by completing the application form they are providing personal information which may constitute personal data within the meaning of data protection legislation in Ireland. This data will be used for the purposes of client identification, administration, statistical analysis, market research, to comply with any applicable legal or regulatory requirements and, if an applicant's consent is given, for direct marketing purposes. Data may be disclosed to third parties including regulatory bodies, tax authorities (including in accordance with CRS and FATCA), delegates, advisers and service providers of the Trust and their or the Trust's duly authorised agents and any of their respective related, associated or affiliated companies wherever located (including outside the EEA) for the purposes specified. By signing the application form, investors consent to the obtaining, holding, use, disclosure and processing of data for any one or more of the purposes set out in the application form. Investors have a right to obtain a copy of their personal data kept by the Manager or the Administrator on payment of a fee and the right to rectify any inaccuracies in personal data held by the Manager or the Administrator.

### Complaints

Complaints may be referred to the compliance officer of the Manager at its registered address. A copy of the Manager's "Complaints Handling Procedure" is available upon request. Complainants who are not satisfied with the outcome of an investigation have the right to refer the matter to the Central Bank.

## General information cont/d...

### Notification

Notices may be given to Unitholders and shall be deemed to have been duly given as follows:

#### MEANS OF DISPATCH

Delivery by Hand:

Post:

Fax:

Electronically:

Publication of Notice or

Advertisement of Notice:

#### DEEMED RECEIVED

The day of delivery or next following working day if delivered outside usual business hours.

48 hours after posting.

The day on which a positive transmission receipt is received.

The day on which the electronic transmission has been sent to the electronic information system designated by a Unitholder.

The day of publication in a daily newspaper

circulating in the country or countries where Units are marketed.

The Depositary or the Manager may convene a meeting of Unitholders at any time. The Manager must convene such a meeting if requested to do so by the holders of not less than 15% in aggregate of the Units in issue (excluding Units held by the Manager).

All business transacted at a meeting of Unitholders duly convened and held shall be by way of extraordinary resolution.

Not less than fourteen days' notice of every meeting must be given to Unitholders. The notice shall specify the place, day and hour of meeting and the terms of the resolution to be proposed. A copy of the notice shall be sent by post to the Depositary unless the meeting shall be convened by the Depositary. A copy of the notice shall be sent by post to the Manager unless the meeting shall be convened by the Manager. The accidental omission to give notice to or the non-receipt of notice by any of the Unitholders shall not invalidate the proceedings at any meeting.

The quorum shall be Unitholders present in person or by proxy holding or representing at least one tenth in the number of the Units for the time being in issue. No business shall be transacted at any meeting unless the requisite quorum is present at the commencement of business.

### Voting Rights

At any meeting (a) on a show of hands every Unitholder who is present in person or by a proxy shall have one vote and (b) on a poll every Unitholder who is present in person or by proxy

shall have one vote for every Unit of which he is the Unitholder.

With regard to the respective rights and interests of Unitholders in different Funds or Classes the foregoing provisions shall have effect subject to the following modifications:

- (a) a resolution which in the opinion of the Manager affects one Fund or Class only shall be deemed to have been duly passed if passed at a separate meeting of the Unitholders of that Fund or Class;
- (b) a resolution which in the opinion of the Manager affects more than one Fund or Class but does not give rise to a conflict of interest between the Unitholders of the respective Funds or Classes shall be deemed to have been duly passed at a single meeting of the Unitholders of those Funds or Classes;
- (c) a resolution which in the opinion of the Manager affects more than one Fund or Class and gives or may give rise to a conflict of interest between the Unitholders of the respective Funds or Classes shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Unitholders of those Funds or Classes, it shall be passed at separate meetings of the Unitholders of those Funds or Classes.



## General information cont/d...

### Termination

The Trust or any of its Funds may be terminated by the Depositary by notice in writing as hereinafter provided in any of the following events, namely:

- (i) if the Manager shall go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Depositary) or ceases business or becomes (in the reasonable judgment of the Depositary) subject to the de facto control of some corporation or person of whom the Depositary does not reasonably approve or if a receiver is appointed in respect of any of the assets of the Manager or if an examiner is appointed to the Manager pursuant to the Companies Act, 2014;
- (ii) if in the reasonable opinion of the Depositary the Manager shall be incapable of performing or shall in fact fail to perform its duties satisfactorily or shall do any other thing which in the opinion of the Depositary is calculated to bring the Trust or the Funds into disrepute or to be harmful to the interests of the Unitholders;
- (iii) if any law shall be passed which renders it illegal or, in the reasonable opinion of the Depositary, impracticable or inadvisable to continue the Trust or any of its Funds or Classes; or
- (iv) if within a period of ninety days from the date of the Depositary expressing in writing to the Manager its desire to retire the Manager shall have failed to appoint a new Depositary pursuant to the provisions of the Trust Deed.

The Trust or any of its Funds may be terminated by the Manager in its absolute discretion by notice in writing as hereinafter provided in any of the following events, namely:

- (i) if the Net Asset Value of the Trust or of any Fund shall be less than US\$10,000,000 or its Euro equivalent;
- (ii) if the Trust shall cease to be an authorised UCITS under the Regulations or if any of its Funds shall cease to be approved by the Central Bank;

- (iii) if any law shall be passed which renders it illegal or, in the reasonable opinion of the Manager, impracticable or inadvisable to continue the Trust;
- (iv) if after a period of ninety days from the date of the Manager expressing in writing to the Depositary its desire to retire, a replacement manager shall not have been appointed;
- (v) if after a period of ninety days from the date of the Investment Manager expressing in writing to the Manager its desire to retire the Manager shall have failed to appoint a new Investment Manager.

The party terminating the Trust or a Fund or Class shall give notice thereof to the Unitholders in the manner herein provided and by such notice fix the date on which such termination is to take effect which date shall not be less than three months after the service of such notice.

The Trust or any of its Funds or Classes may at any time be terminated by extraordinary resolution of a meeting of the Unitholders duly convened and held in accordance with the provisions contained in the Schedule to the Trust Deed and such termination shall take effect three months from the date on which the said resolution is passed or such later date (if any) as the said resolution may provide.

Not later than two months before the termination of the Trust or of a Fund or Class, as the case may be, the Manager shall (if practically possible) give notice to the Unitholders advising them of the impending distribution of the assets of the Trust or a Fund, as the case may be. After such termination the Manager shall procure the sale of all investments then remaining in the Depositary's and its nominee's hands as part of the assets of the Trust and the relevant Fund and such sale shall be carried out and completed in such manner and within such reasonable period after the termination of the Trust or a Fund as the Manager and the Depositary thinks desirable. The Manager shall at such time or times as it shall deem convenient but within a reasonable period from the termination period distribute to the Unitholders pro rata to the number of Units of each Fund or Class held by them respectively of all net cash proceeds derived from the realisation of the investments and any cash then forming part of the assets of the relevant Fund so far as the same



## General information cont/d...

### Termination cont/d...

are available for the purpose of such distribution. Every such distribution shall be made only after the form of request of payment, as the Manager shall in its absolute discretion require, has been received provided that the Manager shall be entitled to retain out of any such monies in the hands of the Depositary full provision for all costs, charges, expenses, claims, liabilities and demands relating to the relevant Funds or Classes, for which the Manager is or may become liable or incurred, made or expended by the Manager in connection with the termination of the Trust or any of the Funds or Classes, as the case may be, and out of the monies so retained to be indemnified and saved harmless against any such costs, charges, expenses, claims and demands.

### Continuance or Retirement of Manager

The Manager shall so long as the Trust subsists continue to act as the Manager thereof in accordance with the terms of the Trust Deed.

The Manager for the time being shall be subject to removal and shall be so removed by (immediate in the case of (i)) (three months (in the case of (ii)) notice in writing given by the Depositary to the Manager in any of the following events:

- (i) if the Manager goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Depositary) or if a receiver is appointed in respect of any of the assets of the Manager or if an examiner is appointed to the Manager pursuant to the Companies Act, 2014; or
- (ii) if a meeting of the Unitholders by extraordinary resolution determines that the Manager should retire.

The Manager shall have the power on the giving of three months' written notice to the Depositary to retire in favour of some other corporation approved by the Depositary and the Central Bank upon and subject to such corporation entering into an acceptable deed.

### Retirement of Depositary

The Depositary shall not be entitled to retire voluntarily except upon the appointment of a new Depositary or the termination of the Trust, including termination of the Trust by the

Depositary where the Manager shall have failed to appoint a new Depositary within a period of three months from the date of the Depositary expressing in writing its desire to retire. In the event of the Depositary desiring to retire, the Manager may by supplemental deed appoint any duly qualified corporation which is acceptable to the Central Bank to be the Depositary in the place of the retiring Depositary.

### Material Contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been or will be entered into and are or may be material:

#### *Trust Deed*

The Trust Deed dated as of 22 June, 2016 between the Manager and the Depositary as may be amended and supplemented.

The Depositary shall act as depositary of the Trust's assets and shall be responsible for the oversight of the Trust to the extent required by and in accordance with applicable law, rules and regulations. The Depositary shall exercise the supervisory duties in accordance with applicable law, rules and regulations as well as the Trust Deed.

The Depositary shall perform its obligations with due skill, care and diligence as determined in accordance with the standards and practices of a professional depositary for hire in the markets or jurisdictions in which the Depositary performs services under the Trust Deed.

The Depositary shall be liable to the Trust and to the Unitholders, for the loss by the Depositary or a duly appointed third party of any financial instruments held in custody (determined in accordance with UCITS V) and shall be responsible for the return of financial instruments or corresponding amount to the Trust without undue delay. The Depositary shall not be liable if it can prove that the loss of a financial instrument held in custody has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary pursuant to the Regulations. In case of a loss of financial instruments held in custody, the Unitholders may invoke the liability of the Depositary directly or indirectly through the Manager provided that this does not lead to a

## General information cont/d...

### Material Contracts cont/d...

#### *Trust Deed cont/d...*

duplication of redress or to unequal treatment of the Unitholders. The Depositary's liability shall not be affected by any delegation of its safekeeping functions under the Trust Deed. The Depositary will be liable to the Trust and the Unitholders for any loss suffered by them, other than a loss of a financial instrument held in custody (determined in accordance with the Regulations), arising from the Depositary's negligent or intentional failure to properly fulfil its obligations pursuant to the Trust Deed and/or the Regulations. The Depositary shall not be liable for consequential or indirect or special damages or losses, arising out of or in connection with the performance or non-performance by the Depositary of its duties and obligations. The Trust Deed contains indemnities in favour of the Depositary for certain losses incurred but excluding circumstances where the Depositary is liable for the losses incurred.

The Trust Deed shall continue in force unless and until terminated by either party giving not less than 90 days' prior written notice to the other, although termination may be immediate in certain circumstances, such as the insolvency of the Depositary. Upon an (envisaged) removal or resignation of the Depositary, the Manager shall with due observance of the applicable requirements of the Central Bank, appoint a successor Depositary. The Depositary may not be replaced without the approval of the Central Bank.

The Trust Deed shall be governed by the laws of Ireland and the courts of Ireland shall have non-exclusive jurisdiction to hear any disputes or claims arising out of or in connection with the Trust Deed.

#### *Investment Management Agreement*

The Investment Management Agreement dated as of 9 July, 2013, as may be amended, between the Manager and the Investment Manager pursuant to which the Investment Manager was appointed investment manager to the Trust and each of its Funds.

Under the provisions of the Investment Management Agreement the Manager indemnified the Investment Manager out of the assets of the relevant Fund for any losses suffered by the Investment Manager hereunder provided that the Investment Manager shall not be indemnified in

any case with respect to any matter arising from its wilful misfeasance, fraud, bad faith, negligence or reckless disregard of its obligations hereunder.

The Investment Management Agreement shall continue in force for period of three years and is renewable on an annual basis for a further period of three years from such date. The Investment Management Agreement may be terminated by either party on giving not less than ninety days' prior written notice (or such shorter notice as the parties may agree to accept) to the other party or on the insolvency of the other party or due to an unremedied material breach of the Investment Management Agreement and in other circumstances set out in the Investment Management Agreement.

#### *Sub-Investment Management Agreement*

The Sub-Investment Management Agreement dated as of 9 July, 2013, as may be amended, between the Investment Manager and Sub-Investment Manager pursuant to which the Sub-Investment Manager was appointed as sub-investment manager to the Trust and each of its Funds.

Under the provisions of the Sub-Investment Management Agreement the Investment Manager indemnified the Sub-Investment Manager out of the assets of the relevant Fund for any losses suffered by the Sub-Investment Manager thereunder provided that the Sub-Investment Manager shall not be indemnified in any case with respect to any matter arising from its wilful misfeasance, fraud, bad faith, negligence or reckless disregard of its obligations thereunder.

The Investment Manager shall not be held liable for any actions, costs, charges, losses, damages or expenses arising as a result of the acts or omissions of the Sub-Investment Manager or for its own acts or omissions in bona fide following the advice or recommendations of the Sub-Investment Manager.

The Sub-Investment Management Agreement shall continue in force for a period of three years and is renewable on an annual basis for a further period of one year from such date unless terminated by any party thereto on giving not less than ninety days' prior written notice (or such shorter notice as the parties may agree to accept) to the other party or on the insolvency of the other party or due to an unremedied material breach of the Sub-Investment Management Agreement and in other circumstances set out in the Sub-Investment Management Agreement.

## General information cont/d...

### *Administration Agreement*

The Administration Agreement dated 22 December, 2011 between the Manager and the Administrator pursuant to which the Administrator was appointed as administrator to the Trust, which shall continue until termination by either party on giving ninety days' notice to the other party.

Under the provisions of the Administration Agreement, the Manager, solely out of the assets of the Trust, indemnifies the Administrator against all costs, demands and expenses which may be brought against, suffered or incurred by the Administrator, its permitted delegates, servants or agents in the performance or non-performance of its obligations and duties as laid down in the Administration Agreement, provided that the Administrator shall not be indemnified in any case with respect to any matters arising from its negligence, wilful default, bad faith, fraud or recklessness in the performance or non-performance of its duties.

The Administrator will be liable to the Manager and the Unitholders for any loss suffered by them as a result of the negligence, bad faith, fraud, wilful default or recklessness on the part of the Administrator.

The Administration Agreement shall continue in force unless terminated by the Manager or the Administrator on giving ninety days' notice to the other party. The Administration Agreement may however be terminated immediately in the event of a material breach.

### *Global Distribution Agreement*

The Global Distribution Agreement dated 28 October, 2011 between the Manager and the Global Distributor pursuant to when the Global Distributor was appointed as global distributor to the Trust.

Any other contracts subsequently entered into, not being contracts entered into in the ordinary course of business which are or may be material, shall be detailed in the Prospectus as may be amended.

### **Reports**

In respect of each Accounting Period the Manager shall cause to be audited and certified by the auditors an annual report relating to the management of the Trust and each of its Funds. Such annual report shall be in a form approved by the Central Bank and shall contain such

information required under the Regulations. There shall be attached to such annual report a statement by the Depositary in relation to the Trust and each of its Funds and a statement of such additional information as the Central Bank may specify.

The said annual report may be obtained through the website <http://www.muzinich.com/>, not later than four months after the end of the period to which it relates.

The Manager shall prepare an unaudited semi-annual report for the six months immediately succeeding the Accounting Date by reference to which the last annual report of the Trust and each of the Funds was prepared. Such semi-annual report shall be in a form approved by the Central Bank and shall contain such information required under the Regulations.

Copies of the said semi-annual report may be obtained through the website <http://www.muzinich.com/>, not later than two months from the end of the period to which it relates.

The Manager shall, on behalf of the Trust, provide the Central Bank with any monthly or other reports it may require.

The Trust Deed may be obtained free of charge at the respective registered offices of the Manager and the Depositary. In addition, a copy of the Trust Deed will be sent by the Manager to Unitholders upon written request.

### **Documents Available to Investors**

The following documents are available via the website at <http://www.muzinich.com/>:

- (a) KIIDs, as prepared in respect of each Fund or each Class, as the case may be;
- (b) Annual reports, incorporating audited financial statements, and semi-annual reports, incorporating unaudited financial statements, when published; and
- (c) Details of the remuneration policy of the Manager, including a description of how remuneration and benefits are calculated and the identities of persons responsible for awarding remuneration and benefits.

## General information cont/d...

### Documents Available to Investors cont/d...

The following documents may be obtained free of charge upon request to the Manager:

- (a) Trust Deed;
- (b) Annual reports, incorporating audited financial statements, and semi-annual reports, incorporating unaudited financial statements, when published;
- (c) KIIDs, as prepared in respect of each Fund or Class, as the case may be;
- (d) Complaints Policy: The Manager has in place a complaints policy which is available to Unitholders free of charge on request;
- (e) Voting Policy: The Manager has a policy in place for the exercise of voting rights on behalf of the Trust which is available to Unitholders free of charge upon request. Unitholders may request details of the actions taken in accordance with the exercise of voting rights; and
- (f) Remuneration policy of the Manager.

### Additional Information Available to Investors

In certain circumstances, the Manager or its delegate may be requested to furnish additional information in relation to the Trust and its Funds, to include but not limited to, portfolio holdings and/or performance information (which is not contained in the Prospectus) to Unitholders or to third parties, such as potential unitholders or consultants. The Manager may, at its sole discretion furnish (or permit that its delegate may furnish) such additional information to Unitholders or third parties.

To the extent not captured in this Prospectus or in the event such details have changed and have not been reflected in a revised version of this Prospectus, up-to-date information will be provided to Unitholders on request, free of charge regarding:

- the identity of the Depositary and a description of its duties and of conflicts of interest that may arise; and
- a description of any safe-keeping functions delegated by the Depositary, a list of delegates and sub-delegates and any conflicts of interest that may arise from such delegation.

### Remuneration Policy

The Manager has a remuneration policy in place in compliance with UCITS V. This remuneration policy imposes remuneration rules on staff and senior management within the Manager whose activities have a material impact on the risk profile of the Funds. The Directors are responsible for awarding remuneration and benefits and will ensure that its remuneration policies and practices are consistent with sound and effective risk management, will not encourage risk-taking which is inconsistent with the risk profile of the Funds and the Trust Deed, and will be consistent with UCITS V. The Directors will ensure that the remuneration policy is at all times consistent with the business strategy, objectives, values and interests of the Manager, the Funds and Unitholders, and includes measures to ensure that all relevant conflicts of interest may be managed appropriately at all times.



## Efficient Portfolio Management

The Investment Manager may, on behalf of a Fund engage in transactions in FDI for the purposes of efficient portfolio management and/or to protect against exchange risks within the conditions and limits laid down by the Central Bank from time to time. Efficient portfolio management transactions relating to the assets of the Trust may be entered into by the Investment Manager with one of the following aims (a) a reduction of risk (including currency exposure risk); (b) a reduction of cost (with no increase or minimal increase in risk); and (c) generation of additional capital or income for a Fund with a level of risk consistent with the risk profile of a Fund and the diversification requirements in accordance with the Central Bank UCITS Regulations and as disclosed in this Prospectus. In relation to efficient portfolio management operations the Investment Manager will look to confirm that the techniques and instruments used are economically appropriate in that they will be realised in a cost-effective way. Such transactions may include foreign exchange transactions which alter the currency characteristics of transferable securities held by a Fund. The Investment Manager may use the following techniques and instruments: futures, options, interest rate swaps, credit default swaps (to buy and sell protection) and forward currency contracts (each described below under the section headed “FINANCIAL DERIVATIVE INSTRUMENTS AND TECHNIQUES FOR EFFICIENT PORTFOLIO MANAGEMENT”) and repurchase and reverse repurchase agreements for efficient portfolio management purposes. Where permitted by the relevant Supplement, repurchase and reverse repurchase agreements may only be used in relation to transferable securities, must be subject to a maximum contract term not exceeding 12 months under the relevant agreement and any such agreement may only be used for efficient portfolio management purposes.

Any Fund that enters into a reverse repurchase agreement should ensure that it is able at any time either to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement should be used for the calculation of the Net Asset Value of the Fund.

A Fund that enters into a repurchase agreement should ensure that it is able at any time either to recall any securities subject to the repurchase

agreement or to terminate the repurchase agreement into which it has entered. Fixed-term repurchase and reverse repurchase agreements that do not exceed seven days shall be considered as arrangements on terms that allow the assets to be recalled at any time by the Fund.

Any direct and indirect operational costs and/or fees which arise as a result of the use of efficient portfolio management techniques which may be deducted from the revenue delivered to the relevant Fund shall be at normal commercial rates and shall not include any hidden revenue.

Such direct or indirect costs and fees will be paid to the relevant counterparty to the FDI transaction, which, in the case of FDI used for currency hedging purposes, may include the Depositary or entities related to the Depositary and may include entities related to the Trust provided such entities are disclosed in the annual report. The Manager shall ensure that all revenues generated through the use of efficient portfolio management techniques and Securities Financing Transactions, net of direct and indirect operational costs and fees, will be returned to the relevant Fund.

A Fund may enter into repurchase and reverse repurchase agreements and employ other techniques and instruments described under this heading “EFFICIENT PORTFOLIO MANAGEMENT” only if (and to the extent) disclosed in the Supplement for the relevant Fund and only with respect to such transferable securities and such money market instruments in which the Fund is permitted to invest. Assets posted or received by the relevant Fund pursuant to repurchase or reverse repurchase agreements or into which a Fund invests via techniques and instruments described under this heading “EFFICIENT PORTFOLIO MANAGEMENT” shall be taken into account in determining whether the investment restrictions or other limits set forth in this Prospectus or in the Supplement for the relevant Fund are adhered to.

Repurchase and reverse repurchase agreements that comply with the restrictions set forth in the Prospectus and the Supplements, do not constitute borrowing or lending for the purposes of Regulation 103 and Regulation 111 of the Regulations respectively, but any leverage resulting from repurchase or reverse repurchase agreements is taken into account in determining whether the limits regarding leverage are adhered

## Efficient Portfolio Management cont/d...

to. Where a Fund utilises repurchase agreements and or reverse repurchase agreements they will be subject to the conditions and limits set out in the Central Bank UCITS Regulations.

A Fund may use Securities Financing Transactions in accordance with normal market practice and subject to the requirements of the Central Bank and the SFTR. Unless otherwise specified in the relevant Supplement, such Securities Financing Transactions may be entered into in respect of transferable securities, money market instruments and/or other financial instruments held by the Fund for any purpose that is consistent with the investment objective of the relevant Fund, including for the purposes of efficient portfolio management and/or to protect against exchange risks within the conditions and limits laid down by the Central Bank from time to time. In addition, Muzinich LongShortCreditYield Fund and Muzinich European Credit Alpha Fund may as part of their investment policy seek to generate income or profits in order to increase portfolio returns through the use of total return swaps. There is no restriction on the proportion of a Fund's assets that may be subject to Securities Financing Transactions or total return swaps which at any given time for a Fund may be up to 100% of the Net Asset Value of the relevant Fund, and for Muzinich LongShortCreditYield Fund and for Muzinich European Credit Alpha Fund is expected to generally vary between 0% and 2%. For Funds other than Muzinich LongShortCreditYield Fund and for Muzinich European Credit Alpha Fund, it is expected to generally vary between 0% and 1%.

Securities lending (or stocklending) means transactions by which one party transfers securities to the other party subject to a commitment that the other party will return equivalent securities on a future date or when requested to do so by the party transferring the securities, that transaction being considered as securities lending for the party transferring the securities. Repurchase agreements are a type of securities lending transaction in which one party sells a security to the other party with a simultaneous agreement to repurchase the security at a fixed future date at a stipulated price reflecting a market rate of interest unrelated to the coupon rate of the securities. A reverse repurchase agreement is a transaction whereby a Fund purchases securities from a counterparty and simultaneously commits to resell the securities to the counterparty at an agreed upon date and

price.

While the Manager, or its delegate, will conduct appropriate due diligence (including, but not limited to, legal status, country of origin and minimum credit rating) in the selection of counterparties, it is noted that the Regulations do not prescribe any pre-trade eligibility criteria for counterparties to a Fund's Securities Financing Transactions. The Manager will adhere to the conditions of the Regulations in relation to cases where rated counterparties that have been engaged by a Fund with an initial rating of at least A-1 (Standard and Poor's short term credit rating), or a comparable rating, have been subject to a ratings downgrade to A-2 (Standard and Poor's short term credit rating), or a comparable rating, or below.



## Financial derivative instruments and techniques for efficient portfolio management

Where disclosed in the Prospectus, a Fund may invest in FDI including equivalent cash settled instruments dealt in on a Recognised Exchange and/or in OTC derivative instruments in each case under and in accordance with conditions or requirements imposed by the Central Bank. The FDI in which the Investment Manager may invest in on behalf of a Fund and the expected effect of investment in such FDI on the risk profile of a Fund will be disclosed in the Prospectus.

The Investment Manager employs a risk management process in respect of the Trust which enables it to accurately measure, monitor and manage the various risks associated with the use of FDIs using a commitment approach, unless otherwise detailed in the Prospectus. FDI not included in the risk management process will not be utilised until such time as a revised risk management process has been submitted to and cleared by the Central Bank. The Manager will, on request, provide supplementary information to Unitholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

A description of the FDI which may be utilised by a Fund is set out below.

### **Futures**

The Investment Manager may enter into futures contracts to hedge against changes in the values of investments held by the Fund or markets to which the Fund is exposed or to hedge against currency and interest rate risk.

The Investment Manager may also use futures contracts to equitise cash or as a means of gaining exposure to particular securities or markets on a short to medium term basis in advance of making a decision to purchase a particular security for investment purposes or to reallocate assets on a longer term basis. In addition, the Investment Manager may use futures to reduce exposure to a market in advance of raising cash from asset sales to fund redemptions from the Fund.

The Investment Manager may also use futures contracts to take a directional view on particular securities or markets within the Fund's investment universe.

### **Forwards**

Currency forwards may be used to hedge the currency exposures of securities or other assets of the Fund denominated in a currency other than the Base Currency of the Fund or the Denominated Class Currency of a hedged Class.

### **Options**

Call and put options may be used to gain long exposure to specific securities and to hedge against downside risk. Options may also be purchased to hedge against currency and interest rate risk. The Investment Manager will not write uncovered call options.

### **Credit Default Swaps**

Credit default swaps ("CDS") may be used to buy or, if disclosed in the Supplement for the relevant Fund, sell credit protection.

CDS being used to buy protection will be traded on US\$ or Euro indices such as DJ CDX NA HY series or Dow Jones iTraxx Europe Crossover or will be entered into directly with counterparties with respect to individual credits. Buying protection is an alternative method of hedging portfolio risk if there is a concern about a temporary correction in the market. Another reason for buying protection is to express a negative view on an individual company, security or the markets in general.

Where the Fund takes a synthetic short position on CDS it is a buyer of CDS protection. In the event of default the buyer of CDS protection is entitled to claim from the seller of the CDS protection the difference between par (*i.e.* a price of 100.00) and the recovery value of the defaulted asset underlying the CDS. The recovery value is determined for each defaulted CDS asset by the International Swaps and Derivatives Association ("ISDA").

To mitigate the counterparty risk resulting from swap transactions, the Fund will only enter into swap transactions with highly rated financial institutions specialised in this type of transaction and in accordance with the standard terms laid down by the ISDA.

If disclosed in the Supplement for the relevant Fund, CDS may also be sold on individual names in order to generate additional revenue for a Fund and long positions may also be held in CDS in order to manage liquidity.

## Financial derivative instruments and techniques for efficient portfolio management cont/d...

### *Interest rate swaps*

Interest rate swaps are used to manage a portfolio's overall duration (*i.e.* sensitivity to changes in the yield curve). Swaps can be tailored to more specific maturities than futures (futures are standard contracts with fixed maturities) and may extend over longer horizons.

Whilst any default of a counterparty could have a potentially negative impact on investor returns, to mitigate the counterparty risk resulting from swap transactions the Fund will enter into swap transactions only with highly rated financial institutions specialised in this type of transaction and generally in accordance with the standard terms laid down by the ISDA.

### *Convertible Bonds*

A convertible bond is a type of bond that the holder can convert into a specified number of shares of common stock in the issuing company or cash of equal value. It is a hybrid security with debt and equity-like features. Convertible bonds may embed derivatives/leverage as disclosed below.

Convertible bonds are usually bonds issued with lower interest coupons because of the embedded equity option. They often rank lower in the capital structure than senior loans or senior corporate paper (and as a result would therefore have lower ranking priority as regards repayment in the event of a default) and they are often *pari passu* with senior subordinated unsecured bonds of the same issuer.

### *Broken Convertible Bonds*

When the equity option described above is so far out of the money that the option is considered worthless or of little value, then the bond will trade with a yield that is comparable to regular subordinated bonds issued by the same company or similar issuers. From time to time, the Investment Manager may invest in broken convertible bonds of appropriate rating and other characteristics for any of the Funds if they offer attractive relative value and have either a high current yield or an attractive total return potential. In some cases, broken convertibles may be the only debt issued by a company.

In a normal market, the bond may trade at a discount to par, increasing the current yield of the

bond and offering potential for capital appreciation. Consequently, while a broken convertible bond may pay less current interest than a regular high yield bond, it often has less risk of loss of principal in the event of a default than a regular subordinated unsecured high yield corporate bond of similar seniority. In addition, should the underlying equity ever recover, the bond could benefit from any increase in value of the underlying option embedded in the broken convertible. A dramatic increase in value of the underlying equity in respect of a broken convertible bond will result in leverage although such dramatic increase is considered highly unlikely. Notwithstanding this, the Investment Manager will ensure that each relevant Fund is not leveraged beyond the relevant permitted limit disclosed in the relevant Supplement.

**The embedded option at the time of purchase of a broken convertible bond is valued at zero and the broken convertible bond is not being bought for its derivative characteristic.**

### *Total Return Swaps*

A total rate of return swap ("**Total Return Swap**" or "**TR Swap**") is a bilateral financial contract designed to transfer risk between two parties. One counterparty (the "**TR Payer**") pays the other (the "**TR Receiver**") the total economic performance of a specified asset(s), the reference obligation(s), for another cash flow, typically LIBOR plus a spread. The performance or "**Total Return**" comprises the sum of interest, dividends, fee payments, and any payment due to the change in value of the reference obligation. Payments due to change in value are equal to the appreciation (or depreciation) in the marked to market value of the reference obligation. A net depreciation in value (*i.e.* a negative total return) results in a payment to the TR Payer. A Total Return Swap may provide for acceleration of its termination date upon the occurrence of one or more referenced events with respect to a reference obligation.

### Financial derivative instruments and techniques for efficient portfolio management cont/d...

#### *Total Return Swaps cont/d...*

To mitigate the counterparty risk resulting from swap transactions, a Fund will only enter into swap transactions with highly rated financial institutions specialised in this type of transaction and in accordance with the standard terms laid down by the ISDA.

Unless otherwise specified in the relevant Supplement for a Fund, a counterparty will not assume discretion over the composition or management of the relevant Funds' investment portfolio or over the underlying of the FDIs, and the approval of the counterparty is not required in relation to an investment portfolio transaction.

#### *Contingent Convertible Securities*

Contingent Convertible Securities may or may not embed a derivative instrument and, where a derivative is embedded, any leveraged exposure generated shall be taken into account when calculating the global exposure of the relevant Fund.

## Management of collateral for OTC financial derivative instruments and techniques for efficient portfolio management

Collateral received and any investment of such collateral must meet the requirements set out in the Central Bank UCITS Regulations. An asset in which a Fund would not be permitted to invest pursuant to this Prospectus is not allowed as collateral posted or received by a Fund and is also not allowed as investment of collateral posted or received by a Fund. Collateral and investments of collateral shall be taken into account in determining whether the investment restrictions or other limits set forth under this Prospectus or under the Supplement for the relevant Fund are adhered to.

### Collateral Policy

Where using FDI for Securities Financing Transactions, hedging, investment or efficient portfolio management purposes, collateral may be received from a counterparty for the benefit of a Fund or posted to a counterparty on behalf of a Fund. Any receipt or posting of collateral by a Fund will be conducted in accordance with the requirements of the Central Bank and the terms of the Trust's collateral policy outlined below.

### Collateral - received by the UCITS

Collateral posted by a counterparty for the benefit of a Fund may be taken into account as reducing the exposure to such counterparty. Each Fund will require receipt of the necessary level of collateral so as to ensure counterparty exposure limits are not breached. Counterparty risk may be reduced to the extent that the value of the collateral received corresponds with the value of the amount exposed to counterparty risk at any given time.

The Investment Manager will liaise with the Depositary in order to manage all aspects of the counterparty collateral process.

Risks linked to the management of collateral, such as operational and legal risks, shall be identified, managed and mitigated by the Manager's risk management process. A Fund receiving collateral for at least 30% of its assets should have an appropriate stress testing policy in place to ensure regular stress tests are carried out under normal and exceptional liquidity conditions to enable the Fund to assess the liquidity risk attached to the collateral. The liquidity stress testing policy will at least prescribe the following:

(a) Design of stress test scenario analysis

including calibration, certification and sensitivity analysis;

- (b) Empirical approach to impact assessment, including back-testing of liquidity risk estimates;
- (c) Reporting frequency and limit/loss tolerance threshold/s; and
- (d) Mitigation actions to reduce loss including haircut policy and gap risk protection.

For the purpose of providing margin or collateral in respect of transactions in techniques and instruments, the Fund may transfer, mortgage, pledge, charge or encumber any assets or cash forming part of the Fund in accordance with normal market practice and the requirements outlined in the Central Bank UCITS Regulations.

All assets received by a Fund in the context of repurchase/reverse repurchase agreements shall be considered as collateral and must comply with the terms of the Manager's collateral policy.

### Non-cash collateral

Collateral must, at all times, meet with the following criteria:

- (i) **Liquidity:** Collateral received other than cash should be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received should also comply with the provisions of Regulation 74 of the Regulations.
- (ii) **Valuation:** Collateral received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place.
- (iii) **Issuer credit quality:** Collateral received should be of high quality.
- (iv) **Correlation:** Collateral received should be issued by an entity that is independent from the counterparty and is not expected to display a high correlation with the performance of the counterparty.

## Management of collateral for OTC financial derivative instruments and techniques for efficient portfolio management cont/d...

### Non-cash collateral cont/d...

#### (v) **Diversification (asset concentration):**

- (a) Subject to paragraph (b), collateral should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of the Net Asset Value of a Fund. When a Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer.
- (b) A Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member States belong. Such Fund should receive securities from at least 6 different issues, but securities from any single issue should not account for more than 30% of the Fund's Net Asset Value. To the extent that a Fund avails of the increased issuer exposure facility in section 5(ii) of Schedule 3 of the Central Bank UCITS Regulations, such increased issuer exposure may be to any of the issuers listed in section 2.11 of the section in this Prospectus entitled "PERMITTED INVESTMENTS".
- (c) **Immediately available:** Collateral received should be capable of being fully enforced by the Manager, on behalf of the Trust, at any time without reference to or approval from the counterparty.

- (vii) **Safe-keeping:** Collateral received on a title transfer basis (whether in respect of a Securities Financing Transaction, an OTC derivative transaction or otherwise) shall be held by the Depositary or its agent. For other types of collateral arrangement, the collateral can be held by a third party depositary which is subject to prudential supervision, and which is unrelated to the provider of the collateral.

- (viii) **Haircuts:** The Investment Manager, on behalf of each relevant Fund, shall apply suitably conservative haircuts to assets being received as collateral where appropriate on the basis of an assessment of the characteristics of the assets such as the credit standing or the price volatility, as well as the outcome of any stress tests performed as referred to above. The Investment Manager has determined that generally if issuer or issue credit quality of the collateral is not of the necessary quality or the collateral carries a significant level of price volatility with regard to residual maturity or other factors, a conservative haircut must be applied in accordance with more specific guidelines as will be maintained in writing by the Investment Manager on an ongoing basis. However, the application of such a haircut will be determined on a case by case basis, depending on the exact details of the assessment of the collateral. The Investment Manager, in its discretion, may consider it appropriate in certain circumstances to resolve to accept certain collateral with more conservative, less conservative or no haircuts applied if it so determines, on an objectively justifiable basis. Any extenuating circumstances that warrant the acceptance of relevant collateral with haircut provisions other than the guideline levels must be outlined in writing.

Regarding (ii) valuation, collateral received should be valued on at least a daily basis at mark-to-market value and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts (as referred to above) are in place. Where appropriate, non-cash collateral held for the benefit of a Fund shall be valued in accordance with the valuation policies and principles applicable to the Funds. Collateral posted to a recipient counterparty will be valued daily at mark-to-market value.

There are no restrictions on maturity provided the collateral is sufficiently liquid.

Non-cash collateral cannot be sold, pledged or re-invested.



### Management of collateral for OTC financial derivative instruments and techniques for efficient portfolio management cont/d...

#### Cash collateral

Cash collateral may only be reinvested in:

1. deposits with relevant institutions;
2. high-quality government bonds;
3. reverse repurchase agreements provided the transactions are with credit institutions subject to prudential supervision and the Fund is able to recall at any time the full amount of cash on an accrued basis;
4. short-term money market funds as defined in the ESMA Guidelines on a Common Definition of European Money Market Funds (ref CESR/10-049).

Reinvested cash collateral may not be placed on deposit with the counterparty or a related entity. In addition, all reinvested cash collateral must be diversified in terms of country, market and issuers. This diversification requirement is deemed satisfied if the maximum exposure to any given issuer is 20% of the Net Asset Value of a Fund. Where a Fund is exposed to the same counterparty through its collateral held and non-collateral investments, the collateral should be aggregated with the Fund's non-collateral holdings to calculate the 20% limit of exposure to a single issuer.

Where a Fund receives collateral for at least 30% of its assets, the Investment Manager will employ an appropriate stress testing policy to ensure regular tests are carried out under normal and exceptional liquidity conditions to enable the Investment Manager to assess the liquidity risks attached to the collateral.

#### Collateral - posted by the UCITS

Collateral posted to a counterparty on behalf of a Fund must be taken into account when calculating counterparty risk exposure. Collateral posted to a counterparty and collateral received by such counterparty may be taken into account on a net basis provided the Fund is able to legally enforce netting arrangements with the counterparty.

The level of collateral required to be posted may vary by counterparty with which a Fund trades. The haircut policy applied (as documented by the Investment Manager) to posted collateral will be negotiated on a counterparty basis and will vary depending on the class of asset received by a Fund, taking into account the credit standing and price volatility of the relevant counterparty.



## Taxation

### General

*The following statements on taxation are with regard to the law and practice in force in Ireland at the date of this document and do not constitute legal or tax advice to Unitholders or prospective Unitholders. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment in the Trust is made will endure indefinitely, as the basis for and rates of taxation can fluctuate.*

*Prospective Unitholders should familiarise themselves with and, where appropriate, take advice on the laws and regulations (such as those relating to taxation and exchange controls) applicable to the subscription for, and the holding and repurchase of, Units in the places of their citizenship, residence and domicile.*

*The Manager recommends that Unitholders obtain tax advice from an appropriate source in relation to the tax liability arising from the holding of Units in the Trust and any investment returns from those Units.*

### Ireland

#### (a) Taxation of the Trust

The Directors have been advised that the Trust is an investment undertaking within the meaning of section 739B TCA and therefore is not chargeable to Irish tax on its relevant income or relevant gains so long as the Trust is resident for tax purposes in Ireland. The status of the Trust as an investment undertaking is contingent upon it not being an offshore fund for Irish tax purposes. The Trust will not be regarded as an offshore fund (on the basis of the practice of the Revenue Commissioners) and will be regarded as resident in Ireland for tax purposes if the trustee is resident in Ireland and is administered in Ireland or it conducts its functions and is administered through a branch of the trustee in Ireland. It is the intention of the Manager that the business of the Trust will be conducted in such a manner as to ensure that these conditions are fulfilled.

The income and capital gains received by the Trust from securities issued in countries other than Ireland or assets located in countries other than Ireland may be subject to taxes including withholding tax in the countries where such income and gains arise. The Trust may not be able to benefit from reduced rates of withholding tax by

virtue of the double taxation treaties in operation between Ireland and other countries. The Manager will have sole discretion as to whether the Trust will apply for such benefits and may decide not to apply for such benefits if they determine that it may be administratively burdensome, cost prohibitive or otherwise impractical.

In the event that the Trust receives any repayment of withholding tax suffered, the Net Asset Value of a Fund will not be restated and the benefit of any repayment will be allocated to the then existing Unitholders rateably at the time of repayment.

Notwithstanding the above, a charge to tax may arise for the Trust in respect of Unitholders on the happening of a “Chargeable Event” in the Trust.

A Chargeable Event includes:

- (i) any payment to a Unitholder by the Trust in respect of their Units;
- (ii) any transfer, cancellation, redemption or repurchase of Units; and
- (iii) any deemed disposal by a Unitholder of their Units at the end of a “relevant period” (a “Deemed Disposal”).

A “relevant period” is a period of 8 years beginning with the acquisition of Units by a Unitholder and each subsequent period of 8 years beginning immediately after the preceding relevant period.

A Chargeable Event does not include:

- (i) any transaction in relation to Units held in a recognised clearing system;
- (ii) any exchange by a Unitholder effected by way of a bargain made at arm’s length by the Trust, of Units in the Trust for other Units in the Trust;
- (iii) certain transfers of Units between spouses or civil partners and former spouses or former civil partners;
- (iv) an exchange of Units arising on a qualifying amalgamation or reconstruction of the Trust with another Irish investment undertaking; or
- (iv) the cancellation of Units in the Trust arising from an exchange in relation to a scheme of amalgamation (as defined in section 739HA).

## Taxation cont/d...

### Ireland cont/d...

#### (a) Taxation of the Trust cont/d...

On the happening of a Chargeable Event, the Trust shall be entitled to deduct the appropriate amount of tax on any payment made to a Unitholder in respect of the Chargeable Event. On the occurrence of a Chargeable Event where no payment is made by the Trust to the Unitholder, the Trust may appropriate or cancel the required number of Units to meet the tax liability.

Where the Chargeable Event is a Deemed Disposal and the value of Units held by Irish Resident Unitholders in the Trust is less than 10% of the total value of Units in the Trust (or a Fund) and the Trust has made an election to the Revenue Commissioners to report annually certain details for each Irish Resident Unitholder, the Trust will not be required to deduct the appropriate tax and the Irish Resident Unitholder (and not the Trust) must pay the tax on the Deemed Disposal on a self-assessment basis. Credit is available against appropriate tax relating to the Chargeable Event for appropriate tax paid by the Trust or the Unitholder on any previous Deemed Disposal. On the eventual disposal by the Unitholder of the Units, a refund of any unutilised credit will be payable.

#### (b) Taxation of Unitholders

##### *Non-Irish Resident Unitholders*

Non-Irish Resident Unitholders will not be chargeable to Irish tax on the happening of a Chargeable Event provided that either:

- (i) the Trust is in possession of a completed Relevant Declaration to the effect that the Unitholder is not an Irish Resident, or
- (ii) the Trust is in possession of written notice of approval from the Revenue Commissioners to the effect that the requirement to provide a Relevant Declaration is deemed to have been complied with in respect of that Unitholder and the written notice of approval has not been withdrawn by the Revenue Commissioners.

If the Trust is not in possession of a Relevant Declaration or the Trust is in possession of information which would reasonably suggest that the Relevant Declaration is not or is no longer materially correct, the Trust must deduct tax on

the happening of a Chargeable Event in relation to such Unitholder. The tax deducted will generally not be refunded.

Intermediaries acting on behalf of non-Irish Resident Unitholders can claim the same exemption on behalf of the Unitholders for whom they are acting. The intermediary must complete a Relevant Declaration that it is acting on behalf of a non-Irish Resident Unitholder.

A non-Irish Resident corporate Unitholder which holds Units directly or indirectly by or for a trading branch or agency of the Unitholder in Ireland, will be liable for Irish corporation tax on income from the Units or gains made on the disposal of the Units.

##### *Exempt Irish Unitholders*

The Trust is not required to deduct tax in respect of an Exempt Irish Unitholder so long as the Trust is in possession of a completed Relevant Declaration from those persons and the Trust has no reason to believe that the Relevant Declaration is materially incorrect. The Exempt Irish Unitholder must notify the Trust if it ceases to be an Exempt Irish Unitholder. Exempt Irish Unitholders in respect of whom the Trust is not in possession of a Relevant Declaration will be treated by the Trust as if they are not Exempt Irish Unitholders.

Exempt Irish Unitholders may be liable to Irish tax on their income, profits and gains in relation to any sale, transfer, repurchase, redemption or cancellation of Units or dividends or distributions or other payments in respect of their Units depending on their circumstances. It is the obligation of the Exempt Irish Unitholder to account for tax to the Revenue Commissioners.

##### *Irish-Resident Unitholders*

Irish Resident Unitholders (who are not Exempt Irish Unitholders) will be liable to tax on the happening of a Chargeable Event. Tax at the rate of 41% will be deducted by the Trust on payments made to the Unitholder in relation to the Units or on the sale, transfer, Deemed Disposal (subject to the 10% threshold outlined above), cancellation, redemption or repurchase of Units or the making of any other payment in respect of the Units.

An Irish Resident Unitholder who is not a Trust and is not an Exempt Irish Unitholder will not be liable to any further income or capital gains tax in

## Taxation cont/d...

### Ireland cont/d...

#### (b) Taxation of Unitholders cont/d...

##### *Irish-Resident Unitholders cont/d...*

respect of any sale, transfer, Deemed Disposal, cancellation, redemption or repurchase, of Units or the making of any other payment in respect of their Units.

Where the Irish Resident Unitholder is a Trust which is not an Exempt Irish Unitholder, and the payment is not taxable as trading income under Schedule D Case I TCA, the amount received will be treated as the net amount of an annual payment chargeable to tax under Schedule D Case IV TCA from the gross amount of which income tax has been deducted at 25%.

Where the Irish Resident Unitholder is a Trust which is not an Exempt Irish Unitholder, and the payment is taxable as trading income under Schedule D Case I, the following provisions apply:

- (i) the amount received by the Unitholder is increased by any amount of tax deducted by the Trust and will be treated as income of the Unitholder for the chargeable period in which the payment is made;
- (ii) where the payment is made on the sale, transfer, Deemed Disposal, cancellation, redemption or repurchase of Units, such income will be reduced by the amount of consideration in money or money's worth given by the Unitholder for the acquisition of those Units; and
- (iii) the amount of tax deducted by the Trust will be set off against the Irish corporation tax assessable on the Unitholder in respect of the chargeable period in which the payment is made.

##### *Personal Portfolio Investment Undertaking*

An investment undertaking will be considered to be a personal portfolio investment undertaking (PPIU) in relation to a specific Irish Resident Unitholder where that Irish Resident Unitholder can influence the selection of some or all of the property of the undertaking. The undertaking will only be a PPIU in respect of those Irish Resident Unitholders who can influence the selection. A gain arising on a chargeable event in relation to a PPIU will be taxed at the rate of 60%. An undertaking will not be considered to be a PPIU where certain conditions

are complied with as set out in section 739BA TCA.

##### *Currency Gains*

Where a currency gain is made by an Irish Resident Unitholder on the disposal of Units, that Unitholder may be liable to capital gains tax in respect of any chargeable gain made on the disposal.

##### *Stamp Duty*

On the basis that the Trust qualifies as an investment undertaking within the meaning of section 739B TCA, no Irish stamp duty will be payable on the subscription, transfer or repurchase of Units. The stamp duty implications for subscriptions for Units or transfer or repurchase of Units in specie should be considered on a case by case basis.

##### *Capital Acquisitions Tax*

No Irish gift tax or inheritance tax (capital acquisitions tax) liability will arise on a gift or inheritance of Units provided that:

- (i) at the date of the disposition the transferor of the Units is neither domiciled nor ordinarily resident in Ireland, and, at the date of the gift or inheritance the transferee of the Units is neither domiciled nor ordinarily resident in Ireland; and
- (ii) the Units are comprised in the gift or inheritance at the date of the gift or inheritance and at the valuation date.

##### **FATCA Implementation in Ireland**

On 21 December 2012, the governments of Ireland and the U.S. signed the IGA.

The IGA will significantly increase the amount of tax information automatically exchanged between Ireland and the U.S. It provides for the automatic reporting and exchange of information in relation to accounts held in Irish "financial institutions" by U.S. persons and the reciprocal exchange of information regarding U.S. financial accounts held by Irish Residents. The Trust is subject to these rules. Complying with such requirements will require the Trust to request and obtain certain information and documentation from its Unitholders, other account holders and (where applicable) the beneficial owners of its Unitholders and to provide any information and documentation indicating direct or indirect ownership by U.S. persons to the competent authorities in Ireland. Unitholders and other account holders will be

## Taxation cont/d...

### Ireland cont/d...

#### FATCA Implementation in Ireland cont/d...

required to comply with these requirements, and non-complying Unitholders may be subject to compulsory redemption and/ or U.S withholding tax of 30% on withholdable payments and/or other monetary penalties.

The IGA provides that Irish financial institutions will report to the Revenue Commissioners in respect of U.S. account-holders and, in exchange, U.S. financial institutions will be required to report to the IRS in respect of any Irish-resident account-holders. The two tax authorities will then automatically exchange this information on an annual basis.

The Trust (and/or any of its duly appointed agents) shall be entitled to require Unitholders to provide any information regarding their tax status, identity or residency in order to satisfy any reporting requirements which the Trust may have as a result of the IGA or any legislation promulgated in connection with the agreement and Unitholders will be deemed, by their subscription for or holding of Units to have authorised the automatic disclosure of such information by the Trust or any other person to the relevant tax authorities.

#### OECD Common Reporting Standard

Ireland has provided for the implementation of CRS through section 891F of the TCA and the enactment of the CRS Regulations.

The CRS, which applies in Ireland from 1 January 2016, is a global OECD tax information exchange initiative which is aimed at encouraging a coordinated approach to disclosure of income earned by individuals and organisations.

Ireland and a number of other jurisdictions have entered or will enter into multilateral arrangements modelled on the Common Reporting Standard for Automatic Exchange of Financial Account Information published by the OECD. From 1 January 2016, the Trust will be required to provide certain information to the Revenue Commissioners about investors resident or established in jurisdictions which are party to CRS arrangements.

The Trust, or a person appointed by the Trust, will request and obtain certain information in relation to the tax residence of its shareholders or "account holders" for CRS purposes and (where applicable) will request information in relation to the

beneficial owners of any such account holders. The Trust, or a person appointed by the Trust, will report the information required to the Revenue Commissioners by 30 June in the year following the year of assessment for which a return is due. The Revenue Commissioners will share the appropriate information with the relevant tax authorities in participating jurisdictions. Ireland introduced CRS Regulations in December 2015 and implementation of CRS among early adopting countries occurred with effect from 1 January 2016.

#### Definitions

For the purposes of this section, the following definitions shall apply.

#### "Intermediary"

means a person who:

- carries on a business which consists of, or includes, the receipt of payments from an investment undertaking on behalf of other persons; or
- holds units in an investment undertaking on behalf of other persons.

"Ireland" means the Republic of Ireland.

#### "Ordinary Residence - Individual"

The term "ordinary residence" as distinct from "residence", relates to a person's normal pattern of life and denotes residence in a place with some degree of continuity.

An individual who has been resident in Ireland for three consecutive tax years becomes ordinarily resident with effect from the commencement of the fourth tax year.

An individual who has been ordinarily resident in Ireland ceases to be ordinarily resident at the end of the third consecutive tax year in which that individual is not resident in Ireland. Thus, an individual who is resident and ordinarily resident in Ireland in 2013 will remain ordinarily resident in Ireland until the end of the tax year 2016.

#### "Recognised Clearing System"

means Deutsche Bank AG - Depository and Clearing System, Clearstream Banking AG, Clearstream Banking SA, CREST, Depository Trust Company of New York, Euroclear, Japan Securities Depository Center, National Securities Clearing System,



## Taxation cont/d...

### “Recognised Clearing System” cont/d...

Sicovam SA, SIS Segal Intersect AG or any other system for clearing units which is designated for the purposes of Chapter 1A in Part 27 of the TCA, by the Revenue Commissioners as a recognised clearing system.

### “Relevant Declaration”

means the declaration relevant to the Unitholder as set out in Schedule 2B of the TCA.

### “Relevant Period”

means a period of 8 years beginning with the acquisition of a Unit by a Unitholder and each subsequent period of 8 years beginning immediately after the preceding Relevant Period.

### “Residence - Company”

A company which has its central management and control in Ireland is resident in Ireland irrespective of where it is incorporated. A company which does not have its central management and control in Ireland but which is incorporated in Ireland is resident in Ireland except where the company is regarded as not resident in Ireland under a double taxation treaty between Ireland and another country. In certain limited circumstances, companies incorporated in Ireland but managed and controlled outside of a double taxation treaty territory may not be regarded as resident in Ireland. Specific rules may apply to companies incorporated prior to 1 January 2015.

### “Residence - Individual”

The Irish tax year operates on a calendar year basis.

An individual will be regarded as being resident in Ireland for a tax year if that individual:

- (i) spends 183 days or more in Ireland in that tax year; or
- (ii) has a combined presence of 280 days in Ireland, taking into account the number of days spent in Ireland in that tax year together with the number of days spent in Ireland in the preceding tax year.

Presence in a tax year by an individual of not more than 30 days in Ireland, will not be reckoned for the purpose of applying the two year test. Presence in Ireland for a day means the personal presence of an individual at any point in time

during the particular day in question.

### UK Taxation

#### *Unitholders who are resident in the UK*

Subject to their personal circumstances, Unitholders resident in the United Kingdom for taxation purposes will be liable to United Kingdom income tax or corporation tax in respect of dividends or other distributions of an income nature made by the Trust, whether or not such dividends or distributions are reinvested. The nature of the charge to tax and any entitlement to a tax credit in respect of such dividends or distributions will depend on a number of factors which may include the composition of the relevant assets of the Trust and the extent of a Unitholder's interest in the Trust.

#### *Reporting and Non-Reporting Funds*

Subject to transitional provisions, the Offshore Funds (Tax) Regulations 2009 (the “**Offshore Funds Regulations**”) introduces a regime for the taxation of investments in offshore funds (as defined in the United Kingdom Taxation (International and Other Provisions) Act 2010 (“**TIOPA 2010**”)) which operates by reference to whether a fund opts into a reporting regime (“**reporting funds**”) or not (“**non-reporting funds**”).

If an investor who is resident in the United Kingdom for taxation purposes holds an interest in an offshore fund which is a non-reporting fund throughout the period during which the investor holds that interest, any gain accruing to the investor upon the sale, redemption or other disposal of that interest (including a deemed disposal on death) will be taxed at the time of such sale, redemption or other disposal as income (“**offshore income gains**”) and not as a capital gain. Investors in non-reporting funds will not be subject to tax on income retained by the non-reporting fund.

Investors in reporting funds are subject to income tax on the share of the reporting fund's income attributable to their holding in the fund, whether or not distributed, and any gains on disposal of their holding will be taxed as capital gains.

The Units will constitute interests in an offshore fund. In some cases these Units will be interests in a Fund which is a reporting fund and in other cases

## Taxation cont/d...

### Taxation cont/d...

#### *Reporting and Non-Reporting Funds cont/d...*

they will be interests in a Fund which is a non-reporting fund. Accordingly, in some cases, gains arising to Unitholders resident in the United UK

Kingdom on a sale, redemption or other disposal of Units (including a deemed disposal on death) will be taxed as offshore income gains and in other cases they will be taxed as capital gains.

Investors are advised to ascertain whether a Fund (or Class) in which they are acquiring an interest is a reporting fund or a non-reporting fund in order to determine the applicable tax treatment.

Investors should also note that if a dividend is paid by an offshore fund, within the meaning of the relevant provisions of TIOPA 2010, and at any time during an Accounting Period the fund fails to satisfy the “**qualifying investments test**” (see “*Corporate UK investors*” below for a fuller explanation of this test), the dividend will be treated as interest for income tax purposes and no dividend tax credit will be available. The Units will constitute interests in an offshore fund and depending on the circumstances, a Fund (or Class) in which the investor hold Units could fail to satisfy the qualifying investments test.

In relation to the Funds which have already obtained reporting-fund status and any other Funds which may become reporting funds in the future, the Trust cannot guarantee that such status will be maintained for each account period of those Funds.

#### *Corporate UK Investors*

Persons within the charge to United Kingdom corporation tax should note that the regime for the taxation of most corporate debt contained in the United Kingdom Corporation Tax Act of 2009 (the “**loan relationships regime**”) provides that, if at any time in an Accounting Period of such a person, that person holds an interest in an offshore fund within the meaning of the relevant provisions of the Offshore Funds Regulations and TIOPA 2010, and there is a time in that period when that fund fails to satisfy the “**qualifying investments**” test, the interest held by such a person will be treated for that Accounting Period as if it were rights under a creditor relationship for the purposes of the loan relationships regime.

An offshore fund fails to satisfy the qualifying investments test at any time when more than 60 percent of its assets by market value (excluding cash awaiting investment) comprise “**qualifying investments**”. Qualifying investments include government and corporate debt securities, cash on deposit, certain derivative contracts and holdings in other collective investment schemes which at any time in the Accounting Period of the person holding the interest in the offshore fund do not themselves satisfy the qualifying investments test.

The Units will constitute such interests in an offshore fund and the Trust could fail to satisfy the qualifying investments test. In that eventuality, the Units will be treated for corporation tax purposes as within the loan relationships regime with the result that all returns on the Units in respect of such a person’s Accounting Period (including gains, profits and losses) will be taxed or relieved as an income receipt or expense on a “**fair value accounting**” basis. Accordingly, such a person who acquires Units in the Trust may, depending on its own circumstances, incur a charge to corporation tax on an unrealised increase in the value of its holding of Units (and, likewise, obtain relief against corporation tax for an unrealised reduction in the value of its holding of Units).

#### *Anti-Avoidance*

Individuals resident but not domiciled in the United Kingdom for taxation purposes should note that Chapter 2 of Part 13 of the United Kingdom Income Tax Act 2007 contains anti-avoidance provisions dealing with the transfer of assets to overseas persons that may in certain circumstances render such individuals liable to taxation in respect of undistributed income profits of the Trust.

Companies resident in the United Kingdom for taxation purposes should note that the “**controlled foreign companies**” legislation contained in Part 9A of the United Kingdom Taxation (International and Other Provisions) Act 2010 (the “**UK Taxes Act**”) could apply to any United Kingdom resident company which is, either alone or together with persons connected or associated with it for taxation purposes, deemed to be interested in 25 percent or more of any chargeable profits of the Trust arising in an Accounting Period, if at the same time the Trust is controlled (as “**control**” is defined in section 371RB of the UK Taxes Act) by persons (whether companies, individuals or others)



## Taxation cont/d...

### UK Taxation cont/d...

#### *Anti-Avoidance cont/d...*

who are resident in the United Kingdom for taxation purposes or is controlled by two persons taken together, one of whom is resident in the United Kingdom for tax purposes and has at least 40 percent of the interests, rights and powers by which those persons control the Trust, and the other of whom has at least 40 percent and not more than 55 percent of such interests, rights and powers. The “chargeable profits” of the Trust do not include any capital gains. The effect of these provisions could be to render such companies liable to United Kingdom corporation tax in respect of the undistributed income of the Trust.

#### *Unitholders (holding Units through a NISA)*

Units of the Trust will qualify for inclusion within a NISA provided that it is authorised as a UCITS and it has received recognition pursuant to Section 264 of the United Kingdom Financial Services and Markets Act 2000.

Under NISA regulations, for a “qualifying individual”, each year the whole of the annual subscription limit of £15,000 can be invested in cash, stock and shares or any combination of the two in a NISA account.

In the hands of the investor dividends on Units held within a NISA are currently exempt from income tax and gains on the disposal of Units held within a NISA are currently exempt from capital gains tax. Tax rates and reliefs may change in the future and will depend on individual circumstances.

### Financial Transactions Tax

The European Commission has made a proposal for the implementation of a financial transactions tax. While it is expected that it would not come in into force until mid-2016 at the earliest, the parameters of the tax are still being debated and a tax may potentially be imposed on financial transactions involving investments located in some Member States.

## List of recognised exchanges

The following is a list of regulated stock exchanges and markets on which a Fund's investments in securities, money market instruments and FDI other than permitted investment in unlisted investments, will be listed or traded and is set out in accordance with the Central Bank's requirements. The Central Bank does not issue a list of approved stock exchanges or markets. With the exception of permitted investments in unlisted investments, each Fund's investment in securities, money market instruments and derivative instruments will be restricted to the stock exchanges and markets listed below:

(i) any stock exchange which is:

- located in any Member State; or
- located in any of the following countries:-

Australia  
 Canada  
 Japan  
 New Zealand  
 Norway  
 Iceland  
 Liechtenstein  
 Switzerland  
 United States of America  
 United Kingdom

(ii) any of the following:-

Hong Kong - Hong Kong Stock Exchange  
 India - National Stock Exchange of India Ltd.  
 Indonesia - Jakarta Stock Exchange  
 Korea - Korea Exchange  
 Malaysia - Bursa Malaysia  
 Pakistan - Karachi Stock Exchange  
 Philippines - Philippine Stock Exchange  
 Shanghai - Shanghai Stock Exchange  
 Shenzhen - Shenzhen Stock Exchange  
 Singapore - Singapore Stock Exchange  
 South Africa - Johannesburg Stock Exchange  
 Sri Lanka - Colombo Stock Exchange  
 Taiwan - Taiwan Stock Exchange Corporation  
 Vietnam - Ho Chi Minh City Stock Exchange

## List of recognised exchanges cont/d...

(iii) any of the following:

- the market organised by the International Securities Market Association;
- the market conducted by the “listed money market institutions”, as described in the Bank of England publication “The Regulation of the Wholesale Cash and OTC Derivatives Markets in Sterling, Foreign Exchange and Bullion” dated April, 1988 (as amended from time to time);
- the French Markets for Titres de Créances Négotiables (the Over-the-Counter markets in negotiable debt instruments);
- the Over-the-Counter market in the United States of America regulated by the National Association of Securities Dealers Inc.
- NASDAQ in the United States of America;
- NASDAQ Europe in Europe (is a recently formed market and the general level of liquidity may not compare favourably to that found on more established exchanges);
- the Over-the-Counter market in Japan regulated by the Securities Dealers Association of Japan.

(iv) all derivatives exchanges on which permitted financial derivative instruments may be listed or traded :

- in a Member State
- in a Member State in the European Economic Area (European Union Norway, Iceland and Liechtenstein);
- in the United Kingdom, on the
  - London Stock Exchange;
  - London Derivatives Exchange;
- in the United States of America, on the
  - Chicago Board of Trade
  - Chicago Board Options Exchange;
  - Chicago Mercantile Exchange;
  - Eurex US;
  - New York Futures Exchange;
  - New York Board of Trade;
  - New York Mercantile Exchange;
- in China, on the Shanghai Futures Exchange;
- in Hong Kong, on the Hong Kong Futures Exchange;

## List of recognised exchanges cont/d...

- in Japan, on the
  - Osaka Securities Exchange;
  - Tokyo International Financial Futures Exchange;
  - Tokyo Stock Exchange;
- in New Zealand, on the New Zealand Futures and Options Exchange;
- in Singapore, on the
  - Singapore International Monetary Exchange;
  - Singapore Commodity Exchange.
- in a Member State
- in a Member State in European Economic Area (European Union, Norway, Iceland and Liechtenstein)
- the market organised by the International Securities Market Association;

For the purposes only of determining the value of the assets of a Fund, the term “Recognised Exchange” shall be deemed to include, in relation to any derivatives contract utilised by a Fund, any organised exchange or market on which such contract is regularly traded.

## Permitted investments

### Investment Restrictions

The Funds, including their investments and activities, must comply with the Regulations and the requirements existing thereunder with respect to authorised UCITS. All Funds are authorised pursuant to the Regulations as a UCITS and are subject to the investment restrictions below.

**IN ADDITION TO THE INVESTMENT RESTRICTIONS BELOW, THE FUNDS ALSO HAVE TO COMPLY WITH THE ADDITIONAL OR ENHANCED RESTRICTIONS SPECIFIED IN APPENDIX I - ADDITIONAL RESTRICTIONS. THE BELOW INVESTMENT RESTRICTIONS AND APPENDIX I - ADDITIONAL RESTRICTIONS SHOULD BE READ IN CONJUNCTION WITH THE INVESTMENT OBJECTIVE AND INVESTMENT POLICIES OF SPECIFIC FUNDS, AS DISCLOSED IN THE SUPPLEMENT FOR THE RELEVANT FUNDS.**

**IF THE MANAGER ADOPTS A SWING PRICING MECHANISM AS PART OF ITS VALUATION POLICY, THE INVESTMENT RESTRICTION, BORROWING RESTRICTION AND LEVERAGE RESTRICTION THRESHOLDS IN RESPECT OF A FUND WHICH ARE SET FORTH BELOW IN THIS SECTION HEADED "PERMITTED INVESTMENTS" OR IN THE SUPPLEMENT FOR THE RELEVANT FUND SHALL BE APPLIED TO THE LOWER AMOUNT OF EITHER THE NET ASSET VALUE OF THE RELEVANT FUND WHEN CALCULATED INCLUDING ANY SWING PRICING ADJUSTMENT OR EXCLUDING ANY SWING PRICING ADJUSTMENT.**

To note, the terms "transferable securities" and "money market instruments" referred to in paragraphs one to six below have the same meaning as ascribed to them in Schedule 2 and 3 of the Regulations in accordance with the Eligible Assets Directive.

### 1 Permitted Investments

A Fund's investments are confined to:

- 1.1 Transferable securities and money market instruments, which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State.
- 1.2 Recently issued transferable securities which will be admitted to official listing on a stock

exchange or other market (as described above) within a year.

- 1.3 Money market instruments, other than those dealt on a regulated market.
- 1.4 Units of UCITS.
- 1.5 Units of AIFs.
- 1.6 Deposits with credit institutions.
- 1.7 FDI.

### 2 Investment Restrictions

- 2.1 A Fund may invest no more than 10% of net assets in transferable securities and money market instruments other than those referred to in paragraph 1.
- 2.2 A Fund may invest no more than 10% of net assets in recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described in paragraph 1.1) within a year. This restriction will not apply in relation to investment by the Fund in certain US securities known as Rule 144A securities provided that:
  - the relevant securities are issued with an undertaking to register the securities with the SEC within one year of issue; and
  - the securities are not illiquid securities i.e. they may be realised by the Fund within seven days at the price, or approximately at the price, at which they are valued by the Fund.
- 2.3 A Fund may invest no more than 10% of net assets in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.
- 2.4 The limit of 10% (in 2.3) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.

## Permitted investments cont/d...

### 2 Investment Restrictions cont/d...

2.5 The transferable securities and money market instruments referred to in 2.4 shall

not be taken into account for the purpose of applying the limit of 40% referred to in 2.3.

2.6 A Fund may not invest more than 20% of net assets in deposits made with the same credit institution.

Deposits with any one credit institution, other than

- a credit institution authorised in the EEA;
- a credit institution authorised within a signatory state other than an EEA Member State to the Basle Capital Convergence Agreement of July 1988; or
- a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand

held as ancillary liquidity, must not exceed 10% of net assets of the relevant Fund or 20% in the case of deposits made with the Depositary.

2.7 The risk exposure of a Fund to a counterparty to an OTC derivative may not exceed 5% of net assets.

This limit is raised to 10% in the case of a credit institution authorised in the EEA; a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988; or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.

2.8 Notwithstanding paragraphs 2.3, 2.6 and 2.7 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of net assets:

- investments in transferable securities or money market instruments;
- deposits, and/or
- risk exposures arising from OTC derivatives transactions.

2.9 The limits referred to in 2.3, 2.4, 2.6, 2.7 and 2.8 above may not be combined, so that exposure to a single body shall not exceed 35% of net assets.

2.10 Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.6, 2.7 and 2.8. However, a limit of 20% of net assets may be applied to investment in transferable securities and money market instruments within the same group.

2.11 A Fund may invest up to 100% of net assets in different transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities, non-Member States or public international body of which one or more Member States are members.

The individual issuers may be drawn from the following list:

OECD Governments (provided the relevant issues are investment grade), Government of the People's Republic of China, Government of Brazil (provided the issues are of investment grade), Government of India (provided the issues are of investment grade), Government of Singapore, European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian Development Bank, European Central Bank, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development (The World Bank), The Inter American Development Bank, European Union, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank, Tennessee Valley Authority, Straight-A Funding LLC, Export-Import Bank.

provided that a Fund must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of the total assets of the relevant Fund.



## Permitted investments cont/d...

### 3 Investment in Collective Investment Schemes ("CIS")

- 3.1 A Fund may not invest more than 20% of net assets in any one CIS.
- 3.2 Investment in AIFs may not, in aggregate, exceed 30% of net assets.
- 3.3 The CIS in which a Fund may invest are prohibited from investing more than 10 percent of net assets in other open-ended CIS.
- 3.4 When a Fund invests in the units of other CIS that are managed, directly or by delegation, by the Manager or by any other company with which the Manager is linked by common management or control, or by a substantial direct or indirect holding, the Manager or other company may not charge subscription, conversion or redemption fees on account of the Fund's investment in the units of such other CIS.
- 3.5 Where a commission (including a rebated commission) is received by the Manager or Investment Manager by virtue of an investment in the units of another CIS, this commission must be paid into the property of the Fund.

### 4 Index Tracking UCITS

- 4.1 A Fund may invest up to 20% of net assets in shares and/or debt securities issued by the same body where the investment policy of the Fund is to replicate an index which satisfies the criteria set out in the Central Bank UCITS Regulations.
- 4.2 The limit in 4.1 may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions.

### 5 General Provisions

- 5.1 The Manager, acting in connection with all of the CIS it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
- 5.2 A Fund may acquire no more than:
  - (i) 10% of the non-voting shares of any single issuing body;
  - (ii) 10% of the debt securities of any single issuing body;

- (iii) 25% of the units of any single CIS;
- (iv) 10% of the money market instruments of any single issuing body.

NOTE: The limits laid down in (ii), (iii) and (iv) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments, or the net amount of the securities in issue cannot be calculated.

### 5.3 5.1 and 5.2 shall not be applicable to:

- (i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;
- (ii) transferable securities and money market instruments issued or guaranteed by a non-Member State;
- (iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;
- (iv) shares held by a Fund in the capital of a company incorporated in a non-member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the Fund can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in 2.3 to 2.10, 3.1, 3.2, 5.1, 5.2, 5.4, 5.5 and 5.6, and provided that where these limits are exceeded, paragraphs 5.5 and 5.6 below are observed; or
- (v) shares held by an investment company or investment companies in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at unit-holders' request exclusively on their behalf.

## Permitted investments cont/d...

### 5 General Provisions cont/d...

- 5.4 A Fund need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.
- 5.5 The Central Bank may allow recently authorised UCITS to derogate from the provisions of 2.3 to 2.11, 3.1, 3.2, 4.1 and 4.2 for six months following the date of their authorisation, provided they observe the principle of risk spreading.
- 5.6 If the limits laid down herein are exceeded for reasons beyond the control of a Fund, or as a result of the exercise of subscription rights, the Fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its Unitholders.
- 5.7 Neither the Manager nor the Depositary acting on behalf of the Trust and/or a Fund, may carry out uncovered sales of:
- transferable securities;
  - money market instruments;
  - units of CIS; or
  - FDI.
- 5.8 A Fund may hold ancillary liquid assets.

### 6 Financial Derivative Instruments

- 6.1 The Fund's global exposure relating to FDI must not exceed its total Net Asset Value.
- 6.2 Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank UCITS Regulations. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in the Central Bank UCITS Regulations).
- 6.3 A Fund may invest in FDI dealt in OTC provided that:
- The counterparties to OTC transactions are institutions subject to prudential supervision

and belonging to categories approved by the Central Bank.

- 6.4 Investment in FDI are subject to the conditions and limits laid down by the Central Bank.

### Cross Investment between Funds of the Trust

Where, by virtue of an investment in another collective investment scheme, the Manager, the Investment Manager or the Sub-Investment Manager receives a commission on behalf of the relevant Fund (including a rebated commission), the Manager shall ensure that the relevant commission is paid into the assets of the relevant Fund.

Investment by a Fund of the Trust in the Units of another Fund of the Trust is permitted subject to the following provisions, which need to be observed in addition to the provisions outlined above in respect of investment in collective investment schemes:

- Investment must not be made in a Fund which itself holds Units in other Funds within the Trust;
- Where a Fund invests in one or more Funds of the Trust, the rate of the annual management fee which investors in the investing Fund are charged in respect of that portion of the investing Funds assets invested in receiving Funds of the Trust (whether such fee is paid directly at investing Fund level, indirectly at the level of the receiving Funds or a combination of both) shall not exceed the rate of the maximum annual management fee which investors in the investing Fund may be charged in respect of the balance of the investing Funds assets, such that there shall be no double charging of the annual management fee to the investing Fund as a result of its investments in the receiving Fund of the Trust. This provision is also applicable to the annual fee charged by the Investment Manager where the fee is paid directly out of the assets of the Fund.

### Permitted investments cont/d...

#### **Borrowing Powers**

A Fund may not borrow other than borrowings which in the aggregate do not exceed 10% of the Net Asset Value of the Fund, provided this borrowing is on a temporary basis. Borrowing may be secured on the assets of the Fund. A Fund may acquire foreign currency by means of a back-to-back loan. Foreign currency obtained in this manner is not classed as borrowings for the purpose of this borrowing restriction as required by Regulation 103 of the Regulations, provided that the offsetting deposit: (i) is denominated in the Base Currency of the Fund; and (ii) equals or exceeds the value of the foreign currency loan outstanding.

## Appendix I - Additional Restrictions

THE FOLLOWING ADDITIONAL RESTRICTIONS ARE REQUIRED TO BE READ IN CONJUNCTION WITH THE SECTION HEADED "PERMITTED INVESTMENTS" TOGETHER WITH THE SUPPLEMENT FOR THE RELEVANT FUND. EACH FUND IS REQUIRED TO COMPLY WITH THE ADDITIONAL RESTRICTIONS BELOW, THE INVESTMENT RESTRICTIONS OUTLINED IN THE PROSPECTUS AND THE REGULATIONS.

1 Investments of a Fund in CIS are restricted, in addition to their limitation by the other restrictions set forth in this Prospectus, in this APPENDIX I or in the Supplement for the relevant Fund:

(i) to holdings of units or shares of CIS which fulfill the requirements (in particular, without limitation, taking into account Section 1, paragraph 1b and 1d sentence 3, Section 20 and Section 22, paragraph 2 of the German Investmentsteuergesetz (as applicable as of 22 December 2017 - the "German Investment Tax Act") for the qualification of the respective CIS as a German or non-German investment fund (Investmentfonds) within the meaning of Section 1, paragraph 1b or, as long as the CIS qualifies for the "grandfathering" under the following tax regulation, Section 22, paragraph 2, sentences 1 and 2 of the German Investment Tax Act;

or, if closed-ended,

(ii) to holdings of units or shares of CIS which comply with the criteria under Article 2, paragraph 2 (a) or (b) of the Eligible Assets Directive and qualify as transferable securities (Wertpapiere) within the meaning of Section 1, paragraph 1b, number 5 (a) of the German Investment Tax Act.

With the exceptions made in the preceding sentence, a Fund is not permitted to invest in UCITS nor in AIFs.

2 Each Fund has to comply with the following investment restrictions and conditions under Section 1 paragraph 1b of the German Investment Tax Act:

(i) The Fund is authorised by the Central Bank as an UCITS pursuant to the

Regulations. The competent supervisory authority in the home state of the Trust and of the Manager is the Central Bank;

(ii) each Unitholder can redeem its Units of the Fund at least once a year;

(iii) the objective of the Fund is restricted to the investment and administration of its assets for the joint account of the Unitholders in accordance with a defined investment policy and an active entrepreneurial management of the assets of the Fund is excluded;

(iv) the assets of the Fund are invested based on the principle of risk diversification (with the assets which the Fund holds for permitted investment purposes, as opposed to liquidity purposes, at all times comprising more than three different assets, each bearing different investment risks and none of them being of minor value or minor relevance);

(v) in compliance with the provisions 1 to 4 of the Section headed PERMITTED INVESTMENTS and 1 of this APPENDIX I - ADDITIONAL RESTRICTIONS, at least 90% of the value of the Fund and of its total assets are invested in the following assets (the value of the Fund and the following assets in each case as defined for purposes of Section 1 paragraph 1b number 5 of the German Investment Tax Act): securities, money market instruments, derivatives, bank deposits, uncertificated loan receivables acquired through assignment and units or shares of German or non-German investment funds (Investmentfonds) falling under provision 1 (i) of this APPENDIX I - ADDITIONAL RESTRICTIONS;

(vi) the total investments of the Fund in shares in companies which within the meaning of the German Investment Tax Act are neither admitted to trading at an exchange nor traded at another organized market shall in the aggregate not exceed 20% of the Fund's net asset value within the meaning of Section 1 paragraph 1b number 6 of the German Investment Tax Act;

## Appendix I - Additional Restrictions cont/d...

- |  |          |   |
|--|----------|---|
| <p>(vii) the Fund's shares in a company must, on their own and also in the aggregate with other shares of the Trust in the respective company, represent less than 10% of the capital of the respective company; and</p> <p>(viii) the Fund shall not borrow (which term includes also overdrafts) other than short-time borrowings which in the aggregate do not exceed 10% of the net asset value of the Fund, provided this borrowing is on a temporary basis.</p>  | <p>6</p> | <p>The permitted investments which a Fund is confined to pursuant to provision 1 of the Section headed PERMITTED INVESTMENTS in this Prospectus are in each case prescribed in the Regulations and in the Central Bank UCITS Regulations.</p> |
| <p>3 A Fund shall hold liquidity (including any ancillary liquid assets within the meaning of provision 5.8 of the Section headed PERMITTED INVESTMENTS) only in the form of cash or, to the extent that the Fund is permitted to invest in them, in the form of other liquid assets falling under the provisions 1.1 to 1.3, under provisions 1.6 to 2.1 and, subject in particular to the restrictions set forth in provisions 3.1 to 3.5 of the Section headed PERMITTED INVESTMENTS and 1 of this APPENDIX I, under the provisions 1.4. and 1.5 of the Section headed PERMITTED INVESTMENTS. The assets held for liquidity purposes are taken into account in determining whether the investment restrictions under the section headed PERMITTED INVESTMENTS or under the Supplement for the relevant Fund and whether other limitations existing thereunder are adhered to.</p> |          |   |
| <p>4 A Fund shall not be a party to lending agreements regarding securities, money market instruments, units or shares of CIS, deposits, receivables or regarding FDI, neither as a borrower nor as a lender, and shall not acquire foreign currency by means of back-to-back loans.</p>   |          |   |
| <p>5 To the extent that a Fund is permitted to invest in assets falling under provision 2.2 of the Section headed PERMITTED INVESTMENTS, investments in such recently issued securities and in assets described in provision 2.1 of the Section headed PERMITTED INVESTMENTS shall in the aggregate not exceed 10% of net assets of the Fund.</p>  |          |   |



## Appendix II - Global Network of Sub-Custodians

### State Street Global Custody Network List

MARKET	SUBCUSTODIAN	DEPOSITARY
Albania	Raiffeisen Bank sh.a.	Bank of Albania
Australia	The Hongkong and Shanghai Banking Corporation Limited	Austraclear Limited
Austria	Deutsche Bank AG	OeKB Central Securities Depository GmbH
	UniCredit Bank Austria AG	
Bahrain	HSBC Bank Middle East Limited  (as delegate of The Hongkong and Shanghai Banking Corporation Limited)	Clearing, Settlement, Depository and Registry System of the Bahrain Bourse
Bangladesh	Standard Chartered Bank	Bangladesh Bank
		Central Depository Bangladesh Limited
Belgium	Deutsche Bank AG, Netherlands  (operating through its Amsterdam branch with support from its Brussels branch)	Euroclear Belgium
		National Bank of Belgium
Benin	Via Standard Chartered Bank Cote d'Ivoire S. A., Abidjan, Ivory Coast	Dépositaire Central - Banque de Règlement
		Banque Centrale des Etats d'Afrique de l'Ouest
Bermuda	HSBC Bank Bermuda Limited	Bermuda Securities Depository
Federation of Bosnia and Herzegovina	UniCredit bank d.d.	Registar vrijednosnih papira u Federaciji Bosne i Hercegovine, d.d.
Botswana	Standard Chartered Bank Botswana Limited	Bank of Botswana
		Central Securities Depository Company of Botswana Ltd.

## Appendix II - Global Network of Sub-Custodians cont/d...

### State Street Global Custody Network List cont/d...

MARKET	SUBCUSTODIAN	DEPOSITARY
Brazil	Citibank, N.A.	Central de Custódia e de Liquidação Financeira de Títulos Privados (CETIP)
		Companhia Brasileira de Liquidação e Custódia (CBLC)
		Sistema Especial de Liquidação e de Custódia (SELIC)
Bulgaria	Citibank Europe plc, Bulgaria Branch	Bulgarian National Bank
	UniCredit Bulbank AD	Central Depository AD
Burkina Faso	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast	Dépositaire Central - Banque de Règlement
		Banque Centrale des Etats d'Afrique de l'Ouest
Canada	State Street Trust Company Canada	The Canadian Depository for Securities Limited
Chile	Banco Itaú Chile S.A.	Depósito Central de Valores S.A.
People's Republic of China	HSBC Bank (China) Company Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)	China Securities Depository and Clearing Corporation Limited, Shanghai Branch
	China Construction Bank Corporation (for A-share market only)	China Securities Depository and Clearing Corporation Limited, Shenzhen Branch
	Citibank N.A. (for Shanghai - Hong Kong Stock Connect market only)	China Central Depository and Clearing Co., Ltd.
	The Hongkong and Shanghai Banking Corporation Limited (for Shanghai - Hong Kong Stock Connect market only)	

## Appendix II - Global Network of Sub-Custodians cont/d...

### State Street Global Custody Network List cont/d...

MARKET	SUBCUSTODIAN	DEPOSITARY
Colombia	Cititrust Colombia S.A. Sociedad Fiduciaria	Depósito Central de Valores
		Depósito Centralizado de Valores de Colombia S.A. (DECEVAL)
Costa Rica	Banco BCT S.A.	Interclear Central de Valores S.A.
Croatia	Privredna Banka Zagreb d.d.	Središnje klirinško depozitarno društvo d.d.
	Zagrebacka Banka d.d.	
Cyprus	BNP Paribas Securities Services, S.C.A., Greece (operating through its Athens branch)	Central Depository and Central Registry
Czech Republic	Československá obchodní banka, a.s.	Centrální depozitář cenných papírů, a.s.
	UniCredit Bank Czech Republic and Slovakia, a.s.	Česká národní banka (Czech National Bank)
Denmark	Nordea Bank AB (publ), Sweden (operating through its subsidiary, Nordea Bank Danmark A/S)	VP Securities A/S
	Skandinaviska Enskilda Banken AB (publ), Sweden (operating through its Copenhagen branch)	
Egypt	HSBC Bank Egypt S.A.E. (as delegate of The Hongkong and Shanghai Banking Corporation Limited)	Misr for Central Clearing, Depository and Registry S.A.E.
		Central Bank of Egypt
Estonia	AS SEB Pank	AS Eesti Väärtpaberikeskus

## Appendix II - Global Network of Sub-Custodians cont/d...

### State Street Global Custody Network List cont/d...

MARKET	SUBCUSTODIAN	DEPOSITARY
Finland	Nordea Bank AB (publ), Sweden (operating through its subsidiary, Nordea Bank Finland Plc.)	Euroclear Finland
	Skandinaviska Enskilda Banken AB (publ), Sweden (operating through its Helsinki branch)	
France	Deutsche Bank AG, Netherlands (operating through its Amsterdam branch with support from its Paris branch)	Euroclear France
Republic of Georgia	JSC Bank of Georgia	Georgian Central Securities Depository
		National Bank of Georgia
Germany	State Street Bank GmbH	Clearstream Banking AG, Frankfurt
	Deutsche Bank AG	
Ghana	Standard Chartered Bank Ghana Limited	Central Securities Depository (Ghana) Limited
Greece	BNP Paribas Securities Services, S.C.A.	Bank of Greece, System for Monitoring Transactions in Securities in Book-Entry Form
		Hellenic Central Securities Depository
Guinea-Bissau	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast	Dépositaire Central - Banque de Règlement
		Banque Centrale des Etats d'Afrique de l'Ouest
Hong Kong	Standard Chartered Bank (Hong Kong) Limited	Central Moneymarkets Unit
		Hong Kong Securities Clearing Company Limited
Hungary	Citibank Europe plc Magyarországi Fióktelepe	KELER Központi Értéktár Zrt.
	UniCredit Bank Hungary Zrt.	
Iceland	Landsbankinn hf.	Nasdaq verðbréfastöð hf.

## Appendix II - Global Network of Sub-Custodians cont/d...

### State Street Global Custody Network List cont/d...

MARKET	SUBCUSTODIAN	DEPOSITARY
India	Deutsche Bank AG	Central Depository Services (India) Limited
	The Hongkong and Shanghai Banking Corporation Limited	National Securities Depository Limited
		Reserve Bank of India
Indonesia	Deutsche Bank AG	Bank Indonesia
		PT Kustodian Sentral Efek Indonesia
Ireland	State Street Bank and Trust Company, United Kingdom branch	Euroclear UK & Ireland Limited
		Euroclear Bank S.A./N.V.
Israel	Bank Hapoalim B.M.	Tel Aviv Stock Exchange Clearing House Ltd. (TASE Clearing House)
Italy	Deutsche Bank S.p.A.	Monte Titoli S.p.A.
Ivory Coast	Standard Chartered Bank Côte d'Ivoire S.A.	Dépositaire Central - Banque de Règlement
		Banque Centrale des Etats d'Afrique de l'Ouest
Jamaica	Scotia Investments Jamaica Limited	Jamaica Central Securities Depository
Japan	Mizuho Bank, Limited	Bank of Japan - Financial Network System
	The Hongkong and Shanghai Banking Corporation Limited	Japan Securities Depository Center (JASDEC) Incorporated
Jordan	Standard Chartered Bank	Central Bank of Jordan
		Securities Depository Center
Kazakhstan	JSC Citibank Kazakhstan	Central Securities Depository
Kenya	Standard Chartered Bank Kenya Limited	Central Bank of Kenya
		Central Depository and Settlement Corporation Limited



## Appendix II - Global Network of Sub-Custodians cont/d...

### State Street Global Custody Network List cont/d...

MARKET	SUBCUSTODIAN	DEPOSITARY
Republic of Korea	Deutsche Bank AG	Korea Securities Depository
	The Hongkong and Shanghai Banking Corporation Limited	
Kuwait	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)	Kuwait Clearing Company
Latvia	AS SEB banka	Latvijas Centrālais Depozitārijs (Latvian Central Depository)
Lithuania	AB SEB bankas	Lietuvos Centrinis Vertybinių Popierių Depozitoriumas (Central Securities Depository of Lithuania)
Malawi	Standard Bank Limited	Reserve Bank of Malawi
Malaysia	Deutsche Bank (Malaysia) Berhad	Bank Negara Malaysia
Mali	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast	Dépositaire Central - Banque de Règlement
		Banque Centrale des Etats d'Afrique de l'Ouest
Mauritius	The Hongkong and Shanghai Banking Corporation Limited	Bank of Mauritius
Mexico	Banco Nacional de México, S.A.	S.D. Indeval, S.A. de C.V.
Morocco	Citibank Maghreb	Maroclear
Namibia	Standard Bank Namibia Limited	Bank of Namibia
Netherlands	Deutsche Bank AG	Euroclear Nederland
New Zealand	The Hongkong and Shanghai Banking Corporation Limited	New Zealand Central Securities Depository Limited
Niger	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast	Dépositaire Central - Banque de Règlement
		Banque Centrale des Etats d'Afrique de l'Ouest
Nigeria	Stanbic IBTC Bank Plc.	Central Bank of Nigeria
		Central Securities Clearing System Limited

## Appendix II - Global Network of Sub-Custodians cont/d...

### State Street Global Custody Network List cont/d...

MARKET	SUBCUSTODIAN	DEPOSITARY
Norway	Nordea Bank AB (publ), Sweden (operating through its subsidiary, Nordea Bank Norge ASA)	Verdipapirsentralen
	Skandinaviska Enskilda Banken AB (publ), Sweden (operating through its Oslo branch)	
Oman	HSBC Bank Oman S.A.O.G. (as delegate of The Hongkong and Shanghai Banking Corporation Limited)	Muscat Clearing & Depository Company S.A.O.G.
Pakistan	Deutsche Bank AG	Central Depository Company of Pakistan Limited
		State Bank of Pakistan
Palestine	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)	Clearing, Depository and Settlement system, a department of the Palestine Exchange
Panama	Citibank, N.A.	Central Latinoamericana de Valores, S.A. (LatinClear)
Peru	Citibank del Perú, S.A.	CAVALI S.A. Institución de Compensación y Liquidación de Valores
Philippines	Deutsche Bank AG	Philippine Depository & Trust Corporation
		Registry of Scripless Securities (ROSS) of the Bureau of the Treasury
Poland	Bank Handlowy w Warszawie S.A.	Rejestr Papierów Wartościowych
	Bank Polska Kasa Opieki S.A.	Krajowy Depozyt Papierów Wartościowych, S.A.
Portugal	Deutsche Bank AG, Netherlands (operating through its Amsterdam branch with support from its Lisbon branch)	INTERBOLSA - Sociedad Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A.
Puerto Rico	Citibank N.A.	see U.S. depositories

## Appendix II - Global Network of Sub-Custodians cont/d...

### State Street Global Custody Network List cont/d...

MARKET	SUBCUSTODIAN	DEPOSITARY
Qatar	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)	Qatar Central Securities Depository
Romania	Citibank Europe plc, Dublin - Romania Branch	National Bank of Romania S.C. Depozitarul Central S.A.
Russia	AO Citibank	National Settlement Depository
Saudi Arabia	HSBC Saudi Arabia Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)	Saudi Arabian Monetary Agency Tadawul Central Securities Depository
Senegal	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast	Dépositaire Central - Banque de Règlement Banque Centrale des Etats d'Afrique de l'Ouest
Serbia	UniCredit Bank Serbia JSC	Central Securities Depository and Clearinghouse
Singapore	Citibank N.A.  United Overseas Bank Limited	Monetary Authority of Singapore  The Central Depository (Pte.) Limited
Slovak Republic	UniCredit Bank Czech Republic and Slovakia a.s.	Centrálny depozitár cenných papierov SR, a.s.
Slovenia	UniCredit Banka Slovenija d.d.	KDD - Centralna klirinško depotna družba d.d.
South Africa	FirstRand Bank Limited  Standard Bank of South Africa Limited	Strate (Pty) Ltd.
Spain	Deutsche Bank S.A.E.	IBERCLEAR
Sri Lanka	The Hongkong and Shanghai Banking Corporation Limited	Central Bank of Sri Lanka Central Depository System (Pvt) Limited
Republic of Srpska	UniCredit Bank d.d.	Central Registry of Securities in the Republic of Srpska JSC

## Appendix II - Global Network of Sub-Custodians cont/d...

### State Street Global Custody Network List cont/d...

MARKET	SUBCUSTODIAN	DEPOSITARY
Swaziland	Standard Bank Swaziland Limited	Central Bank of Swaziland
Sweden	Nordea Bank AB (publ)	Euroclear Sweden
	Skandinaviska Enskilda Banken AB (publ)	
Switzerland	Credit Suisse AG	SIX SIS AG
	UBS Switzerland AG	
Taiwan - R.O.C.	Deutsche Bank AG	Central Bank of the Republic of China (Taiwan)
	Standard Chartered Bank (Taiwan) Limited	Taiwan Depository and Clearing Corporation
Tanzania	Standard Chartered Bank (Tanzania) Limited	Central Depository System (CDS), a department of the Dar es Salaam Stock Exchange
Thailand	Standard Chartered Bank (Thai) Public Company Limited	Thailand Securities Depository Company Limited
Togo	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast	Dépositaire Central - Banque de Règlement
		Banque Centrale des Etats d'Afrique de l'Ouest
Tunisia	Banque Internationale Arabe de Tunisie	Tunisie Clearing
Turkey	Citibank, A.Ş.	Central Bank of Turkey
	Deutsche Bank A.Ş.	Central Registry Agency
Uganda	Standard Chartered Bank Uganda Limited	Bank of Uganda
		Securities Central Depository
Ukraine	PJSC Citibank	National Depository of Ukraine
United Arab Emirates Dubai Financial Market	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)	Clearing, Settlement and Depository Division, a department of the Dubai Financial Market
United Arab Emirates Dubai International Financial Center	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)	Central Securities Depository, owned and operated by NASDAQ Dubai Limited
United Arab Emirates Abu Dhabi	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)	Clearing, Settlement, Depository and Registry department of the Abu Dhabi Securities Exchange

## Appendix II - Global Network of Sub-Custodians cont/d...

### State Street Global Custody Network List cont/d...

MARKET	SUBCUSTODIAN	DEPOSITARY
United Kingdom	State Street Bank and Trust Company, United Kingdom branch	Euroclear UK & Ireland Limited
United States	State Street Bank and Trust Company	Depository Trust & Clearing Corporation Federal Reserve Bank
Uruguay	Banco Itaú Uruguay S.A.	Banco Central del Uruguay
Venezuela	Citibank, N.A.	Banco Central de Venezuela Caja Venezolana de Valores
Vietnam	HSBC Bank (Vietnam) Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)	Vietnam Securities Depository
Zambia	Standard Chartered Bank Zambia Plc.	Bank of Zambia LuSE Central Shares Depository Limited
Zimbabwe	Stanbic Bank Zimbabwe Limited (as delegate of Standard Bank of South Africa Limited)	Chengetedzai Depository Company Limited Reserve Bank of Zimbabwe
Argentina	Citibank, N.A.*	Caja de Valores S.A.

\* Effective April 13, 2015, State Street began closing all securities accounts with Citibank, N.A. in Argentina that have no holdings. This action was taken due to circumstances with respect to our local custodial arrangements with Citibank, N.A. in Argentina, which no longer fully meets a standard of care such that, in State Street's determination, assets would be subject to reasonable care, based on the standards applicable to custodians in Argentina.

Transnational		Euroclear Bank S.A./N.V. Clearstream Banking, S.A.
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## Supplement - Muzinich Americayield Fund

This Supplement contains information relating specifically to Muzinich Americayield Fund (the “Fund”), a sub-fund of Muzinich Funds (the “Trust”), an open-ended umbrella unit trust with segregated liability between sub-funds authorised by the Central Bank as a UCITS.

**This Supplement forms part of the Prospectus and should be read in conjunction with the Prospectus.** Capitalised terms not defined herein shall have the same meaning as in the Prospectus.

### 1 Investment Objective

The Fund seeks to generate attractive returns and protect capital.

### 2 Investment Policies

The Investment Manager seeks to meet its objective through the careful selection of debt securities issued primarily by US corporate borrowers that, at the time of purchase, have a Moody's or equivalent rating of at least B3, but typically less than A.

The Fund primarily invests in publicly traded debt securities (including notes, such as floating rate short-term and medium-term notes, Contingent Convertible Securities and bonds) of US corporate borrowers generally traded on Recognised Exchanges in the US. Such bonds will be rated by Moody's/Standard & Poor's (or as deemed equivalent by the Investment Manager) at least B3/B-, but typically less than A, lower in the event of a downgrade of an existing holding, or higher from time to time. When market forces so dictate, the Fund may increase its average rating generally by decreasing exposure to lower-rated corporate debt (e.g. bonds) and increasing exposure to higher-rated corporate debt, government obligations, or other money market instruments (including but not limited to OECD government bills, treasury notes, commercial paper and certificates of deposit) traded generally on Recognised Exchanges in the US.

The Fund may utilise futures, options, credit default swaps (only to buy protection), interest rate swaps and forward currency contracts (details of which are set out in the section headed “FINANCIAL DERIVATIVE INSTRUMENTS AND TECHNIQUES FOR EFFICIENT PORTFOLIO MANAGEMENT” in the Prospectus), solely for hedging purposes and/or to protect against currency exchange risks in accordance with the conditions and limits of the Central Bank. The

Fund will not use derivatives for investment purposes nor for speculative purposes. Details of any forward currency transactions entered into by the Investment Manager on behalf of the Fund will be set out in the periodic reports relating to the Fund. The Fund will not speculate on interest rate fluctuations.

The Fund may invest in broken convertible bonds, as detailed in the section headed “FINANCIAL DERIVATIVE INSTRUMENTS AND TECHNIQUES FOR EFFICIENT PORTFOLIO MANAGEMENT” in the Prospectus. The Fund will not be leveraged as a result of an investment in Contingent Convertible Securities or broken convertible bonds. Investments (if any) in Contingent Convertible Securities will be limited and are not expected to form a material part of the portfolio.

The Fund may invest in other open-ended collective investment schemes, with similar investment policies to the Fund, subject to a limit of 10% of the Net Asset Value of the Fund being invested in aggregate in units/shares of other collective investment schemes, which include UCITS or non-UCITS ETFs which are considered to be collective investment schemes. The Fund may invest in ETFs for the purpose of gaining indirect exposure to debt securities, as detailed above. It is intended that the ETFs in which the Fund may invest will be listed on a Recognised Exchange, and will be domiciled in, or have exposure to, the US. Within the 10% limit for investment in other collective investment schemes, the Fund may invest a maximum of 2% of its Net Asset Value in other Funds of the Trust, subject to and in accordance with the requirements of the Central Bank.

### 3 Investment Strategy

The Investment Manager seeks to invest the Fund in companies it considers to be sound, well-positioned enterprises possessing attractive longer term prospects and which also offer, in the Investment Manager's opinion, attractive risk-adjusted returns. The Investment Manager's proprietary research process is credit-intensive. Investment decisions are generally based on quantitative and qualitative analysis using internally generated financial models and projections. Diversified portfolios are built to reflect the Investment Manager's decisions about credit-worthiness and industry merit. The Investment Manager emphasises a rigorous and

## Supplement - Muzinich Americayield Fund cont/d...

### 3 Investment Strategy cont/d...

proactive sell discipline to seek to mitigate downside volatility, particularly as higher-yielding credits may entail greater risk.

The Muzinich Portfolio Risk Analytics Committee, which is independent of the portfolio management team, regularly monitors portfolios to check for securities' portfolio suitability, to assess absolute risk, and to confirm cross-portfolio consistency and compliance with guidelines using both proprietary models and outside services.

### 4 Profile of a Typical Investor

An investment in the Fund is suitable for investors seeking higher returns than those available in investment grade credits over a 3-5 year period and who can tolerate a medium level of volatility.

### 5 Borrowing and Leverage

The Fund will not be leveraged and the Investment Manager does not intend that the Fund will borrow.

### 6 Investment Restrictions

The Fund must comply with the investment restrictions outlined in the Prospectus in the sections headed "PERMITTED INVESTMENTS" and "APPENDIX I - ADDITIONAL RESTRICTIONS".

### 7 Risk Factors

Prospective investors should refer to the sections headed "General Risks" and "Fund Specific Risks" in the Prospectus before investing in the Fund.

### 8 Key Information for Buying and Selling Units

#### 8.1 Base Currency

The Base Currency of the Fund is US\$.

#### 8.2 Dealing Frequency and Dealing Deadline

<b>Dealing Day</b>	Each Business Day
<b>Dealing Deadline (Subscriptions and Redemptions)</b>	4.00 p.m. (Irish time) on the relevant Dealing Day

#### 8.3 Minimum Subscription

For details on the minimum initial subscription amounts applicable to the Classes for the Fund,

please refer to the section headed "Minimum Subscription" in the Prospectus.

#### 8.4 Initial Offer Period and Initial Offer Price

The initial offer period of the Units in the Fund shall be 9.00 am (Irish time) on 27 December 2017 to 5.00 p.m. on 26 June 2018 or such longer or shorter period as may be determined by the Manager and notified to the Central Bank.

Units which are yet to launch, other than Units denominated in JPY, shall be fixed for each relevant currency at 100 per Unit. Units denominated in JPY shall have an initial issue price during the initial offer period at JPY1.0000 per Unit.

Following the launch of the relevant Units in the Fund, Units shall be issued at a price equal to the Net Asset Value per Unit (plus duties and charges as applicable).

### 9 Distribution Policy

For details on the distribution policy applicable to the relevant Classes for the Fund, please refer to the section headed "Distribution Policy" in the Prospectus.

### 10 Fees and Expenses

#### 10.1 Fees

The Manager Fees, Administrative Fees and performance fees applicable to the Classes for the Fund are as set out in the section headed "Unit Class Information" below.

#### 10.2 Charges

The charges applicable to the Fund are set out below and should be read in conjunction with the section headed "Charges" in the Prospectus.

<b>Subscription Fee</b>	Not to exceed 1% of the Net Asset Value per Unit*
<b>Redemption Fee</b>	Not to exceed 1% of the Net Asset Value per Unit

Further details of the fees and expenses payable out of the assets of the Fund are disclosed in the section headed "FEES AND EXPENSES" in the Prospectus.

\* P Units are not subject to the subscription fee.

## Supplement - Muzinich Americayield Fund cont/d...

### 11 Unit Class Information

Units are available in each unit category and unit type as hedged classes and unhedged classes in the following currencies: AUD, CAD, CHF, CZK, DKK, EUR, GBP, HKD, ISK, JPY, NOK, RMB, SEK, SGD and USD.

Unit Class	Available	Maximum Annual Manager Fee**	Annual Administrative Fee	Performance Fee
R Units	Accumulation and Income	1.50%	N/A	N/A
A Units	Accumulation and Income	1.00%	N/A	N/A
H Units**	Accumulation and Income	0.65%	N/A	N/A
S Units***	Accumulation and Income	0.55%	N/A	N/A
P Units	Accumulation and Income	1.80%	0.05%	N/A
M Units	Accumulation and Income	0.85%	N/A	N/A
X Units***	Accumulation and Income	N/A	N/A	N/A
G Units***	Accumulation and Income	0.65%	N/A	N/A
G1 Units***	Accumulation and Income	0.65%	N/A	N/A

The following naming convention applies to the title of each Class of Unit:

Hedging status/ Currency/ Unit type available/ Unit category /Distribution frequency\*\*\*\* (i.e. Hedged Euro Accumulation X).

\*\*H Units are available to institutional investors (for investors in the European Union, this means “Eligible Counterparties” as defined under MIFID II) investing for their own account. In addition, H Units are available to investors that are not allowed to accept and retain commissions due to regulatory requirements or due to individual fee arrangements with their clients. In such circumstances, the H Units minimum initial subscription will not be applicable at the discretion of the Manager.

\*\*\* Acceptance by the Manager of subscriptions in this Class is conditional upon the execution of a separate agreement between the investor and the Investment Manager or an affiliate.

\*\*\*\* Only applicable to (Monthly) and (Quarterly) Units.

## Supplement - Muzinich Bondyield ESG Fund

This Supplement contains information relating specifically to Muzinich Bondyield ESG Fund (the “Fund”), a sub-fund of Muzinich Funds (the “Trust”), an open-ended umbrella unit trust with segregated liability between sub-funds authorised by the Central Bank as a UCITS.

**This Supplement forms part of the Prospectus and should be read in conjunction with the Prospectus.** Capitalised terms not defined herein shall have the same meaning as in the Prospectus.

### 1 Investment Objective

The Fund seeks to protect capital and generate attractive returns which exceed those available from similar duration Benchmark Government Bonds.

### 2 Investment Policies

The Investment Manager seeks to meet its objective through a prudently managed corporate bond portfolio with an average investment grade rating and which has a focus on environmental, social, and governance policies.

The Fund primarily invests in debt securities (including fixed and floating rate notes, Contingent Convertible Securities and bonds) which are publicly traded on Recognised Exchanges and which are issued by companies domiciled in or having their principal place of business in the US, European Union, or other OECD Member Countries. Such bonds will be rated by Moody’s or Standard & Poor’s (or as deemed equivalent by the Investment Manager) at least B3 or B- at the time of purchase. However, the Fund’s portfolio will maintain an average investment grade Moody’s, Standard & Poor’s, or equivalent rating of at least Baa3 or BBB-, respectively, and will at all times invest at least 60% of its Net Asset Value in investment grade bonds (including ancillary liquid assets). No more than 40% of the Fund’s Net Asset Value may be rated below investment grade. The Fund’s investment portfolio will consist of at least 50 issuers with no issuer comprising more than 3% of the Fund’s Net Asset Value.

The Fund seeks to invest in bonds issued by companies that, upon research, meet the Investment Manager’s criteria for offering compelling financial risk/reward characteristics, but which also meet certain minimum standards for environmental, social, and governance (ESG) policies. The Investment Manager focuses on investing in companies it deems not only

creditworthy, but also well-run with regard to their ESG exposures.

The Investment Manager defines environmental exposures as a company’s environmental impact, recognizing that damaging environmental practices can be not only harmful for people, but that liability for such impact can be costly to a company. Companies will be assessed both for their absolute environmental impact, as well as their relative impact versus other companies in the same industry.

The Investment Manager defines social exposure as a company’s interaction with its stakeholders and with the overall community that supports its operations. The Investment Manager recognizes that different companies in different industries pose exposures that will be assessed in an industry-relevant framework.

The Investment Manager believes that governance exposure includes, but is not limited to, a company’s ethical standards and transparency practices.

The Fund will be assisted in evaluating companies for their ESG proficiency by experienced, independent ESG advisers. The Investment Manager will not buy securities the independent advisers consider in violation of minimum standards of business practice as codified by the principles of the United Nations Global Compact, a description of global ethical standards. The Investment Manager, through its ESG advisers, will monitor portfolio companies for their ongoing compliance with the Fund’s ESG standards.

The Fund may utilise futures, options, credit default swaps (only to buy protection), interest rate swaps and forward currency contracts, solely for hedging purposes and/or to protect against currency, interest rate and credit risks, in accordance with the conditions and limits of the Central Bank. The Fund will not use derivatives for investment purposes nor for speculative purposes. Details of any forward currency transactions entered into by the Investment Manager on behalf of the Fund will be set-out in the periodic reports relating to the Fund. The Fund will not speculate on interest rate fluctuations. A description of such techniques and instruments is set out in the section headed “FINANCIAL DERIVATIVE INSTRUMENTS AND TECHNIQUES FOR EFFICIENT PORTFOLIO MANAGEMENT”.

## Supplement - Muzinich Bondyield ESG Fund cont/d...

### 2 Investment Policies cont/d...

The Fund will not invest in equities. The Fund may invest in broken convertible bonds, as detailed in the section headed "FINANCIAL DERIVATIVE INSTRUMENTS AND TECHNIQUES FOR EFFICIENT PORTFOLIO MANAGEMENT". The Fund will not be leveraged as a result of an investment in Contingent Convertible Securities or broken convertible bonds. Investments (if any) in Contingent Convertible Securities will be limited and are not expected to form a material part of the portfolio.

The use of interest rate swaps is subject to the following restrictions (i) such swaps are used in conjunction with assets held by the Fund, (ii) the commitments undertaken in the context of such transactions shall not exceed the value of the assets in conjunction with which they shall have been entered into, and (iii) entering into the swap transactions shall not unduly restrict the liquidity of the portfolio of the Fund. Interest rate swaps will not be used for the purposes of gearing or leveraging.

The Investment Manager may maintain a certain level of liquidity in the Fund. The liquid assets may be in the form of cash balances and/or money market instruments (including but not limited to OECD government bills, treasury notes, commercial paper and certificates of deposit) ordinarily deemed to be used for such a purpose.

The Fund may invest in other open-ended collective investment schemes, with similar investment policies to the Fund, subject to a limit of 10% of the Net Asset Value of the Fund being invested in aggregate in units/shares of other collective investment schemes, which include UCITS or non-UCITS ETFs which are considered to be collective investment schemes. The Fund may invest in ETFs for the purpose of gaining indirect exposure to debt securities, as detailed above. It is intended that the ETFs in which the Fund may invest will be listed on a Recognised Exchange, and will be domiciled in, or have exposure to the US, the European Union, or OECD Member Countries. Within the 10% limit for investment in other collective investment schemes, the Fund may invest a maximum of 2% of its Net Asset Value in other Funds of the Trust, subject to and in accordance with the requirements of the Central Bank.

The Investment Manager may invest, through the purchase of loan receivables, in assignments of existing corporate loan receivables (which are collateralised, freely transferable, traded on a regulated market and unlisted); this is subject to an overall limit of 9.9% of the Net Asset Value of the Fund being invested in loans, in any other investments (including, without limitation, investments for liquidity purposes) to which paragraph 2.1 or sentence 1 or 2 of paragraph 2.2 of the section headed "PERMITTED INVESTMENTS" is applicable and in unlisted securities generally.

### 3 Investment Strategy

The Investment Manager seeks to invest the Fund in companies it considers to be sound, well-positioned enterprises possessing attractive longer term prospects and which also offer, in the Investment Manager's opinion, attractive risk adjusted returns and attractive environmental, social, and governance characteristics. The Investment Manager's proprietary research process is credit-intensive. Investment decisions are generally based on quantitative and qualitative analysis using internally generated financial models and projections. Diversified portfolios are built to reflect the Investment Manager's decisions about credit-worthiness and industry merit. The Investment Manager emphasises a rigorous and proactive sell discipline to seek to mitigate downside volatility, particularly as higher-yielding credits may entail greater risk.

The Muzinich Portfolio Risk Analytics Committee, which is independent of the portfolio management team, regularly monitors portfolios to check for securities' portfolio suitability, to assess absolute risk, and to confirm cross-portfolio consistency and compliance with guidelines using both proprietary models and outside services.

### 4 Profile of a Typical Investor

An investment in the Fund is suitable for investors seeking higher returns than those available in similar duration investment grade Benchmark Government Bonds over a 3-5 year period and can tolerate a medium level of volatility.

### 5 Borrowing and Leverage

The Fund will not be leveraged and the Investment Manager does not intend that the Fund will borrow.



## Supplement - Muzinich Bondyield ESG Fund cont/d...

### 6 Investment Restrictions

The Fund must comply with the investment restrictions outlined in the Prospectus in the sections headed “PERMITTED INVESTMENTS” and “APPENDIX I - ADDITIONAL RESTRICTIONS”.

### 7 Risk Factors

Prospective investors should refer to the sections headed “General Risks” and “Fund Specific Risks” in the Prospectus before investing in the Fund.

### 8 Key Information for Buying and Selling Units

#### 8.1 Base Currency

The Base Currency of the Fund is Euro.

#### 8.2 Dealing Frequency and Dealing Deadline

<b>Dealing Day</b>	Each Business Day
<b>Dealing Deadline (Subscriptions and Redemptions)</b>	4.00 p.m. (Irish time) on the relevant Dealing Day

#### 8.3 Minimum Subscription

For details on the minimum initial subscription amounts applicable to the Classes for the Fund, please refer to the section headed “Minimum Subscription” in the Prospectus.

#### 8.4 Initial Offer Period and Initial Offer Price

The initial offer period of the Units in the Fund shall be 9.00 am (Irish time) on 27 December 2017 to 5.00 p.m. on 26 June 2018 or such longer or shorter period as may be determined by the Manager and notified to the Central Bank.

Units which are yet to launch, other than Units denominated in JPY, shall be fixed for each relevant currency at 100 per Unit. Units denominated in JPY shall have an initial issue price during the initial offer period at JPY1.0000 per Unit.

Following the launch of the relevant Units in the Fund, Units shall be issued at a price equal to the Net Asset Value per Unit (plus duties and charges as applicable).

### 9 Distribution Policy

For details on the distribution policy applicable to the relevant Classes for the Fund, please refer to the section headed “Distribution Policy” in the Prospectus.

### 10 Fees and Expenses

#### 10.1 Fees

The Manager Fees, Administrative Fees and performance fees applicable to the Classes for the Fund are as set out in the section headed “Unit Class Information” below.

#### 10.2 Charges

The charges applicable to the Fund are set out below and should be read in conjunction with the section headed “Charges” in the Prospectus.

<b>Subscription Fee</b>	Not to exceed 1% of the Net Asset Value per Unit*
<b>Redemption Fee</b>	Not to exceed 1% of the Net Asset Value per Unit

Further details of the fees and expenses payable out of the assets of the Fund are disclosed in the section headed “FEES AND EXPENSES” in the Prospectus.

\* P Units are not subject to the subscription fee.

## Supplement - Muzinich Bondyield ESG Fund cont/d...

### 11 Unit Class Information

Units are available in each unit category and unit type as hedged classes and unhedged classes in the following currencies: AUD, CAD, CHF, CZK, DKK, EUR, GBP, HKD, ISK, JPY, NOK, RMB, SEK, SGD and USD.

Unit Class	Available	Maximum Annual Manager Fee	Annual Administrative Fee	Performance Fee
R Units	Accumulation and Income	1.10%	0.06%	N/A
A Units	Accumulation and Income	0.70%	0.06%	N/A
H Units**	Accumulation and Income	0.50%	0.06%	N/A
S Units***	Accumulation and Income	0.40%	0.06%	N/A
P Units	Accumulation and Income	1.40%	0.05%	N/A
M Units	Accumulation and Income	0.60%	0.06%	N/A
Founder Units***	Income	0.35%	0.06%	N/A
X Units***	Accumulation and Income	N/A	0.06%	N/A
G Units***	Accumulation and Income	0.50%	0.06%	N/A
G1 Units***	Accumulation and Income	0.50%	0.06%	N/A

The following naming convention applies to the title of each Class of Unit:

Hedging status/ Currency/ Unit type available/ Unit category / Distribution frequency\*\*\*\* (i.e. Hedged Euro Accumulation X).

\*\* H Units are available to institutional investors (for investors in the European Union, this means “Eligible Counterparties” as defined under MIFID II) investing for their own account. In addition, H Units are available to investors that are not allowed to accept and retain commissions due to regulatory requirements or due to individual fee arrangements with their clients. In such circumstances, the H Units minimum initial subscription will not be applicable at the discretion of the Manager.

\*\*\* Acceptance by the Manager of subscriptions in this Class is conditional upon the execution of a separate agreement between the investor and the Investment Manager or an affiliate.

\*\*\*\* Only applicable to (Monthly) and (Quarterly) Units

## Supplement - Muzinich Emerging Markets Short Duration Fund

This Supplement contains information relating specifically to Muzinich Emerging Markets Short Duration Fund (the “Fund”), a sub-fund of Muzinich Funds (the “Trust”), an open-ended umbrella unit trust with segregated liability between sub-funds authorised by the Central Bank as a UCITS.

**This Supplement forms part of the Prospectus and should be read in conjunction with the Prospectus.** Capitalised terms not defined herein shall have the same meaning as in the Prospectus.

### 1 Investment Objective

The Fund seeks to protect capital and generate attractive returns which exceed those available from similar duration Benchmark Government Bonds.

### 2 Investment Policies

The Investment Manager seeks to meet its objective through prudent investments primarily in short duration emerging market debt. The Fund will primarily purchase fixed and/or floating rate corporate and government debt instruments *i.e.* bonds and existing corporate loan receivables (which are collateralised, freely transferable, traded on a regulated market and unlisted), subject to a 9.9% limit in corporate loans as further detailed below, with relatively short durations, specifically investing in select short maturity and callable issues and floating rate instruments. The Fund’s short duration profile affords investors a degree of protection against rising interest rates.

The Fund will primarily focus on debt instruments with ratings in the B/BB/BBB ratings categories as cited by Moody’s and/or Standard & Poor’s (or as deemed equivalent by the Investment Manager), but may also invest in higher rated securities.

The Fund is expected to primarily invest in corporate and government debt instruments, denominated in US\$ or other hard currencies, of borrowers registered in or doing business mainly in emerging markets (Asia, Africa, Latin America and certain parts of Europe) but, to a lesser extent, may also invest in European and North American companies with emerging market exposure. Investments may also be made in local emerging market currencies. The securities/instruments in which the Fund will invest will be listed and/or traded on a Recognised Exchange (as defined in the Prospectus). The Fund may also invest in

Contingent Convertible Securities but such investments (if any) will be limited and are not expected to form a material part of the portfolio.

The Investment Manager intends that at the time of purchase the minimum credit rating will be B3/B- as rated by Moody’s and/or Standard & Poor’s (or as deemed equivalent by the Investment Manager). In the event of a downgrade of the credit rating of any security below the B3/B- level, the Investment Manager will review the Fund’s holding of the security. The security may be retained by the Fund if the Investment Manager determines that it would be in the interest of the Fund and its Unitholders to do so.

The Fund’s investments will be well diversified across a broad variety of issuers and industries. The maximum average duration to worst will be 2.5 years, but may increase to 3 years as a result of market price movement. Investments in a single corporate issuer will not exceed 3% of the Net Asset Value of the Fund.

The Fund may invest in broken convertible bonds, as detailed in the section headed “FINANCIAL DERIVATIVE INSTRUMENTS AND TECHNIQUES FOR EFFICIENT PORTFOLIO MANAGEMENT”. The Fund will not be leveraged as a result of an investment in Contingent Convertible Securities or broken convertible bonds.

The Fund may also, in accordance with the requirements of the Central Bank, invest 10% of its Net Asset Value in UCITS and/or Non-UCITS collective investment schemes which have investment policies permitting investments in the same types of securities and instruments as permitted by the investment policy of the Fund, for the purpose of efficiently gaining diversified exposure to certain of these securities and instruments, or to certain geographies or sectors.

Within the 10% limit for investment in other collective investment schemes, the Fund may invest a maximum of 2% of its Net Asset Value in other Funds of the Trust, subject to and in accordance with the requirements of the Central Bank relating to cross-investment.

The Fund may utilise futures, options, credit default swaps (only to buy protection), interest rate swaps and forward currency contracts as described in the section headed “FINANCIAL DERIVATIVE INSTRUMENTS AND TECHNIQUES FOR EFFICIENT PORTFOLIO MANAGEMENT”, solely for

## Supplement - Muzinich Emerging Markets Short Duration Fund cont/d...

### 2 Investment Policies cont/d...

hedging purposes and/or to protect against interest rate and/or exchange risks in accordance with the conditions and limits of the Central Bank.

Details of any forward currency transactions or interest rate swap transactions entered into by the Investment Manager on behalf of the Fund will be set-out in the periodic reports relating to the Fund. The Fund will not speculate on interest rate fluctuations. On the basis that FDI will only be used for hedging purposes and/or to protect against interest rate and/or exchange risks, the Fund does not intend to be leveraged through the use of FDI. Whilst it is anticipated that the global exposure for the aforementioned FDI will typically be nil, a small amount of global exposure may arise due to market movements if a position inadvertently becomes over hedged. Any such inadvertently over-hedged positions will be re-weighted in accordance with the requirements of the Central Bank (see section headed "Hedged Classes" below).

The Investment Manager may invest, through the purchase of loan receivables, in assignments of existing corporate loan receivables (which are collateralised, freely transferable, traded on a regulated market and unlisted); this is subject to an overall limit of 9.9% of the Net Asset Value of the Fund being invested in loans, in any other investments (including, without limitation, investments for liquidity purposes) to which paragraph 2.1 or sentence 1 or 2 of paragraph 2.2 of the section headed "PERMITTED INVESTMENTS" is applicable and in unlisted securities generally.

Whilst it is the intention that the Fund be fully invested as described above, the Investment Manager retains the flexibility to invest substantially in cash and/or money market instruments, to include but not limited to, OECD government bills, treasury notes, commercial paper and certificates of deposit in circumstances where the Investment Manager considers it to be in the best interest of the Fund to do so.

### 3 Investment Strategy

The Investment Manager's proprietary research process is credit-intensive. Investment decisions are generally based on quantitative and qualitative analysis using internally generated financial models and projections. Diversified portfolios are built to reflect the Investment Manager's decisions

about credit-worthiness and industry merit. The Investment Manager emphasizes a rigorous and proactive sell discipline to seek to mitigate downside volatility.

The Muzinich Portfolio Risk Analytics Committee, which is independent of the portfolio management team, regularly monitors portfolios to check for securities' portfolio suitability, to assess absolute risk, and to confirm cross-portfolio consistency and compliance with similar duration guidelines using both proprietary models and outside services.

### 4 Profile of a Typical Investor

An investment in the Fund is suitable for investors seeking higher returns than those available from similar duration Benchmark Government Bonds over a 3-5 year period and who can tolerate a medium to high level of volatility.

### 5 Borrowing and Leverage

The Fund will not be leveraged and the Investment Manager does not intend that the Fund will borrow.

### 6 Investment Restrictions

The Fund must comply with the investment restrictions outlined in the Prospectus in the sections headed "PERMITTED INVESTMENTS" and "APPENDIX I - ADDITIONAL RESTRICTIONS".

### 7 Risk Factors

Prospective investors should refer to the sections headed "General Risks" and "Fund Specific Risks" in the Prospectus before investing in the Fund.

### 8 Key Information for Buying and Selling Units

#### 8.1 Base Currency

The Base Currency of the Fund is US\$.

#### 8.2 Dealing Frequency and Dealing Deadline

<b>Dealing Day</b>	Each Business Day
<b>Dealing Deadline (Subscriptions and Redemptions)</b>	4.00 p.m. (Irish time) on the relevant Dealing Day

## Supplement - Muzinich Emerging Markets Short Duration Fund cont/d...

### 8 Key Information for Buying and Selling Units cont/d...

#### 8.3 Minimum Subscription

For details on the minimum initial subscription amounts applicable to the Classes for the Fund, please refer to the section headed "Minimum Subscription" in the Prospectus.

#### 8.4 Initial Offer Period and Initial Offer Price

The initial offer period of the Units in the Fund shall be 9.00 am (Irish time) on 27 December 2017 to 5.00 p.m. on 26 June 2018 or such longer or shorter period as may be determined by the Manager and notified to the Central Bank.

Units which are yet to launch, other than Units denominated in JPY, shall be fixed for each relevant currency at 100 per Unit. Units denominated in JPY shall have an initial issue price during the initial offer period at JPY1.0000 per Unit.

Following the launch of the relevant Units in the Fund, Units shall be issued at a price equal to the Net Asset Value per Unit (plus duties and charges as applicable).

### 9 Distribution Policy

For details on the distribution policy applicable to the relevant Classes for the Fund, please refer to the section headed "Distribution Policy" in the Prospectus.

### 10 Fees and Expenses

#### 10.1 Fees

The Manager Fees, Administrative Fees and performance fees applicable to the Classes for the Fund are as set out in the section headed "Unit Class Information" below.

#### 10.2 Charges

The charges applicable to the Fund are set out below and should be read in conjunction with the section headed "Charges" in the Prospectus.

<b>Subscription Fee</b>	Not to exceed 1% of the Net Asset Value per Unit*
<b>Redemption Fee</b>	Not to exceed 2% of the Net Asset Value per Unit

Further details of the fees and expenses payable out of the assets of the Fund are disclosed in the section headed "FEES AND EXPENSES" in the Prospectus.

\* P Units are not subject to the subscription fee.

## Supplement - Muzinich Emerging Markets Short Duration Fund cont/d...

### 11 Unit Class Information

Units are available in each unit category and unit type as hedged classes and unhedged classes in the following currencies: AUD, CAD, CHF, CZK, DKK, EUR, GBP, HKD, ISK, JPY, NOK, RMB, SEK, SGD and USD.

Unit Class	Available	Maximum Annual Manager Fee**	Annual Administrative Fee	Performance Fee
R Units	Accumulation and Income	1.10%	0.06%	N/A
A Units	Accumulation and Income	0.80%	0.06%	N/A
H Units**	Accumulation and Income	0.60%	0.06%	N/A
S Units***	Accumulation and Income	0.50%	0.06%	N/A
P Units	Accumulation and Income	1.45%	0.05%	N/A
M Units	Accumulation and Income	0.70%	0.06%	N/A
X Units***	Accumulation and Income	N/A	0.06%	N/A
G Units***	Accumulation and Income	0.60%	0.06%	N/A
G1 Units***	Accumulation and Income	0.60%	0.06%	N/A

The following naming convention applies to the title of each Class of Unit:

Hedging status/ Currency/ Unit type available/ Unit category /Distribution frequency\*\*\*\* (i.e. Hedged Euro Accumulation X).

\*\* H Units are available to institutional investors (for investors in the European Union, this means “Eligible Counterparties” as defined under MIFID II) investing for their own account. In addition, H Units are available to investors that are not allowed to accept and retain commissions due to regulatory requirements or due to individual fee arrangements with their clients. In such circumstances, the H Units minimum initial subscription will not be applicable at the discretion of the Manager.

\*\*\* Acceptance by the Manager of subscriptions in this Class is conditional upon the execution of a separate agreement between the investor and the Investment Manager or an affiliate.

\*\*\*\* Only applicable to (Monthly) and (Quarterly) Units



## Supplement - Muzinich Enhancedyield Short-Term Fund

This Supplement contains information relating specifically to Muzinich Enhancedyield Short-Term Fund (the “Fund”), a sub-fund of Muzinich Funds (the “Trust”), an open-ended umbrella unit trust with segregated liability between sub-funds authorised by the Central Bank as a UCITS.

**This Supplement forms part of the Prospectus and should be read in conjunction with the Prospectus.** Capitalised terms not defined herein shall have the same meaning as in the Prospectus.

### 1 Investment Objective

The Fund seeks to protect capital and generate attractive returns which exceed those available from similar duration Benchmark Government Bonds.

### 2 Investment Policies

The Investment Manager seeks to meet its objective through construction of a prudently managed portfolio of corporate bonds with attractive risk and reward characteristics, an average investment grade rating. The Investment Manager generally targets an average duration to worst of no more than 2 years; but, due to market conditions, the average duration to worst may at times be as high as 3 years.

The Fund primarily invests in corporate debt securities (including fixed and floating rate notes and bonds, Contingent Convertible Securities) or in US and European Treasury Bonds and US and European Agency Bonds, which are publicly traded on Recognised Exchanges. The Fund maintains an average investment grade Moody's or Standard & Poor's rating (or as deemed equivalent by the Investment Manager) of at least Baa3 or BBB-, respectively, and will at all times invest at least 60% of its Net Asset Value in investment grade bonds (including ancillary liquid assets). No more than 40% of the Fund's Net Asset Value may be rated below investment grade, and the minimum permissible rating of a security will be B3/B- by at least one rating agency (or as deemed equivalent by the Investment Manager). The Fund's investment portfolio will be diversified as to issuer and industry, with no single corporate issuer comprising more than 3% of the Fund's Net Asset Value. The Fund has no geographic limitation.

The Fund may utilise futures, options, credit default swaps (only to buy protection), interest rate swaps and forward currency contracts (details of which are set out in the section headed “FINANCIAL DERIVATIVE INSTRUMENTS AND

TECHNIQUES FOR EFFICIENT PORTFOLIO MANAGEMENT”), solely for hedging purposes and/or to protect against exchange risks in accordance with the conditions and limits of the Central Bank. The Fund will not use derivatives for investment purposes nor for speculative purposes. Details of any forward currency transactions entered into by the Investment Manager on behalf of the Fund will be set-out in the periodic reports relating to the Fund. The Fund will not speculate on interest rate fluctuations.

The Fund may invest in broken convertible bonds, as detailed in the section headed “FINANCIAL DERIVATIVE INSTRUMENTS AND TECHNIQUES FOR EFFICIENT PORTFOLIO MANAGEMENT”. The Fund will not be leveraged as a result of an investment in Contingent Convertible Securities or broken convertible bonds. Investments (if any) in Contingent Convertible Securities will be limited and are not expected to form a material part of the portfolio.

The Fund may invest in other open-ended collective investment schemes, with similar investment policies to the Fund, subject to a limit of 10% of the Net Asset Value of the Fund being invested in aggregate in units/shares of other collective investment schemes, which include UCITS or non-UCITS ETFs which are considered to be collective investment schemes. The Fund may invest in ETFs for the purpose of gaining indirect exposure to debt securities, as detailed above. It is intended that the ETFs in which the Fund may invest will be listed on a Recognised Exchange, and will be domiciled in, or have exposure to Europe and/or North America. Within the 10% limit for investment in other collective investment schemes, the Fund may invest a maximum of 2% of its Net Asset Value in other Funds of the Trust, subject to and in accordance with the requirements of the Central Bank.

The Investment Manager may invest, through the purchase of loan receivables, in assignments of existing corporate loan receivables (which are collateralised, freely transferable, traded on a regulated market and unlisted); this is subject to an overall limit of 9.9% of the Net Asset Value of the Fund being invested in loans, in any other investments (including, without limitation, investments for liquidity purposes) to which paragraph 2.1 or sentence 1 or 2 of paragraph 2.2 of the section headed “PERMITTED INVESTMENTS” is applicable and in unlisted securities generally.

## Supplement - Muzinich Enhancedyield Short-Term Fund cont/d...

### 3 Investment Strategy

The Investment Manager seeks to invest the Fund in companies it considers to be sound, well-positioned enterprises possessing attractive longer term prospects and which also offer, in the Investment Manager's opinion, attractive risk-adjusted returns. The Investment Manager's proprietary research process is credit-intensive. Investment decisions are generally based on quantitative and qualitative analysis using internally generated financial models and projections. Diversified portfolios are built to reflect the Investment Manager's decisions about credit-worthiness and industry merit. The Investment Manager emphasises a rigorous and proactive sell discipline to seek to mitigate downside volatility, particularly as higher-yielding credits may entail greater risk.

The Muzinich Portfolio Risk Analytics Committee, which is independent of the portfolio management team, regularly monitors portfolios to check for securities' portfolio suitability, to assess absolute risk, and to confirm cross-portfolio consistency and compliance with guidelines using both proprietary models and outside services.

### 4 Profile of a Typical Investor

An investment in the Fund is suitable for investors seeking higher returns than those available in short term Benchmark Government Bonds over a 1-3 year period and who can tolerate a low to medium level of volatility.

### 5 Borrowing and Leverage

The Fund will not be leveraged and the Investment Manager does not intend that the Fund will borrow.

### 6 Investment Restrictions

The Fund must comply with the investment restrictions outlined in the Prospectus in the sections headed "PERMITTED INVESTMENTS" and "APPENDIX I - ADDITIONAL RESTRICTIONS".

### 7 Risk Factors

Prospective investors should refer to the sections headed "General Risks" and "Fund Specific Risks" in the Prospectus before investing in the Fund.

### 8 Key Information for Buying and Selling Units

#### 8.1 Base Currency

The Base Currency of the Fund is Euro.

#### 8.2 Dealing Frequency and Dealing Deadline

<b>Dealing Day</b>	Each Business Day
<b>Dealing Deadline (Subscriptions and Redemptions)</b>	4.00 p.m. (Irish time) on the relevant Dealing Day

#### 8.3 Minimum Subscription

For details on the minimum initial subscription amounts applicable to the Classes for the Fund, please refer to the section headed "Minimum Subscription" in the Prospectus.

#### 8.4 Initial Offer Period and Initial Offer Price

The initial offer period of the Units in the Fund shall be 9.00 am (Irish time) on 27 December 2017 to 5.00 p.m. on 26 June 2018 or such longer or shorter period as may be determined by the Manager and notified to the Central Bank.

Units which are yet to launch, other than Units denominated in JPY, shall be fixed for each relevant currency at 100 per Unit. Units denominated in JPY shall have an initial issue price during the initial offer period at JPY1.0000 per Unit.

Following the launch of the relevant Units in the Fund, Units shall be issued at a price equal to the Net Asset Value per Unit (plus duties and charges as applicable).

### 9 Distribution Policy

For details on the distribution policy applicable to the relevant Classes for the Fund, please refer to the section headed "Distribution Policy" in the Prospectus.

### 10 Fees and Expenses

#### 10.1 Fees

The Manager Fees, Administrative Fees and performance fees applicable to the Classes for the Fund are as set out in the section headed "Unit Class Information" below.

## Supplement - Muzinich Enhancedyield Short-Term Fund cont/d...

### 10 Fees and Expenses cont/d...

#### 10.2 Charges

The charges applicable to the Fund are set out below and should be read in conjunction with the section headed “Charges” in the Prospectus.

<b>Subscription Fee</b>	Not to exceed 1% of the Net Asset Value per Unit*
<b>Redemption Fee</b>	Not to exceed 1% of the Net Asset Value per Unit

Further details of the fees and expenses payable out of the assets of the Fund are disclosed in the section headed “FEES AND EXPENSES” in the Prospectus.

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\* P Units are not subject to the subscription fee.

## Supplement - Muzinich Enhancedyield Short-Term Fund cont/d...

### 11 Unit Class Information

Units are available in each unit category and unit type as hedged classes and unhedged classes in the following currencies: AUD, CAD, CHF, CZK, DKK, EUR, GBP, HKD, ISK, JPY, NOK, RMB, SEK, SGD and USD.

Unit Class	Available	Maximum Annual Manager Fee**	Annual Administrative Fee	Performance Fee
R Units	Accumulation, Income and Discretionary	0.75%	N/A	N/A
A Units	Accumulation, Income and Discretionary	0.45%	N/A	N/A
H Units**	Accumulation, Income and Discretionary	0.45%	0.06%	N/A
P Units	Accumulation, Income and Discretionary	1.15%	0.05%	N/A
M Units	Accumulation, Income and Discretionary	0.55%	N/A	N/A
X Units***	Accumulation, Income and Discretionary	N/A	N/A	N/A
G Units***	Accumulation, Income and Discretionary	0.45%	0.06%	N/A
T Units	Accumulation, Income and Discretionary	0.90%	0.05%	N/A
G1 Units***	Accumulation, Income and Discretionary	0.45%	0.06%	N/A

The following naming convention applies to the title of each Class of Unit:

Hedging status/ Currency/ Unit type available/ Unit category/ Distribution frequency\*\*\*\* (i.e. Hedged Euro Accumulation X).

\*\* H Units are available to institutional investors (for investors in the European Union, this means “Eligible Counterparties” as defined under MIFID II) investing for their own account. In addition, H Units are available to investors that are not allowed to accept and retain commissions due to regulatory requirements or due to individual fee arrangements with their clients. In such circumstances, the H Units minimum initial subscription will not be applicable at the discretion of the Manager.

\*\*\* Acceptance by the Manager of subscriptions in this Class is conditional upon the execution of a separate agreement between the investor and the Investment Manager or an affiliate.

\*\*\*\* Only applicable to income type Units which distribute on a (Monthly) or (Quarterly) basis.

## Supplement - Muzinich Europeyield Fund

This Supplement contains information relating specifically to Muzinich Europeyield Fund (the “Fund”), a sub-fund of Muzinich Funds (the “Trust”), an open-ended umbrella unit trust with segregated liability between sub-funds authorised by the Central Bank as a UCITS.

**This Supplement forms part of the Prospectus and should be read in conjunction with the Prospectus.** Capitalised terms not defined herein shall have the same meaning as in the Prospectus.

### 1 Investment Objective

The Fund seeks to generate attractive returns and protect capital.

### 2 Investment Policies

The investment manager seeks to meet its objective through the careful selection of publicly traded debt securities issued primarily by European and European currency-denominated North American corporate borrowers that, at the time of purchase, have primarily a Moody's or Standard & Poor's or equivalent rating of at least B3/B-, but typically less than A.

The Fund primarily invests in publicly traded debt securities (including notes, such as floating rate short-term and medium-term notes, Contingent Convertible Securities and bonds) of European corporate borrowers and European currency-denominated debt securities of North American corporate borrowers generally traded on Recognised Exchanges in Europe. Such bonds will be rated by Moody's/Standard & Poor's (or as deemed equivalent by the Investment Manager) at least B3/B-, but typically less than A. From time to time, certain positions may have a higher or lower rating in the event of an upgrade or downgrade of an existing holding. Where market forces so dictate, the Fund may increase its holdings in government obligations, high grade securities (including corporate, bank and government paper) rated at least Baa3 by Moody's or BBB- by Standard & Poor's, or other money market instruments (including but not limited to OECD government bills, treasury notes, commercial paper and certificates of deposit) traded generally on Recognised Exchanges in the European Union.

The Fund may utilise futures, options, credit default swaps (only to buy protection), interest rate swaps and forward currency contracts (details of which are set out in the section headed “FINANCIAL DERIVATIVE INSTRUMENTS AND

TECHNIQUES FOR EFFICIENT PORTFOLIO MANAGEMENT”), solely for hedging purposes and/or to protect against exchange risks in accordance with the conditions and limits of the Central Bank. The Fund will not use derivatives for investment purposes nor for speculative purposes. Details of any forward currency transactions entered into by the Investment Manager on behalf of the Fund will be set-out in the periodic reports relating to the Fund. The Fund will not speculate on interest rate fluctuations.

The Fund may invest in broken convertible bonds, as detailed in the section headed “FINANCIAL DERIVATIVE INSTRUMENTS AND TECHNIQUES FOR EFFICIENT PORTFOLIO MANAGEMENT”. The Fund will not be leveraged as a result of an investment in Contingent Convertible Securities or broken convertible bonds. Investments (if any) in Contingent Convertible Securities will be limited and are not expected to form a material part of the portfolio.

The Fund may invest in other open-ended collective investment schemes, with similar investment policies to the Fund, subject to a limit of 10% of the Net Asset Value of the Fund being invested in aggregate in units/shares of other collective investment schemes, which include UCITS or non-UCITS ETFs which are considered to be collective investment schemes. The Fund may invest in ETFs for the purpose of gaining indirect exposure to debt securities, as detailed above. It is intended that the ETFs in which the Fund may invest will be listed on a Recognised Exchange, and will be domiciled in, or have exposure to, Europe and/or North America. Within the 10% limit for investment in other collective investment schemes, the Fund may invest a maximum of 2% of its Net Asset Value in other Funds of the Trust, subject to and in accordance with the requirements of the Central Bank.

The Investment Manager may invest, through the purchase of loan receivables, in assignments of existing corporate loan receivables (which are collateralised, freely transferable, traded on a regulated market and unlisted); this is subject to an overall limit of 9.9% of the Net Asset Value of the Fund being invested in loans, in any other investments (including, without limitation, investments for liquidity purposes) to which paragraph 2.1 or sentence 1 or 2 of paragraph 2.2 of the section headed “PERMITTED INVESTMENTS” is applicable and in unlisted securities generally.

## Supplement - Muzinich Europeyield Fund cont/d...

### 3 Investment Strategy

The Investment Manager seeks to invest the Fund in companies it considers to be sound, well-positioned enterprises possessing attractive longer term prospects and which also offer, in the Investment Manager's opinion, attractive risk-adjusted returns. The Investment Manager's proprietary research process is credit-intensive. Investment decisions are generally based on quantitative and qualitative analysis using internally generated financial models and projections. Diversified portfolios are built to reflect the Investment Manager's decisions about credit-worthiness and industry merit. The Investment Manager emphasises a rigorous and proactive sell discipline to seek to mitigate downside volatility, particularly as higher-yielding credits may entail greater risk.

The Muzinich Portfolio Risk Analytics Committee, which is independent of the portfolio management team, regularly monitors portfolios to check for securities' portfolio suitability, to assess absolute risk, and to confirm cross-portfolio consistency and compliance with guidelines using both proprietary models and outside services.

### 4 Profile of a Typical Investor

An investment in the Fund is suitable for investors seeking higher returns than those available in investment grade credits over a 3-5 year period and can tolerate a medium to high level of volatility.

### 5 Borrowing and Leverage

The Fund will not be leveraged and the Investment Manager does not intend that the Fund will borrow.

### 6 Investment Restrictions

The Fund must comply with the investment restrictions outlined in the Prospectus in the sections headed "PERMITTED INVESTMENTS" and "APPENDIX I - ADDITIONAL RESTRICTIONS".

### 7 Risk Factors

Prospective investors should refer to the sections headed "General Risks" and "Fund Specific Risks" in the Prospectus before investing in the Fund.

### 8 Key Information for Buying and Selling Units

#### 8.1 Base Currency

The Base Currency of the Fund is Euro.

#### 8.2 Dealing Frequency and Dealing Deadline

<b>Dealing Day</b>	Each Business Day
<b>Dealing Deadline (Subscriptions and Redemptions)</b>	4.00 p.m. (Irish time) on the relevant Dealing Day

#### 8.3 Minimum Subscription

For details on the minimum initial subscription amounts applicable to the Classes for the Fund, please refer to the section headed "Minimum Subscription" in the Prospectus.

#### 8.4 Initial Offer Period and Initial Offer Price

The initial offer period of the Units in the Fund shall be 9.00 am (Irish time) on 27 December 2017 to 5.00 p.m. on 26 June 2018 or such longer or shorter period as may be determined by the Manager and notified to the Central Bank.

Units which are yet to launch, other than Units denominated in JPY, shall be fixed for each relevant currency at 100 per Unit. Units denominated in JPY shall have an initial issue price during the initial offer period at JPY1.0000 per Unit.

Following the launch of the relevant Units in the Fund, Units shall be issued at a price equal to the Net Asset Value per Unit (plus duties and charges as applicable).

### 9 Distribution Policy

For details on the distribution policy applicable to the relevant Classes for the Fund, please refer to the section headed "Distribution Policy" in the Prospectus.

### 10 Fees and Expenses

#### 10.1 Fees

The Manager Fees, Administrative Fees and performance fees applicable to the Classes for the Fund are as set out in the section headed "Unit Class Information" below.



## Supplement - Muzinich Europeyield Fund cont/d...

### 10 Fees and Expenses cont/d...

#### 10.2 Charges

The charges applicable to the Fund are set out below and should be read in conjunction with the section headed “Charges” in the Prospectus.

<b>Subscription Fee</b>	Not to exceed 1% of the Net Asset Value per Unit*
<b>Redemption Fee</b>	Not to exceed 1% of the Net Asset Value per Unit

Further details of the fees and expenses payable out of the assets of the Fund are disclosed in the section headed “FEES AND EXPENSES” in the Prospectus.

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\* P Units are not subject to the subscription fee.

## Supplement - Muzinich Europeyield Fund cont/d...

### 11 Unit Class Information

Units are available in each unit category and unit type as hedged classes and unhedged classes in the following currencies: AUD, CAD, CHF, CZK, DKK, EUR, GBP, HKD, ISK, JPY, NOK, RMB, SEK, SGD and USD.

Unit Class	Available	Maximum Annual Manager Fee**	Annual Administrative Fee	Performance Fee
R Units	Accumulation and Income	1.50%	N/A	N/A
A Units	Accumulation and Income	1.00%	N/A	N/A
H Units**	Accumulation and Income	0.65%	N/A	N/A
S Units***	Accumulation and Income	0.55%	N/A	N/A
P Units	Accumulation and Income	1.80%	0.05%	N/A
M Units	Accumulation and Income	0.85%	N/A	N/A
X Units****	Accumulation and Income	N/A	N/A	N/A
G Units***	Accumulation and Income	0.65%	N/A	N/A
G1 Units***	Accumulation and Income	0.65%	N/A	N/A

The following naming convention applies to the title of each Class of Unit:

Hedging status/ Currency/ Unit type available/ Unit category / Distribution frequency\*\*\*\*\* (i.e. Hedged Euro Accumulation X).

\*\* H Units are available to institutional investors (for investors in the European Union, this means “Eligible Counterparties” as defined under MIFID II) investing for their own account. In addition, H Units are available to investors that are not allowed to accept and retain commissions due to regulatory requirements or due to individual fee arrangements with their clients. In such circumstances, the H Units minimum initial subscription will not be applicable at the discretion of the Manager.

\*\*\* Acceptance by the Manager of subscriptions in this Class is conditional upon the execution of a separate agreement between the investor and the Investment Manager or an affiliate.

\*\*\*\*Acceptance by the Manager of subscriptions in this Class is conditional upon the execution of a separate agreement between the investor and the Investment Manager or an affiliate. This separate agreement will provide for a Manager Fee to be paid by investors.

\*\*\*\*\* Only applicable to (Monthly) and (Quarterly) Units.

## Supplement - Muzinich Global Tactical Credit Fund

This Supplement contains information relating specifically to Muzinich Global Tactical Credit Fund (the “Fund”), a sub-fund of Muzinich Funds (the “Trust”), an open-ended umbrella unit trust with segregated liability between sub-funds authorised by the Central Bank as a UCITS.

**This Supplement forms part of the Prospectus and should be read in conjunction with the Prospectus.** Capitalised terms not defined herein shall have the same meaning as in the Prospectus.

An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.

### 1 Investment Objective

The Fund seeks to generate consistent attractive returns on a risk-adjusted basis over a three to five year period.

### 2 Investment Policies

The Investment Manager seeks to meet its objective through investments in high yield (*i.e.* sub-investment grade) corporate bonds and/or investment grade corporate bonds issued by US, European and emerging market issuers. The flexible allocation between high yield and investment grade, and among various geographies, will be determined primarily based on a relative value assessment across global credit markets.

The Investment Manager will primarily invest in fixed and/or floating rate corporate bonds issued by US, European and emerging market issuers (normally less than 40% of the Net Asset Value of the Fund will be invested in emerging market issuers), which are listed and/or traded on a Recognised Exchange.

The Fund will invest in high yield (*i.e.* sub-investment grade) corporate bonds and/or investment grade corporate bonds, as rated by Standard and Poor’s, Moody’s and/or Fitch (or as deemed equivalent by the Investment Manager). The allocation between high yield and investment grade, and among various geographies, will be determined primarily based on a relative value assessment across global credit markets. Relative value assessments take into account yields, spreads, credit quality and projected returns for each sector of global credit. The flexibility to allocate to different sectors of the global credit markets enables the Fund to attempt to position itself appropriately for various parts of the credit cycle in the pursuit of consistent attractive returns. The Fund may also invest in Contingent

Convertible Securities but such investments (if any) will be limited and are not expected to form a material part of the portfolio.

The Fund’s investments will be globally diversified across a broad variety of issuers and industries. Under normal market conditions, investments in a single corporate issuer will not exceed 5% of the Net Asset Value of the Fund. It is expected that the Fund will normally hold positions in a minimum of 50 issuers.

The Fund may utilise futures, options, credit default swaps (only to buy protection), interest rate swaps and forward currency contracts, solely for hedging purposes and/or to protect against currency, interest rate and credit risks, in accordance with the conditions and limits of the Central Bank. The Fund will not use derivatives for investment purposes nor for speculative purposes. Details of any forward currency transactions entered into by the Investment Manager on behalf of the Fund will be set-out in the periodic reports relating to the Fund. The Fund will not speculate on interest rate fluctuations. A description of such techniques and instruments is set out in the section headed “FINANCIAL DERIVATIVE INSTRUMENTS AND TECHNIQUES FOR EFFICIENT PORTFOLIO MANAGEMENT”.

The Fund may invest in broken convertible bonds, as detailed in the section headed “FINANCIAL DERIVATIVE INSTRUMENTS AND TECHNIQUES FOR EFFICIENT PORTFOLIO MANAGEMENT”. The Fund will not be leveraged as a result of an investment in Contingent Convertible Securities or broken convertible bonds.

The Fund may also opportunistically invest a maximum of 5% of its Net Asset Value in transferable securities that are equities including, but not limited to, shares and depositary receipts (*e.g.* American Depositary Receipts and Global Depositary Receipts) and convertible bonds.

The Fund may invest in other open-ended collective investment schemes, with similar investment policies to the Fund, subject to a limit of 10% of the Net Asset Value of the Fund being invested in aggregate in units/shares of other collective investment schemes, which include UCITS or non-UCITS ETFs which are considered to be collective investment schemes. The Fund may invest in ETFs for the purpose of gaining indirect exposure to the underlying portfolio of the ETFs, which in this instance is intended to provide exposure to the global credit universe of corporate

## Supplement - Muzinich Global Tactical Credit Fund cont/d...

### 2 Investment Policies cont/d...

debt/loans. ETFs may also be used for hedging purposes (for example, an ETF may provide a short exposure to US treasury notes thereby enabling the Trust to hedge against interest rate risk). Whilst the ETFs in which the Fund may invest may embed derivatives/leverage, it is envisaged that the level of leverage would be de minimus. It is intended that the ETFs in which the Fund may invest will be listed on a Recognised Exchange, and will be domiciled in, or have exposure to US, European and emerging markets. Investment in non-UCITS ETFs which are considered by the Investment Manager to be transferable securities will be in accordance with the requirements of the Central Bank.

The Investment Manager may invest, through the purchase of loan receivables, in assignments of existing corporate loan receivables (which are collateralised, freely transferable, traded on a regulated market and unlisted); this is subject to an overall limit of 9.9% of the Net Asset Value of the Fund being invested in loans, in any other investments (including, without limitation, investments for liquidity purposes) to which paragraph 2.1 or sentence 1 or 2 of paragraph 2.2 of the section headed "PERMITTED INVESTMENTS" is applicable and in unlisted securities generally.

Whilst it is the intention that the Fund be fully invested as described above, the Investment Manager retains the flexibility to invest substantially in cash and/or money market instruments, to include but not limited to, term deposits, OECD government bills and treasury notes with investment grade ratings as well as debt instruments issued by OECD banks and corporates with a minimum 'A-' rating or better, in circumstances where the Investment Manager considers it to be in the best interest of the Fund to do so.

### 3 Investment Strategy

The Investment Manager's proprietary research process is credit-intensive. Investment decisions are generally based on quantitative and qualitative analysis using internally generated financial models and projections. Diversified portfolios are built to reflect the Investment Manager's decisions about credit-worthiness and industry merit. The Investment Manager emphasizes a rigorous and proactive sell discipline to mitigate downside

volatility.

The Muzinich Portfolio Risk Analytics Committee, which is independent of the portfolio management team, regularly monitors portfolios to check for securities' portfolio suitability, to assess absolute risk, and to confirm cross-portfolio consistency and compliance with guidelines using both proprietary models and outside services.

### 4 Profile of a Typical Investor

An investment in the Fund is suitable for investors seeking attractive absolute fixed income returns over a 3-5 year period and who can tolerate a medium level of volatility.

### 5 Borrowing and Leverage

The Fund will not be leveraged and the Investment Manager does not intend that the Fund will borrow.

### 6 Investment Restrictions

The Fund must comply with the investment restrictions outlined in the Prospectus in the sections headed "PERMITTED INVESTMENTS" and "APPENDIX I - ADDITIONAL RESTRICTIONS".

### 7 Risk Factors

Prospective investors should refer to the sections headed "General Risks" and "Fund Specific Risks" in the Prospectus before investing in the Fund.

### 8 Key Information for Buying and Selling Units

#### 8.1 Base Currency

The Base Currency of the Fund is US\$.

#### 8.2 Dealing Frequency and Dealing Deadline

<b>Dealing Day</b>	Each Business Day
<b>Dealing Deadline (Subscriptions and Redemptions)</b>	4.00 p.m. (Irish time) on the relevant Dealing Day

#### 8.3 Minimum Subscription

For details on the minimum initial subscription amounts applicable to the Classes for the Fund, please refer to the section headed "Minimum Subscription" in the Prospectus.

## Supplement - Muzinich Global Tactical Credit Fund cont/d...

### 8 Key Information for Buying and Selling Units cont/d...

#### 8.4 Initial Offer Period and Initial Offer Price

The initial offer period of the Units in the Fund shall be 9.00 am (Irish time) on 27 December 2017 to 5.00 p.m. on 26 June 2018 or such longer or shorter period as may be determined by the Manager and notified to the Central Bank.

Units which are yet to launch, other than Units denominated in JPY, shall be fixed for each relevant currency at 100 per Unit. Units denominated in JPY shall have an initial issue price during the initial offer period at JPY1.0000 per Unit.

Following the launch of the relevant Units in the Fund, Units shall be issued at a price equal to the Net Asset Value per Unit (plus duties and charges as applicable).

### 9 Distribution Policy

For details on the distribution policy applicable to the relevant Classes for the Fund, please refer to the section headed "Distribution Policy" in the Prospectus.

### 10 Fees and Expenses

#### 10.1 Fees

The Manager Fees, Administrative Fees and performance fees applicable to the Classes for the Fund are as set out in the section headed "Unit Class Information" below.

#### 10.2 Charges

The charges applicable to the Fund are set out below and should be read in conjunction with the section headed "Charges" in the Prospectus.

<b>Subscription Fee</b>	Not to exceed 1% of the Net Asset Value per Unit*
<b>Redemption Fee</b>	Not to exceed 2% of the Net Asset Value per Unit

Further details of the fees and expenses payable out of the assets of the Fund are disclosed in the section headed "FEES AND EXPENSES" in the Prospectus.

\* P Units are not subject to the subscription fee.

## Supplement - Muzinich Global Tactical Credit Fund cont/d...

### 11 Unit Class Information

Units are available in each unit category and unit type as hedged classes and unhedged classes in the following currencies: AUD, CAD, CHF, CZK, DKK, EUR, GBP, HKD, ISK, JPY, NOK, RMB, SEK, SGD and USD.

Unit Class	Available	Maximum Annual Manager Fee	Annual Administrative Fee	Performance Fee
R Units	Accumulation and Income	1.35%	0.15%	N/A
A Units	Accumulation and Income	1.05%	0.06%	N/A
H Units**	Accumulation and Income	0.65%	0.06%	N/A
S Units***	Accumulation and Income	0.55%	0.06%	N/A
P Units	Accumulation and Income	1.80%	0.05%	N/A
M Units	Accumulation and Income	0.85%	0.06%	N/A
Founder Units*** ****	Accumulation and Income	0.29%	0.06%	N/A
X Units***	Accumulation and Income	N/A	0.06%	N/A
E Units*** *****	Accumulation and Income	0.25%	0.10%	20% Equalisation Performance Fee
S1 Units***	Accumulation and Income	0.55%	0.06%	N/A
G Units***	Accumulation and Income	0.65%	0.06%	N/A
G1 Units***	Accumulation and Income	0.65%	0.06%	N/A
N Units** ****	Accumulation and Income	0.25%	0.10%	20% Non-Equalisation Performance Fee

The following naming convention applies to the title of each Class of Unit:

Hedging status/ Currency/ Unit type available/ Unit category / Distribution frequency\*\*\*\*\* (i.e. Hedged Euro Accumulation X).

\*\* H Units are available to institutional investors (for investors in the European Union, this means “Eligible Counterparties” as defined under MIFID II) investing for their own account. In addition, H Units are available to investors that are not allowed to accept and retain commissions due to regulatory requirements or due to individual fee arrangements with their clients. In such circumstances, the H Units minimum initial subscription will not be applicable at the discretion of the Manager.

\*\*\* Acceptance by the Manager of subscriptions in this Class is conditional upon the execution of a separate agreement between the investor and the Investment Manager or an affiliate.

\*\*\*\* Subject to the Manager's discretion to determine otherwise, the Founder Units in Muzinich Global Tactical Credit Fund are not currently available to investors. The maximum annual Manager Fee in respect of the Founder Units for the first three years following launch of the Fund is 0.29% of the Net Asset Value of such Founder Units. Thereafter, a maximum annual Manager Fee of 0.55% of the Net Asset Value of such Founder Units will apply.

\*\*\*\*\*The payment of the Performance Fee is subject to a performance hurdle of the relevant 3 month LIBOR + 250bps for the calculation period.

\*\*\*\*\*Only applicable to (Monthly) and (Quarterly) Units



## Supplement - Muzinich LongShortCreditYield Fund

This Supplement contains information relating specifically to Muzinich LongShortCreditYield Fund (the “Fund”), a sub-fund of Muzinich Funds (the “Trust”), an open-ended umbrella unit trust with segregated liability between sub-funds authorised by the Central Bank as a UCITS.

**This Supplement forms part of the Prospectus and should be read in conjunction with the Prospectus.** Capitalised terms not defined herein shall have the same meaning as in the Prospectus.

The Fund may invest principally in FDI for investment purposes and for hedging purposes.

### 1 Investment Objective

The Fund seeks to generate consistent attractive returns on a risk-adjusted basis over a three to five year period.

### 2 Investment Policies

The Investment Manager seeks to meet its objective by investing primarily, either directly or indirectly through the use of FDI, in higher-yielding corporate debt securities (including notes, such as floating rate short-term and medium-term notes, Contingent Convertible Securities and bonds) issued primarily by US issuers, and also European and/or emerging market issuers.

Investment in emerging market issuers is not expected to be above 20% of the Net Asset Value of the Fund. The corporate bonds in which the Investment Manager will primarily invest will be non-investment grade, but the Investment Manager may also invest in investment grade corporate bond, which the Investment Manager believes may enhance the overall returns of the Fund. The securities in which the Fund may invest will be listed or traded on a Recognised Exchange.

The Fund employs a range of hedging and leveraging techniques to seek to enhance returns and reduce volatility. The Fund may also invest up to 10% of its Net Asset Value in transferable securities that are equity securities including, but not limited to, shares and depositary receipts (e.g. American Depositary Receipts and Global Depositary Receipts).

Whilst it is the intention that the Fund be fully invested as described above, the Investment Manager retains the flexibility to invest substantially in cash and/or money market instruments (including but not limited to OECD

government bills, treasury notes, commercial paper and certificates of deposit), to include but not limited to, term deposits, OECD government bills and notes with investment grade ratings as well as debt instruments issued by OECD banks and corporates with a minimum ‘A-’ rating or better, in circumstances where the Investment Manager considers it to be in the best interest of the Fund to do so.

The Investment Manager may utilise futures, options, swaps, credit default swaps and total return swaps (details of which are set out in the section headed “FINANCIAL DERIVATIVE INSTRUMENTS AND TECHNIQUES FOR EFFICIENT PORTFOLIO MANAGEMENT”) to gain exposure to higher yielding corporate debt and to hedge investments in the Fund’s securities and their related assets, markets and currencies. Use of derivatives will be subject to the conditions and within the limits laid down by the Central Bank and in accordance with the risk management statement for the Fund approved by the Central Bank. The Fund will be leveraged through the use of derivatives and may be leveraged as a result of an investment in Contingent Convertible Securities. The leveraged exposure of the Fund through the use of derivatives and Contingent Convertible Securities will not exceed 100% of the Net Asset Value of the Fund and will be measured using the commitment approach. Investments (if any) in Contingent Convertible Securities will be limited and are not expected to form a material part of the portfolio.

The Investment Manager may invest, either directly through the purchase of loan receivables in assignments of existing corporate loan receivables or indirectly via a total return swap, in existing corporate loan receivables (which are collateralised, freely transferable, traded on a regulated market and unlisted); this is subject to an overall limit of 9.9% of the Net Asset Value of the Fund being invested directly or indirectly in loans, in any other investments (including, without limitation, investments for liquidity purposes) to which paragraph 2.1 or sentence 1 or 2 of paragraph 2.2 of the section headed “PERMITTED INVESTMENTS” are applicable and in unlisted securities generally (taking into account any such total return swap with the higher of its value and of the underlying exposure, *i.e.* the market value of the equivalent position in the underlying assets).

## Supplement - Muzinich LongShortCreditYield Fund cont/d...

### 2 Investment Policies cont/d...

The Fund may invest in other open-ended collective investment schemes, with similar investment policies to the Fund, subject to a limit of 10% of the Net Asset Value of the Fund being invested in aggregate in units/shares of other collective investment schemes, which include UCITS or non-UCITS ETFs which are considered to be collective investment schemes. The Fund may invest in ETFs for the purpose of gaining indirect exposure to corporate bonds, as detailed above. It is intended that the ETFs in which the Fund may invest will be listed on a Recognised Exchange, and will be domiciled in, or have exposure to European and/or emerging markets. Within the 10% limit for investment in other collective investment schemes, the Fund may invest a maximum of 2% of its Net Asset Value in other Funds of the Trust, subject to and in accordance with the requirements of the Central Bank.

The Fund may be significantly invested in FDI.

**THE FUND'S INVESTMENT STRATEGY IS SPECULATIVE AND ENTAILS SUBSTANTIAL RISKS. THERE CAN BE NO ASSURANCE THAT THE INVESTMENT OBJECTIVE OF THE FUND WILL BE ACHIEVED, AND RESULTS MAY VARY SUBSTANTIALLY OVER TIME. YOU SHOULD BE AWARE THAT SYNTHETIC SHORT SELLING AND THE USE OF DERIVATIVES COULD, IN CERTAIN CIRCUMSTANCES, SUBSTANTIALLY INCREASE THE IMPACT OF ADVERSE MARKET CONDITIONS ON THE FUND'S NET ASSET VALUE.**

### 3 Investment Strategy

The Fund will endeavor to lessen duration risk by investing part of its assets in short duration corporate bonds, purchased corporate loan receivables (which are collateralised, freely transferable, traded on a regulated market and unlisted) subject to a 9.9% limit, as described above, and swaps and options. The extent to which the Investment Manager will seek to diminish duration risk will depend on the Investment Manager's market outlook with respect to duration risk as well as the relative value and cost of deploying strategies to limit or reduce duration risk.

The overall strategy will stress absolute returns and risk control through a disciplined investment style focused on capital preservation and the delivery of absolute, low volatility returns through measures such as industry and issuer diversification, position limitations and

opportunistic synthetic shorting through the use of FDI. The Manager expects that the Fund's short exposure will normally range from 10% to 30% of total exposure depending on the shorting opportunities in the markets, but at times may be as low as 0% and as high as 50% of total exposure. The investment strategy of the Fund is not industry specific.

The Investment Manager will seek to take advantage of enhanced return and hedging opportunities primarily in the US, and opportunistically in other corporate debt markets globally. The Investment Manager believes that the corporate debt market offers investment opportunities that arise from the fact that bond prices do not always reflect the fundamental value of a given issuer. This may be due to market distortions and inefficiencies and sometimes a lack of sophisticated credit modeling and analytical capabilities on the part of investors. To take advantage of these opportunities, the Investment Manager will seek income and trading gains, and will seek to invest in relative value or paired trades, in the context of a diversified portfolio primarily of higher yielding corporate bonds. Relative value or paired trades are trades involving long and/or synthetic short investments (expected short exposure will be as outlined above) in at least two instruments (as detailed above) which together provide opportunities for additional return and/or for returns with more market-neutral risk profiles than either instrument alone offers. Investment in relative value or paired trades will be on an opportunistic basis, *i.e.* as and when opportunities in the markets present themselves.

The Investment Manager's proprietary research process is credit-intensive. Investment decisions are generally based on quantitative and qualitative analysis using internally generated financial models and projections. Diversified portfolios are built to reflect the Investment Manager's decisions about credit-worthiness and industry merit. The Investment Manager emphasizes a rigorous and proactive sell discipline to seek to mitigate downside volatility.

The Muzinich Portfolio Risk Analytics Committee, which is independent of the portfolio management team, regularly monitors portfolios to check for securities' portfolio suitability, to assess absolute risk, and to confirm cross-portfolio consistency and compliance with guidelines using both proprietary models and outside services.

## Supplement - Muzinich LongShortCreditYield Fund cont/d...

### 4 Profile of a Typical Investor

An investment in the Fund is suitable for investors who seek higher returns than those available in investment grade credit over a three to five year period and who can tolerate a medium level of volatility.

### 5 Borrowing and Leverage

The Fund will be leveraged through the use of derivatives. The leveraged exposure of the Fund through the use of derivatives will not exceed 100% of the Net Asset Value of the Fund and will be measured using the commitment approach.

### 6 Investment Restrictions

The Fund must comply with the investment restrictions outlined in the Prospectus in the sections headed "PERMITTED INVESTMENTS" and "APPENDIX I - ADDITIONAL RESTRICTIONS".

### 7 Risk Factors

Prospective investors should refer to the sections headed "General Risks" and "Fund Specific Risks" in the Prospectus before investing in the Fund.

### 8 Key Information for Buying and Selling Units

#### 8.1 Base Currency

The Base Currency of the Fund is US\$.

#### 8.2 Dealing Frequency and Dealing Deadline

<b>Dealing Day</b>	Every Friday and the first Business Day of each calendar month. In addition, the Net Asset Value is calculated on every Business Day, for reporting and fee calculation purposes only.
<b>Dealing Deadline (Subscriptions and Redemptions)</b>	<p><b>For subscriptions:</b> 4.00 p.m. (Irish time) on the relevant Dealing Day</p> <p><b>For redemptions:</b> 4.00 p.m. (Irish time) seven Business Days prior to the relevant Dealing Day</p>

#### 8.3 Minimum Subscription

For details on the minimum initial subscription amounts applicable to the Classes for the Fund, please refer to the section headed "Minimum Subscription" in the Prospectus.

#### 8.4 Initial Offer Period and Initial Offer Price

The initial offer period of the Units in the Fund shall be 9.00 am (Irish time) on 27 December 2017 to 5.00 p.m. on 26 June 2018 or such longer or shorter period as may be determined by the Manager and notified to the Central Bank.

Units which are yet to launch, other than Units denominated in JPY, shall be fixed for each relevant currency at 100 per Unit. Units denominated in JPY shall have an initial issue price during the initial offer period at JPY1.0000 per Unit.

Following the launch of the relevant Units in the Fund, Units shall be issued at a price equal to the Net Asset Value per Unit (plus duties and charges as applicable).

### 9 Distribution Policy

For details on the distribution policy applicable to the relevant Classes for the Fund, please refer to the section headed "Distribution Policy" in the Prospectus.

### 10 Fees and Expenses

#### 10.1 Fees

The Manager Fees, Administrative Fees and performance fees applicable to the Classes for the Fund are as set out in the section headed "Unit Class Information" below.

#### 10.2 Charges

The charges applicable to the Fund are set out below and should be read in conjunction with the section headed "Charges" in the Prospectus.

<b>Subscription Fee</b>	Not to exceed 1% of the Net Asset Value per Unit*
<b>Redemption Fee</b>	Not to exceed 2% of the Net Asset Value per Unit

Further details of the fees and expenses payable out of the assets of the Fund are disclosed in the section headed "FEES AND EXPENSES" in the Prospectus.

\* P Units are not subject to the subscription fee.

## Supplement - Muzinich LongShortCreditYield Fund cont/d...

### 11 Unit Class Information

Units are available in each unit category and unit type as hedged classes and unhedged classes in the following currencies: AUD, CAD, CHF, CZK, DKK, EUR, GBP, HKD, ISK, JPY, NOK, RMB, SEK, SGD and USD.

Unit Class	Available	Maximum Annual Manager Fee	Annual Administrative Fee	Performance Fee
NR Units	Accumulation and Income	1.50%	0.10%	10.00% Non-Equalisation Performance Fee
ER Units	Accumulation and Income	1.50%	0.10%	10.00% Equalisation Performance Fee
N Units	Accumulation and Income	1.00%	0.10%	10.00% Non-Equalisation Performance Fee
E Units	Accumulation and Income	1.00%	0.10%	10.00% Equalisation Performance Fee
NJ Units	Accumulation and Income	1.00%	0.10%	10.00% Non-Equalisation Performance Fee
EX Units**	Accumulation and Income	1.00%	0.10%	10.00% Equalisation Performance Fee
NX Units**	Accumulation and Income	1.00%	0.10%	10.00% Non-Equalisation Performance Fee
NRX Units**	Accumulation and Income	1.50%	0.10%	10.00% Non-Equalisation Performance Fee
EP Units	Accumulation and Income	2.00%	0.10%	10.00% Equalisation Performance Fee
NP Units	Accumulation and Income	2.00%	0.10%	10.00% Non-Equalisation Performance Fee
EX1 Units**	Accumulation and Income	1.00%	0.10%	15.00% Equalisation Performance Fee
EH Units***	Accumulation and Income	1.00%	0.10%	10.00% Equalisation Performance Fee
NH Units***	Accumulation and Income	1.00%	0.10%	10.00% Equalisation Performance Fee

The following naming convention applies to the title of each Class of Unit:

Hedging status/ Currency/ Unit type available/ Unit category / Distribution frequency\*\*\*\* (i.e. Hedged Euro Accumulation EX).

\*\* Acceptance by the Manager of subscriptions in this Class is conditional upon the execution of a separate agreement between the investor and the Investment Manager or an affiliate.

\*\*\* H Units are available to institutional investors (for investors in the European Union, this means "Eligible Counterparties" as defined under MIFID II) investing for their own account. In addition, H Units are available to investors that are not allowed to accept and retain commissions due to regulatory requirements or due to individual fee arrangements with their clients. In such circumstances, the H Units minimum initial subscription will not be applicable at the discretion of the Manager.

\*\*\*\* Only applicable to (Monthly) and (Quarterly) Units.

## Supplement - Muzinich ShortDurationHighYield Fund

This Supplement contains information relating specifically to Muzinich ShortDurationHighYield Fund (the “Fund”), a sub-fund of Muzinich Funds (the “Trust”), an open-ended umbrella unit trust with segregated liability between sub-funds authorised by the Central Bank as a UCITS.

**This Supplement forms part of the Prospectus and should be read in conjunction with the Prospectus.** Capitalised terms not defined herein shall have the same meaning as in the Prospectus.

### 1 Investment Objective

The Fund seeks to protect capital and generate attractive returns which exceed those available from similar duration Benchmark Government Bonds.

### 2 Investment Policies

The Investment Manager seeks to meet its objective through investments primarily comprised of corporate bonds rated Ba/B by Moody’s or Standard & Poor’s (or equivalent) with relatively short durations.

The Fund primarily invests in publicly traded US\$ denominated bonds of corporate borrowers traded on Recognised Exchanges. The Fund maintains a portfolio with an average rating of at least B/B2 or higher as rated by Standard and Poor’s and/or Moody’s (or as deemed equivalent by the Investment Manager). The Fund’s investments will be well diversified across a broad variety of issuers and industries. The maximum average duration to worst will be two years, but may increase to 2.2 years as a result of market price movement. The Fund’s short duration profile seeks to provide investors a degree of protection against rising interest rates. Investments in a single corporate issuer will not exceed 3% of the Net Asset Value of the Fund. The Fund may also invest in Contingent Convertible Securities but such investments (if any) will be limited and are not expected to form a material part of the portfolio.

The Fund may utilise futures, options, credit default swaps (only to buy protection), interest rate swaps and forward currency contracts (details of which are set out in the section headed “FINANCIAL DERIVATIVE INSTRUMENTS AND TECHNIQUES FOR EFFICIENT PORTFOLIO MANAGEMENT”), solely for hedging purposes and/or to protect against exchange risks in accordance with the conditions and limits of the Central Bank. The Fund will not use derivatives for

investment purposes nor for speculative purposes. Details of any forward currency transactions entered into by the Investment Manager on behalf of the Fund will be set-out in the periodic reports relating to the Fund. The Fund will not speculate on interest rate fluctuations.

The Fund may invest in broken convertible bonds, as detailed in the section headed “FINANCIAL DERIVATIVE INSTRUMENTS AND TECHNIQUES FOR EFFICIENT PORTFOLIO MANAGEMENT”. The Fund will not be leveraged as a result of an investment in Contingent Convertible Securities or broken convertible bonds.

The Fund may invest in other open-ended collective investment schemes, with similar investment policies to the Fund, subject to a limit of 10% of the Net Asset Value of the Fund being invested in aggregate in units/shares of other collective investment schemes, which include UCITS or non-UCITS ETFs which are considered to be collective investment schemes. The Fund may invest in ETFs for the purpose of gaining indirect exposure to debt securities, as detailed above. It is intended that the ETFs in which the Fund may invest will be listed on a Recognised Exchange, and will be domiciled in, or have exposure to, the US. Within the 10% limit for investment in other collective investment schemes, the Fund may invest a maximum of 2% of its Net Asset Value in other Funds of the Trust, subject to and in accordance with the requirements of the Central Bank.

The Investment Manager may invest, through the purchase of loan receivables, in assignments of existing corporate loan receivables (which are collateralised, freely transferable, traded on a regulated market and unlisted); this is subject to an overall limit of 9.9% of the Net Asset Value of the Fund being invested in loans, in any other investments (including, without limitation, investments for liquidity purposes) to which paragraph 2.1 or sentence 1 or 2 of paragraph 2.2 of the section headed “PERMITTED INVESTMENTS” is applicable and in unlisted securities generally.



## Supplement - Muzinich ShortDurationHighYield Fund cont/d...

### 3 Investment Strategy

The Investment Manager seeks to invest the Fund in companies it considers to be sound, well-positioned enterprises possessing attractive longer term prospects and which also offer, in the Investment Manager's opinion, attractive risk-adjusted returns. The Investment Manager's proprietary research process is credit-intensive. Investment decisions are generally based on quantitative and qualitative analysis using internally generated financial models and projections. Diversified portfolios are built to reflect the Investment Manager's decisions about credit-worthiness and industry merit. The Investment Manager emphasises a rigorous and proactive sell discipline to seek to mitigate downside volatility, particularly as higher-yielding credits may entail greater risk.

The Muzinich Portfolio Risk Analytics Committee, which is independent of the portfolio management team, regularly monitors portfolios to check for securities' portfolio suitability, to assess absolute risk, and to confirm cross-portfolio consistency and compliance with guidelines using both proprietary models and outside services.

### 4 Profile of a Typical Investor

An investment in the Fund is suitable for investors seeking higher returns than those available in similar-duration Benchmark Government Bonds over a 3-5 year period and who can tolerate a medium level of volatility.

### 5 Borrowing and Leverage

The Fund will not be leveraged and the Investment Manager does not intend that the Fund will borrow.

### 6 Investment Restrictions

The Fund must comply with the investment restrictions outlined in the Prospectus in the sections headed "PERMITTED INVESTMENTS" and "APPENDIX I - ADDITIONAL RESTRICTIONS".

### 7 Risk Factors

Prospective investors should refer to the sections headed "General Risks" and "Fund Specific Risks" in the Prospectus before investing in the Fund.

### 8 Key Information for Buying and Selling Units

#### 8.1 Base Currency

The Base Currency of the Fund is US\$.

#### 8.2 Dealing Frequency and Dealing Deadline

<b>Dealing Day</b>	Each Business Day
<b>Dealing Deadline (Subscriptions and Redemptions)</b>	4.00 p.m. (Irish time) on the relevant Dealing Day

#### 8.3 Minimum Subscription

For details on the minimum initial subscription amounts applicable to the Classes for the Fund, please refer to the section headed "Minimum Subscription" in the Prospectus.

#### 8.4 Initial Offer Period and Initial Offer Price

The initial offer period of the Units in the Fund shall be 9.00 am (Irish time) on 27 December 2017 to 5.00 p.m. on 26 June 2018 or such longer or shorter period as may be determined by the Manager and notified to the Central Bank.

Units which are yet to launch, other than Units denominated in JPY, shall be fixed for each relevant currency at 100 per Unit. Units denominated in JPY shall have an initial issue price during the initial offer period at JPY1.0000 per Unit.

Following the launch of the relevant Units in the Fund, Units shall be issued at a price equal to the Net Asset Value per Unit (plus duties and charges as applicable).

### 9 Distribution Policy

For details on the distribution policy applicable to the relevant Classes for the Fund, please refer to the section headed "Distribution Policy" in the Prospectus.

### 10 Fees and Expenses

#### 10.1 Fees

The Manager Fees, Administrative Fees and performance fees applicable to the Classes for the Fund are as set out in the section headed "Unit Class Information" below.



## Supplement - Muzinich ShortDurationHighYield Fund cont/d...

### 10 Fees and Expenses cont/d...

#### 10.2 Charges

The charges applicable to the Fund are set out below and should be read in conjunction with the section headed “Charges” in the Prospectus.

<b>Subscription Fee</b>	Not to exceed 1% of the Net Asset Value per Unit*
<b>Redemption Fee</b>	Not to exceed 1% of the Net Asset Value per Unit

Further details of the fees and expenses payable out of the assets of the Fund are disclosed in the section headed “FEES AND EXPENSES” in the Prospectus.

\* P Units are not subject to the subscription fee.

## Supplement - Muzinich ShortDurationHighYield Fund cont/d...

### 11 Unit Class Information

Units are available in each unit category and unit type as hedged classes and unhedged classes in the following currencies: AUD, CAD, CHF, CZK, DKK, EUR, GBP, HKD, ISK, JPY, NOK, RMB, SEK, SGD and USD.

Unit Class	Available	Maximum Annual Manager Fee**	Annual Administrative Fee	Performance Fee
R Units	Accumulation and Income	1.10%	N/A	N/A
A Units	Accumulation and Income	0.80%	N/A	N/A
H Units**	Accumulation and Income	0.60%	N/A	N/A
S Units***	Accumulation and Income	0.50%	N/A	N/A
P Units	Accumulation and Income	1.40%	0.05%	N/A
M Units	Accumulation and Income	0.70%	N/A	N/A
Select Distribution Units	Discretionary	0.50%	N/A	N/A
Discretionary S Units	Discretionary	0.50%	N/A	N/A
X Units****	Accumulation and Income	N/A	N/A	N/A
G Units***	Accumulation and Income	0.60%	N/A	N/A
G1 Units***	Accumulation and Income	0.60%	N/A	N/A

The following naming convention applies to the title of each Class of Unit other than Select Distribution Units and Discretionary S Units:

Hedging status/ Currency/ Unit type available/ Unit category / Distribution frequency\*\*\*\*\* (i.e. Hedged Euro Accumulation X).

Select Distribution Units and Discretionary S Units apply the above naming convention except for the inclusion of reference to unit type available.

\*\* H Units are available to institutional investors (for investors in the European Union, this means “Eligible Counterparties” as defined under MIFID II) investing for their own account. In addition, H Units are available to investors that are not allowed to accept and retain commissions due to regulatory requirements or due to individual fee arrangements with their clients. In such circumstances, the H Units minimum initial subscription will not be applicable at the discretion of the Manager.

\*\*\* Acceptance by the Manager of subscriptions in this Class is conditional upon the execution of a separate agreement between the investor and the Investment Manager or an affiliate.

\*\*\*\* Acceptance by the Manager of subscriptions in this Class is conditional upon the execution of a separate agreement between the investor and the Investment Manager or an affiliate. This separate agreement will provide for a Manager Fee to be paid by investors.

\*\*\*\*\* Only applicable to (Monthly) and (Quarterly) Units.

## Supplement - Muzinich Global High Yield Fund

This Supplement contains information relating specifically to Muzinich Global High Yield Fund (the “Fund”), a sub-fund of Muzinich Funds (the “Trust”), an open-ended umbrella unit trust with segregated liability between sub-funds authorised by the Central Bank as a UCITS.

**This Supplement forms part of the Prospectus and should be read in conjunction with the Prospectus.** Capitalised terms not defined herein shall have the same meaning as in the Prospectus.

**An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

As disclosed further below, the Fund may invest in FDI for efficient portfolio management and hedging purposes.

### 1 Investment Objective

The Fund seeks to generate attractive returns and protect capital.

### 2 Investment Policies

The Investment Manager seeks to meet its objective through the careful selection of publicly traded high yield debt securities (including notes, such as floating rate short-term and medium-term notes, Contingent Convertible Securities and bonds) which are listed and/or traded on a Recognised Exchange and which are issued by corporate borrowers which are domiciled, headquartered, or whose primary business activities or principal trading markets are in the US, Europe and emerging markets. The Fund may have an exposure of more than 20% of the Net Asset Value to emerging markets.

Such bonds will generally be rated below investment grade by Moody's/Standard & Poor's (or as deemed equivalent by the Investment Manager), but typically less than A. In the event of a default of any security, the Investment Manager will review the Fund's holding of the security. Where market forces so dictate, the Fund may reduce its holdings in such securities and increase its holdings in government obligations, high grade securities rated at least Baa3 by Moody's (or as deemed equivalent by the Investment Manager), or other money market instruments (including but not limited to OECD government bills, treasury notes, commercial paper and certificates of deposit) traded generally on Recognised Exchanges in the US, Canada and the EEA.

The Fund employs a range of hedging and portfolio management techniques to seek to manage liquidity and reduce volatility as detailed in the section headed “EFFICIENT PORTFOLIO MANAGEMENT”.

Whilst it is the intention that the Fund be fully invested as described above, the Investment Manager retains the flexibility to invest substantially in cash and/or money market instruments (including but not limited to OECD government bills, treasury notes, commercial paper and certificates of deposit), to include but not limited to, term deposits, OECD government bills and notes with investment grade ratings as well as debt instruments issued by OECD banks and corporates with a minimum ‘A-’ rating or better, in circumstances where the Investment Manager considers it to be in the best interest of the Fund to do so.

The Fund may utilise futures, options, credit default swaps (only to buy protection), interest rate swaps, total return swaps and forward currency contracts (details of which are set out in the section headed “FINANCIAL DERIVATIVE INSTRUMENTS AND TECHNIQUES FOR EFFICIENT PORTFOLIO MANAGEMENT” in the Prospectus) for hedging purposes and/or to protect against exchange risks and for efficient portfolio management purposes. The Fund will not use derivatives for investment purposes nor for speculative purposes. Use of derivatives and efficient portfolio management techniques will be subject to the conditions and within the limits laid down by the Central Bank and in accordance with the risk management statement for the Fund approved by the Central Bank. The Fund may be leveraged through the use of derivatives. The leveraged exposure of the Fund through the use of derivatives will not exceed 100% of the Net Asset Value of the Fund and will be measured using the commitment approach. Details of any forward currency transactions entered into by the Investment Manager on behalf of the Fund will be set-out in the periodic reports relating to the Fund. The Fund will not speculate on interest rate fluctuations.

## Supplement - Muzinich Global High Yield Fund cont/d...

### 2 Investment Policies cont/d

The Fund may invest in broken convertible bonds, as detailed in the section headed "FINANCIAL DERIVATIVE INSTRUMENTS AND TECHNIQUES FOR EFFICIENT PORTFOLIO MANAGEMENT". The Fund will not be leveraged as a result of an investment in broken convertible bonds. Investments (if any) in Contingent Convertible Securities will be limited and are not expected to form a material part of the portfolio.

The Fund may invest in other open-ended collective investment schemes, with similar investment policies to the Fund, subject to a limit of 10% of the Net Asset Value of the Fund being invested in aggregate in units/shares of other collective investment schemes, which include UCITS or non-UCITS ETFs which are considered to be collective investment schemes. The Fund may invest in ETFs for the purpose of gaining indirect exposure to debt securities, as detailed above. It is intended that the ETFs in which the Fund may invest will be listed on a Recognised Exchange, and will be domiciled in, or have exposure to, the US. Within the 10% limit for investment in other collective investment schemes, the Fund may invest a maximum of 2% of its Net Asset Value in other Funds of the Trust, subject to and in accordance with the requirements of the Central Bank.

The Investment Manager may invest, through the purchase of loan receivables, in assignments of existing corporate loan receivables (which are collateralised, freely transferable, traded on a regulated market and unlisted); this is subject to an overall limit of 9.9% of the Net Asset Value of the Fund being invested in loans, in any other investments (including, without limitation, investments for liquidity purposes) to which paragraph 2.1 or sentence 1 or 2 of paragraph 2.2 of the section headed "PERMITTED INVESTMENTS" is applicable and in unlisted securities generally.

### 3 Investment Strategy

The Investment Manager's proprietary research process is credit-intensive. Investment decisions are generally based on quantitative and qualitative analysis using internally generated financial models and projections. Diversified portfolios are built to reflect the Investment Manager's decisions about credit-worthiness and industry merit. The Investment Manager emphasises a rigorous and proactive sell discipline to mitigate downside volatility.

The Muzinich Portfolio Risk Analytics Committee, which is independent of the portfolio management team, regularly monitors portfolios to check for securities' portfolio suitability, to assess absolute risk, and to confirm cross-portfolio consistency and compliance with guidelines using both proprietary models and outside services.

### 4 Profile of a Typical Investor

An investment in the Fund is suitable for investors seeking higher returns than those available in investment grade credits over a 3-5 year period and can tolerate a medium level of volatility.

### 5 Borrowing and Leverage

The Investment Manager does not intend that the Fund will borrow.

It is not the intention that the Fund be leveraged through the use of derivatives and derivative use will be collateralised or offset with cash. Nevertheless, the use of FDI may be considered leveraging transactions, particularly if offsetting collateral changes value or offsetting cash is deemed insufficient. The Fund's exposure to any potential leverage from FDI and Contingent Convertible Securities will be monitored and measured using the commitment approach and any resulting leverage will not exceed 100% of the Net Asset Value of the Fund.

### 6 Investment Restrictions

The Fund must comply with the investment restrictions outlined in the Prospectus in the sections headed "PERMITTED INVESTMENTS" and "APPENDIX I - ADDITIONAL RESTRICTIONS".

### 7 Risk Factors

Prospective investors should refer to the sections headed "General Risks" and "Fund Specific Risks" in the Prospectus before investing in the Fund.

## Supplement - Muzinich Global High Yield Fund cont/d...

### 8 Key Information for Buying and Selling Units

#### 8.1 Base Currency

The Base Currency of the Fund is US\$.

#### 8.2 Dealing Frequency and Dealing Deadline

<b>Dealing Day</b>	Each Business Day
<b>Dealing Deadline (Subscriptions and Redemptions)</b>	4.00 p.m. (Irish time) on the relevant Dealing Day

#### 8.3 Minimum Subscription

For details on the minimum initial subscription amounts applicable to the Classes for the Fund, please refer to the section headed "Minimum Subscription" in the Prospectus.

#### 8.4 Initial Offer Period and Initial Offer Price

The initial offer period of the Units in the Fund shall be 9.00 am (Irish time) on 27 December 2017 to 5.00 p.m. on 26 June 2018 or such longer or shorter period as may be determined by the Manager and notified to the Central Bank.

Units which are yet to launch, other than Units denominated in JPY, shall be fixed for each relevant currency at 100 per Unit. Units denominated in JPY shall have an initial issue price during the initial offer period at JPY1.0000 per Unit.

Following the launch of the relevant Units in the Fund, Units shall be issued at a price equal to the Net Asset Value per Unit (plus duties and charges as applicable).

### 9 Distribution Policy

For details on the distribution policy applicable to the relevant Classes for the Fund, please refer to the section headed "Distribution Policy" in the Prospectus.

### 10 Fees and Expenses

#### 10.1 Fees

The Manager Fees, Administrative Fees and performance fees applicable to the Classes for the Fund are as set out in the section headed "Unit Class Information" below.

#### 10.2 Charges

The charges applicable to the Fund are set out below and should be read in conjunction with the section headed "Charges" in the Prospectus.

<b>Subscription Fee</b>	Not to exceed 1% of the Net Asset Value per Unit*
<b>Redemption Fee</b>	Not to exceed 1% of the Net Asset Value per Unit

Further details of the fees and expenses payable out of the assets of the Fund are disclosed in the section headed "FEES AND EXPENSES" in the Prospectus.

\* P Units are not subject to the subscription fee.

## Supplement - Muzinich Global High Yield Fund cont/d...

### 11 Unit Class Information

Units are available in each unit category and unit type as hedged classes and unhedged classes in the following currencies: AUD, CAD, CHF, CZK, DKK, EUR, GBP, HKD, ISK, JPY, NOK, RMB, SEK, SGD and USD.

Unit Class	Available	Maximum Annual Manager Fee**	Annual Administrative Fee	Performance Fee
R Units	Accumulation and Income	1.50%	N/A	N/A
A Units	Accumulation and Income	1.00%	N/A	N/A
H Units**	Accumulation and Income	0.65%	N/A	N/A
S Units***	Accumulation and Income	0.55%	N/A	N/A
P Units	Accumulation and Income	1.80%	0.05%	N/A
M Units	Accumulation and Income	0.85%	N/A	N/A
X Units***	Accumulation and Income	N/A	N/A	N/A
G Units***	Accumulation and Income	0.65%	N/A	N/A
G1 Units***	Accumulation and Income	0.65%	N/A	N/A

The following naming convention applies to the title of each Class of Unit:

Hedging status/ Currency/ Unit type available/ Unit category / Distribution frequency\*\*\*\* (i.e. Hedged Euro Accumulation X).

\*\* H Units are available to institutional investors (for investors in the European Union, this means “Eligible Counterparties” as defined under MIFID II) investing for their own account. In addition, H Units are available to investors that are not allowed to accept and retain commissions due to regulatory requirements or due to individual fee arrangements with their clients. In such circumstances, the H Units minimum initial subscription will not be applicable at the discretion of the Manager.

\*\*\* Acceptance by the Manager of subscriptions in this Class is conditional upon the execution of a separate agreement between the investor and the Investment Manager or an affiliate.

\*\*\*\* Only applicable to (Monthly) and (Quarterly) Units.



## Supplement - Muzinich TargetYield Fund

This Supplement contains information relating specifically to Muzinich TargetYield Fund (the “Fund”), a sub-fund of Muzinich Funds (the “Trust”), an open-ended umbrella unit trust with segregated liability between sub-funds authorised by the Central Bank as a UCITS.

**This Supplement forms part of the Prospectus and should be read in conjunction with the Prospectus.** Capitalised terms not defined herein shall have the same meaning as in the Prospectus.

As disclosed further below, the Fund may invest in FDI for investment purposes and for efficient portfolio management and hedging purposes.

### 1 Investment Objective

The Fund seeks to achieve consistent attractive total returns on a risk-adjusted basis over a three to five year period.

### 2 Investment Policies

The Investment Manager seeks to meet its objective through investments in high yield (*i.e.* sub-investment grade) corporate bonds and/or investment grade corporate bonds issued by US, European and emerging market issuers. The flexible allocation between high yield and investment grade, and among various geographies, will be determined primarily based on a relative value assessment across global credit markets. High yield exposure, defined as those issues rated below Baa3/BBB- by Moody’s or S&P, or as deemed equivalent by the Investment Manager, will not exceed 50% of the Net Asset Value of the Fund. The minimum average portfolio credit quality will be Ba3/BB-.

The Investment Manager will primarily invest in fixed and/or floating rate corporate bonds issued by US, European and emerging market issuers (normally less than 20% of the Net Asset Value of the Fund will be invested in emerging market issuers), which are listed and/or traded on a Recognised Exchange.

The Fund will invest in high yield (*i.e.* sub-investment grade) corporate bonds and/or investment grade corporate bonds, as rated by Standard and Poor’s, Moody’s and/or Fitch (or as deemed equivalent by the Investment Manager). The allocation between high yield and investment grade, and among various geographies, will be determined primarily based on a relative value assessment across global credit markets. Relative value assessments take into account yields, spreads, credit quality and projected returns for

each sector of global credit. The flexibility to allocate to different sectors of the global credit markets enables the Fund to attempt to position itself appropriately for various parts of the credit cycle in the pursuit of consistent attractive returns.

The Fund’s investments will be globally diversified across a broad variety of issuers and industries. Under normal market conditions, investments in a single corporate issuer will not exceed 5% of the Net Asset Value of the Fund. It is expected that the Fund will normally hold positions in a minimum of 50 issuers.

The Fund may also opportunistically invest a maximum of 5% of its Net Asset Value in transferable securities that are equities including, but not limited to, shares, depositary receipts (*e.g.* American Depositary Receipts and Global Depositary Receipts), convertible bonds and Contingent Convertible Securities. Investments (if any) in Contingent Convertible Securities will be limited and are not expected to form a material part of the portfolio.

The Fund employs a range of hedging and portfolio management techniques to seek to manage liquidity and reduce volatility as detailed in the section headed “EFFICIENT PORTFOLIO MANAGEMENT”.

Whilst it is the intention that the Fund be fully invested as described above, the Investment Manager retains the flexibility to invest substantially in cash and/or money market instruments (including but not limited to OECD government bills, treasury notes, commercial paper and certificates of deposit), to include but not limited to, term deposits, OECD government bills and notes with investment grade ratings as well as debt instruments issued by OECD banks and corporates with a minimum ‘A-’ rating or better, in circumstances where the Investment Manager considers it to be in the best interest of the Fund to do so.

The Fund may utilise futures, forwards, options, interest rate swaps, credit default swaps (to buy and sell protection) and total return swaps (details of which are set out in the section headed “FINANCIAL DERIVATIVE INSTRUMENTS AND TECHNIQUES FOR EFFICIENT PORTFOLIO MANAGEMENT”) to hedge investments in the Fund’s securities and their related assets, markets and currencies and for efficient portfolio management purposes. Use of derivatives and

## Supplement - Muzinich TargetYield Fund cont/d...

### 2 Investment Policies cont/d...

efficient portfolio management techniques will be subject to the conditions and within the limits laid down by the Central Bank and in accordance with the risk management statement for the Fund approved by the Central Bank. As it is not the intention that the Fund be leveraged through the use of derivatives, derivative use will be collateralised or offset with cash. Nevertheless, the use of FDI may be considered leveraging transactions, particularly if offsetting collateral changes value or offsetting cash is deemed insufficient. The Fund's exposure to any potential leverage will be monitored and measured using the commitment approach and any resulting leverage will not exceed 25% of the Net Asset Value of the Fund.

In addition, the Fund may invest in broken convertible bonds, as detailed in the section headed "FINANCIAL DERIVATIVE INSTRUMENTS AND TECHNIQUES FOR EFFICIENT PORTFOLIO MANAGEMENT". The Fund will not be leveraged as a result of an investment in broken convertible bonds.

The Investment Manager may invest, through the purchase of loan receivables, in assignments of existing corporate loan receivables (which are collateralised, freely transferable, traded on a regulated market and unlisted); this is subject to an overall limit of 9.9% of the Net Asset Value of the Fund being invested in loans, in any other investments (including, without limitation, investments for liquidity purposes) to which paragraph 2.1 or sentence 1 or 2 of paragraph 2.2 of the section headed "PERMITTED INVESTMENTS" are applicable and in unlisted securities generally.

The Fund may invest in other open-ended collective investment schemes, with similar investment policies to the Fund, subject to a limit of 10% of the Net Asset Value of the Fund being invested in aggregate in units/shares of other collective investment schemes, which include UCITS or non-UCITS ETFs which are considered to be collective investment schemes. The Fund may invest in ETFs or swaps referencing an index for the purpose of gaining indirect exposure to corporate bonds, as detailed above. It is intended that the ETFs in which the Fund may invest will be listed on a Recognised Exchange, and will be domiciled in, or have exposure to US, European, and/or emerging markets. Within the 10% limit for

investment in other collective investment schemes, the Fund may invest a maximum of 2% of its Net Asset Value in other Funds of the Trust, subject to and in accordance with the requirements of the Central Bank.

**THE FUND'S INVESTMENT STRATEGY IS SPECULATIVE AND ENTAILS SUBSTANTIAL RISKS. THERE CAN BE NO ASSURANCE THAT THE INVESTMENT OBJECTIVE OF THE FUND WILL BE ACHIEVED, AND RESULTS MAY VARY SUBSTANTIALLY OVER TIME. YOU SHOULD BE AWARE THAT SYNTHETIC SHORT SELLING AND THE USE OF DERIVATIVES COULD, IN CERTAIN CIRCUMSTANCES, SUBSTANTIALLY INCREASE THE IMPACT OF ADVERSE MARKET CONDITIONS ON THE FUND'S NET ASSET VALUE.**

### 3 Investment Strategy

The Investment Manager's proprietary research process is credit-intensive. Investment decisions are generally based on quantitative and qualitative analysis using internally generated financial models and projections. Diversified portfolios are built to reflect the Investment Manager's decisions about credit-worthiness and industry merit. The Investment Manager emphasises a rigorous and proactive sell discipline to mitigate downside volatility.

The Muzinich Portfolio Risk Analytics Committee, which is independent of the portfolio management team, regularly monitors portfolios to check for securities' portfolio suitability, to assess absolute risk, and to confirm cross-portfolio consistency and compliance with guidelines using both proprietary models and outside services.

### 4 Profile of a Typical Investor

An investment in the Fund is suitable for investors seeking attractive absolute fixed income returns over a 3-5 year period and who can tolerate a medium level of volatility.

### 5 Borrowing and Leverage

The Investment Manager does not intend that the Fund will borrow.

As it is not the intention that the Fund be leveraged through the use of derivatives, derivative use will be collateralised or offset with cash. Nevertheless, the use of FDI may be considered leveraging transactions, particularly if offsetting collateral changes value or offsetting cash is deemed insufficient. The Fund's exposure

## Supplement - Muzinich TargetYield Fund cont/d...

to any potential leverage from FDI and Contingent Convertible Securities will be monitored and measured using the commitment approach (which permits leveraged exposure of 100%) and any resulting leverage will not exceed 25% of the Net Asset Value of the Fund.

### 6 Investment Restrictions

The Fund must comply with the investment restrictions outlined in the Prospectus in the sections headed “PERMITTED INVESTMENTS” and “APPENDIX 1 - ADDITIONAL RESTRICTIONS”.

### 7 Risk Factors

Prospective investors should refer to the sections headed “General Risks” and “Fund Specific Risks” in the Prospectus before investing in the Fund.

### 8 Key Information for Buying and Selling Units

#### 8.1 Base Currency

The Base Currency of the Fund is US\$.

#### 8.2 Dealing Frequency and Dealing Deadline

<b>Dealing Day</b>	Each Business Day
<b>Dealing Deadline (Subscriptions and Redemptions)</b>	4.00 p.m. (Irish time) on the relevant Dealing Day

#### 8.3 Minimum Subscription

For details on the minimum initial subscription amounts applicable to the Classes for the Fund, please refer to the section headed “Minimum Subscription” in the Prospectus.

#### 8.4 Initial Offer Period and Initial Offer Price

The initial offer period of the Units in the Fund shall be 9.00 am (Irish time) on 27 December 2017 to 5.00 p.m. on 26 June 2018 or such longer or shorter period as may be determined by the Manager and notified to the Central Bank.

Units which are yet to launch, other than Units denominated in JPY, shall be fixed for each relevant currency at 100 per Unit. Units denominated in JPY shall have an initial issue price during the initial offer period at JPY1.0000 per Unit.

Following the launch of the relevant Units in the Fund, Units shall be issued at a price equal to the

Net Asset Value per Unit (plus duties and charges as applicable).

### 9 Distribution Policy

For details on the distribution policy applicable to the relevant Classes for the Fund, please refer to the section headed “Distribution Policy” in the Prospectus.

### 10 Fees and Expenses

#### 10.1 Fees

The Manager Fees, Administrative Fees and performance fees applicable to the Classes for the Fund are as set out in the section headed “Unit Class Information” below.

#### 10.2 Charges

The charges applicable to the Fund are set out below and should be read in conjunction with the section headed “Charges” in the Prospectus.

<b>Subscription Fee</b>	Not to exceed 1% of the Net Asset Value per Unit*
<b>Redemption Fee</b>	Not to exceed 2% of the Net Asset Value per Unit

Further details of the fees and expenses payable out of the assets of the Fund are disclosed in the section headed “FEES AND EXPENSES” in the Prospectus.

\* P Units are not subject to the subscription fee.

## Supplement - Muzinich TargetYield Fund cont/d...

### 11 Unit Class Information

Units are available in each unit category and unit type as hedged classes and unhedged classes in the following currencies: AUD, CAD, CHF, CZK, DKK, EUR, GBP, HKD, ISK, JPY, NOK, RMB, SEK, SGD and USD.

Unit Class	Available	Maximum Annual Manager Fee	Annual Administrative Fee	Performance Fee
R Units	Accumulation and Income	1.10%	0.06%	N/A
A Units	Accumulation and Income	0.70%	0.06%	N/A
P Units	Accumulation and Income	1.50%	0.05%	N/A
Founder Units**	Accumulation and Income	0.34%	0.06%	N/A
X Units**	Accumulation and Income	N/A	0.06%	N/A
G Units**	Accumulation and Income	0.50%	0.06%	N/A
G1 Units**	Accumulation and Income	0.50%	0.06%	N/A

The following naming convention applies to the title of each Class of Unit:

Hedging status/ Currency/ Unit type available/ Unit category / Distribution frequency\*\*\* (i.e. Hedged Euro Accumulation X).

\*\* Acceptance by the Manager of subscriptions in this Class is conditional upon the execution of a separate agreement between the investor and the Investment Manager or an affiliate.

\*\*\* Only applicable to (Monthly) and (Quarterly) Units.

## Supplement - Muzinich Asia Credit Opportunities Fund

This Supplement contains information relating specifically to Muzinich Asia Credit Opportunities Fund (the “Fund”), a sub-fund of Muzinich Funds (the “Trust”), an open-ended umbrella unit trust with segregated liability between sub-funds authorised by the Central Bank as a UCITS.

**This Supplement forms part of the Prospectus dated 2 November, 2015 and should be read in conjunction with the Prospectus.** Capitalised terms not defined herein shall have the same meaning as in the Prospectus.

**An investment in the sub-fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

As disclosed further below, the Fund may invest in FDI for efficient portfolio management and hedging purposes.

### 1 Investment Objective

The Fund seeks to protect capital and generate an attractive level of risk adjusted total return from Asian securities.

### 2 Investment Policies

The Investment Manager seeks to meet its investment objective through investment primarily in debt securities (fixed and/or floating rate) and money market instruments (including but not limited to OECD government bills, treasury notes, commercial paper and certificates of deposit) which are issued by government or corporate issuers which have their head office or exercise an overriding part of their economic activity in Asian countries and which are denominated in Hard Currency. The Investment Manager expects that under normal market conditions the Fund will invest at least two thirds of the Fund's Net Asset Value in Hard Currency debt securities issued by government or corporate issuers in Asian countries and up to one third of the Fund's Net Asset Value in debt securities and money market instruments, including securities of Asian, European and North American companies, denominated in the local currencies of emerging market countries, maintaining an average investment grade Moody's or Standard & Poor's rating (or as deemed equivalent by the Investment Manager) of at least Baa3 or BBB-, respectively.

With the exception of permitted investments in transferable securities and money market instruments which are unlisted, all securities/instruments in which the Fund will invest will be listed and/or traded on a Recognised Exchange (as defined in the Prospectus).

The Fund may also opportunistically invest a maximum of 10% of its Net Asset Value in transferable securities that are equities including, but not limited to, shares, depositary receipts (e.g. American Depositary Receipts and Global Depositary Receipts) and convertible bonds. The Fund may also invest in Contingent Convertible Securities but such investments (if any) will be limited and are not expected to form a material part of the portfolio.

In addition, the Fund may invest up to 10% of its Net Asset Value in China A Shares listed on the Shanghai Stock Exchange via the Northbound Trading Link of the Shanghai Hong Kong Stock Connect program.

The Fund may at times invest a maximum of 50% of its Net Asset Value in non-investment grade debt securities and the minimum permissible rating of such securities will be B3/B- by any one rating agency (or as deemed equivalent by the Investment Manager).

The Fund employs a range of hedging and portfolio management techniques to seek to manage liquidity and reduce volatility as detailed in the section headed “EFFICIENT PORTFOLIO MANAGEMENT”.

Whilst it is the intention that the Fund be fully invested as described above, the Investment Manager retains the flexibility to invest substantially in cash and/or money market instruments (including but not limited to OECD government bills, treasury notes, commercial paper and certificates of deposit), to include but not limited to, term deposits, OECD government bills and notes with investment grade ratings as well as debt instruments issued by OECD banks and corporates with a minimum ‘A-’ rating or better, in circumstances where the Investment Manager considers it to be in the best interest of the Fund to do so.



## Supplement - Muzinich Asia Credit Opportunities Fund cont/d...

### 2 Investment Policies cont/d...

The Fund may utilise futures, forwards, options, interest rate swaps, credit default swaps (to buy and sell protection) and total return swaps (details of which are set out in the section headed "FINANCIAL DERIVATIVE INSTRUMENTS AND TECHNIQUES FOR EFFICIENT PORTFOLIO MANAGEMENT") to hedge investments in the Fund's securities and their related assets, markets and currencies and for efficient portfolio management purposes. Use of derivatives and efficient portfolio management techniques will be subject to the conditions and within the limits laid down by the Central Bank and in accordance with the risk management statement for the Fund approved by the Central Bank. The Fund may be leveraged through the use of derivatives and Contingent Convertible Securities. The leveraged exposure of the Fund through the use of derivatives and Contingent Convertible Securities will not exceed 100% of the Net Asset Value of the Fund and will be measured using the commitment approach.

In addition, the Fund may invest in broken convertible bonds, as detailed in the section headed "FINANCIAL DERIVATIVE INSTRUMENTS AND TECHNIQUES FOR EFFICIENT PORTFOLIO MANAGEMENT". The Fund will not be leveraged as a result of an investment in broken convertible bonds.

The Investment Manager may invest, through the purchase of loan receivables, in assignments of existing corporate loan receivables (which are collateralised, freely transferable, traded on a regulated market and unlisted); this is subject to an overall limit of 9.9% of the Net Asset Value of the Fund being invested in loans, in any other investments (including, without limitation, investments for liquidity purposes) to which paragraph 2.1 or sentence 1 or 2 of paragraph 2.2 of the section headed "PERMITTED INVESTMENTS" are applicable and in unlisted securities generally.

The Fund may invest in other open-ended collective investment schemes, with similar investment policies to the Fund, subject to a limit of 10% of the Net Asset Value of the Fund being invested in aggregate in units/shares of other collective investment schemes, which include UCITS or non-UCITS ETFs which are considered to be collective investment schemes. The Fund may

invest in ETFs or swaps referencing an index for the purpose of gaining indirect exposure to corporate bonds, as detailed above. It is intended that the ETFs in which the Fund may invest will be listed on a Recognised Exchange, and will be domiciled in, or have exposure primarily to Asian markets. Within the 10% limit for investment in other collective investment schemes, the Fund may invest a maximum of 2% of its Net Asset Value in other Funds of the Trust, subject to and in accordance with the requirements of the Central Bank.

**THE FUND'S INVESTMENT STRATEGY IS SPECULATIVE AND ENTAILS SUBSTANTIAL RISKS. THERE CAN BE NO ASSURANCE THAT THE INVESTMENT OBJECTIVE OF THE FUND WILL BE ACHIEVED, AND RESULTS MAY VARY SUBSTANTIALLY OVER TIME. YOU SHOULD BE AWARE THAT SYNTHETIC SHORT SELLING AND THE USE OF DERIVATIVES COULD, IN CERTAIN CIRCUMSTANCES, SUBSTANTIALLY INCREASE THE IMPACT OF ADVERSE MARKET CONDITIONS ON THE FUND'S NET ASSET VALUE.**

### 3 Investment Strategy

The Investment Manager employs a bottom-up and top-down approach to analysing sovereign, corporate, Hard Currency and local currency debt securities. All investment decisions are dependent on the Investment Manager's outlook on such securities which includes analysis on the global market environment, the economic environment of the relevant Asian countries and the valuations within the relevant asset class.

The Investment Manager seeks to make investment decisions based on anticipated yield, spread and currency movements in response to changes in economic conditions, sector fundamentals and issuer specific factors such as cash flow and management.

The Investment Manager's proprietary research process is credit-intensive. Investment decisions are generally based on quantitative and qualitative analysis using internally generated financial models and projections. Diversified portfolios are built to reflect the Investment Manager's decisions about credit-worthiness and industry merit. The Investment Manager emphasises a rigorous and proactive sell discipline to seek to mitigate downside volatility.



## Supplement - Muzinich Asia Credit Opportunities Fund cont/d...

### 3 Investment Strategy cont/d...

The Muzinich Portfolio Risk Analytics Committee, which is independent of the portfolio management team, regularly monitors portfolios to check for securities' portfolio suitability, to assess absolute risk, and to confirm cross-portfolio consistency and compliance with guidelines using both proprietary models and outside services.

### 4 Profile of a Typical Investor

An investment in the Fund is suitable for investors who can tolerate a medium to high level of volatility.

### 5 Borrowing and Leverage

The Investment Manager does not intend that the Fund will borrow.

Unless otherwise disclosed in the Prospectus, the use of derivatives by the Fund will result in leverage. The leveraged exposure of the Fund through the use of derivatives and Contingent Convertible Securities will not exceed 100% of the Net Asset Value of the Fund and will be measured using the commitment approach.

### 6 Investment Restrictions

The Fund must comply with the investment restrictions outlined in the Prospectus in the sections headed "PERMITTED INVESTMENTS" and "APPENDIX I - ADDITIONAL RESTRICTIONS".

### 7 Risk Factors

Prospective investors should refer to the sections headed "General Risks" and "Fund Specific Risks" in the Prospectus before investing in the Fund.

### 8 Key Information for Buying and Selling Units

#### 8.1 Base Currency

The Base Currency of the Fund is US\$.

#### 8.2 Dealing Frequency and Dealing Deadline

<b>Dealing Day</b>	Each Business Day
<b>Dealing Deadline (Subscriptions and Redemptions)</b>	4.00 p.m. (Irish time) on the relevant Dealing Day

#### 8.3 Minimum Subscription

For details on the minimum initial subscription amounts applicable to the Classes for the Fund, please refer to the section headed "Minimum Subscription" in the Prospectus.

#### 8.4 Initial Offer Period and Initial Offer Price

The initial offer period of the Units in the Fund shall be 9.00 am (Irish time) on 27 December 2017 to 5.00 p.m. on 26 June 2018 or such longer or shorter period as may be determined by the Manager and notified to the Central Bank.

Units which are yet to launch, other than Units denominated in JPY, shall be fixed for each relevant currency at 100 per Unit. Units denominated in JPY shall have an initial issue price during the initial offer period at JPY1.0000 per Unit.

Following the launch of the relevant Units in the Fund, Units shall be issued at a price equal to the Net Asset Value per Unit (plus duties and charges as applicable).

### 9 Distribution Policy

For details on the distribution policy applicable to the relevant Classes for the Fund, please refer to the section headed "Distribution Policy" in the Prospectus.

## Supplement - Muzinich Asia Credit Opportunities Fund cont/d...

### 10 Fees and Expenses

#### 10.1 Fees

The Manager Fees, Administrative Fees and performance fees applicable to the Classes for the Fund are as set out in the section headed “Unit Class Information” below.

#### 10.2 Charges

The charges applicable to the Fund are set out below and should be read in conjunction with the section headed “Charges” in the Prospectus.

<b>Subscription Fee</b>	Not to exceed 1% of the Net Asset Value per Unit*
<b>Redemption Fee</b>	Not to exceed 2% of the Net Asset Value per Unit

\* P Units are not subject to the subscription fee.

## Supplement - Muzinich Asia Credit Opportunities Fund cont/d...

### 11 Unit Class Information

Units are available in each unit category and unit type as hedged classes and unhedged classes in the following currencies: AUD, CAD, CHF, CZK, DKK, EUR, GBP, HKD, ISK, JPY, NOK, RMB, SEK, SGD and USD.

Unit Category	Available	Maximum Annual Manager Fee	Annual Administrative Fee	Performance Fee
R Units	Accumulation and Income	1.50%	0.06%	N/A
A Units	Accumulation and Income	1.00%	0.06%	N/A
H Units**	Accumulation and Income	0.65%	0.06%	N/A
S Units***	Accumulation and Income	0.55%	0.06%	N/A
P Units	Accumulation and Income	1.80%	0.06%	N/A
Founder Units*** ****	Accumulation and Income	0.40%	0.06%	N/A
X Units***	Accumulation and Income	N/A	0.06%	N/A
G Units***	Accumulation and Income	0.65%	0.06%	N/A
G1 Units***	Accumulation and Income	0.65%	0.06%	N/A

The following naming convention applies to the title of each Class of Unit:

Hedging status/ Currency/ Unit type available/ Unit category / Distribution frequency\*\*\*\*\* (i.e. Hedged Euro Accumulation X).

\*\* H Units are available to institutional investors (for investors in the European Union, this means “Eligible Counterparties” as defined under MIFID II) investing for their own account. In addition, H Units are available to investors that are not allowed to accept and retain commissions due to regulatory requirements or due to individual fee arrangements with their clients. In such circumstances, the H Units minimum initial subscription will not be applicable at the discretion of the Manager.

\*\*\*Acceptance by the Manager of subscriptions in this Class is conditional upon the execution of a separate agreement between the investor and the Investment Manager or an affiliate.

\*\*\*\* The maximum annual Manager Fee in respect of the Founder Units for the first three years following launch of the Fund is 0.40% of the Net Asset Value of such Founder Units. Thereafter, a maximum annual Manager Fee of 0.55% of the Net Asset Value of such Founder Units will apply. Acceptance by the Manager of subscriptions in this Class is conditional upon the execution of a separate agreement between the investor and the Investment Manager or an affiliate.

\*\*\*\*\* Only applicable to (Monthly) and (Quarterly) Units.

## Supplement - Muzinich Developed Markets High Yield Fund

This Supplement contains information relating specifically to Muzinich Developed Markets High Yield Fund (the “Fund”), a sub-fund of Muzinich Funds (the “Trust”), an open-ended umbrella unit trust with segregated liability between sub-funds authorised by the Central Bank as a UCITS.

This Supplement forms part of the Prospectus and should be read in conjunction with the Prospectus. Capitalised terms not defined herein shall have the same meaning as in the Prospectus.

### 1 Investment Objective

The Fund seeks to generate attractive returns and protect capital.

### 2 Investment Policies

The Investment Manager seeks to meet its objective through the careful selection of publicly traded debt securities (including notes, such as floating rate short-term and medium-term notes, Contingent Convertible Securities and bonds) issued primarily by US and European corporate borrowers that, at the time of purchase, have a Moody's or equivalent rating of at least B3, but typically less than A.

The Fund primarily invests in publicly traded debt securities of US and European corporate borrowers generally traded on Recognised Exchanges in the US, Canada and the European Economic Area (EEA). The Fund will at all times have at least 10% of the portfolio invested in the EEA and the balance primarily in the US and Canada. It is expected that the Fund will have a minimum of 50% of its assets invested in US\$ denominated paper. Such bonds will be rated by Moody's/Standard & Poor's at least B3/B- (or as deemed equivalent by the Investment Manager), but typically less than A. In the event of a downgrade of the credit rating of any security below the B3/B- level (or as deemed equivalent by the Investment Manager), the Investment Manager will review the Fund's holding of the security. Where market forces so dictate the Fund may reduce its holdings in such securities and increase its holdings in government obligations, high grade securities rated at least Baa3 by Moody's (or as deemed equivalent by the Investment Manager) or other money market instruments (including but not limited to OECD government bills, treasury notes, commercial paper and certificates of deposit) traded generally on Recognised Exchanges in the US, Canada and the EEA.

The Fund may utilise futures, options, credit default swaps (only to buy protection), interest rate swaps and forward currency contracts (details of which are set out in the section headed “FINANCIAL DERIVATIVE INSTRUMENTS AND TECHNIQUES FOR EFFICIENT PORTFOLIO MANAGEMENT”), solely for hedging purposes and/or to protect against exchange risks in accordance with the conditions and limits of the Central Bank. The Fund will not use derivatives for investment purposes nor for speculative purposes. Details of any forward currency transactions entered into by the Investment Manager on behalf of the Fund will be set-out in the periodic reports relating to the Fund. The Fund will not speculate on interest rate fluctuations.

In addition, the Fund may invest in broken convertible bonds, as detailed in the section headed “FINANCIAL DERIVATIVE INSTRUMENTS AND TECHNIQUES FOR EFFICIENT PORTFOLIO MANAGEMENT”. The Fund will not be leveraged as a result of an investment in Contingent Convertible Securities or broken convertible bonds. Investments (if any) in Contingent Convertible Securities will be limited and are not expected to form a material part of the portfolio.

The Investment Manager may invest, through the purchase of loan receivables, in assignments of existing corporate loan receivables (which are collateralised, freely transferable, traded on a regulated market and unlisted); this is subject to an overall limit of 9.9% of the Net Asset Value of the Fund being invested in loans, in any other investments (including, without limitation, investments for liquidity purposes) to which paragraph 2.1 or sentence 1 or 2 of paragraph 2.2 of the section headed “PERMITTED INVESTMENTS” are applicable and in unlisted securities generally.

The Fund may invest in other open-ended collective investment schemes, with similar investment policies to the Fund, subject to a limit of 10% of the Net Asset Value of the Fund being invested in aggregate in units/shares of other collective investment schemes, which include UCITS or non-UCITS ETFs which are considered to be collective investment schemes. The Fund may invest in ETFs for the purpose of gaining indirect exposure to debt securities, as detailed above. It is intended that the ETFs in which the Fund may invest will be listed on a Recognised Exchange, and will be domiciled in, or have exposure to, the US.

## Supplement - Muzinich Developed Markets High Yield Fund cont/d...

### 2 Investment Policies cont/d...

Within the 10% limit for investment in other collective investment schemes, the Fund may invest a maximum of 2% of its Net Asset Value in other Funds of the Trust, subject to and in accordance with the requirements of the Central Bank.

### 3 Investment Strategy

The Investment Manager's proprietary research process is credit-intensive. Investment decisions are generally based on quantitative and qualitative analysis using internally generated financial models and projections. Diversified portfolios are built to reflect the Investment Manager's decisions about credit-worthiness and industry merit. The Investment Manager emphasises a rigorous and proactive sell discipline to seek to mitigate downside volatility.

The Muzinich Portfolio Risk Analytics Committee, which is independent of the portfolio management team, regularly monitors portfolios to check for securities' portfolio suitability, to assess absolute risk, and to confirm cross-portfolio consistency and compliance with guidelines using both proprietary models and outside services.

### 4 Profile of a Typical Investor

An investment in the Fund is suitable for investors seeking higher returns than those available in investment grade credits over a 3-5 year period and can tolerate a medium level of volatility.

### 5 Borrowing and Leverage

The Fund will not be leveraged and the Investment Manager does not intend that the Fund will borrow.

### 6 Investment Restrictions

The Fund must comply with the investment restrictions outlined in the Prospectus in the sections headed "PERMITTED INVESTMENTS" and "APPENDIX I - ADDITIONAL RESTRICTIONS".

### 7 Risk Factors

Prospective investors should refer to the sections headed "General Risks" and "Fund Specific Risks" in the Prospectus before investing in the Fund.

### 8 Key Information for Buying and Selling Units

#### 8.1 Base Currency

The Base Currency of the Fund is US\$.

#### 8.2 Dealing Frequency and Dealing Deadline

<b>Dealing Day</b>	Each Business Day
<b>Dealing Deadline (Subscriptions and Redemptions)</b>	4.00 p.m. (Irish time) on the relevant Dealing Day

#### 8.3 Minimum Subscription

For details on the minimum initial subscription amounts applicable to the Classes for the Fund, please refer to the section headed "Minimum Subscription" in the Prospectus.

#### 8.4 Initial Offer Period and Initial Offer Price

The initial offer period of the Units in the Fund shall be 9.00 am (Irish time) on 27 December 2017 to 5.00 p.m. on 26 June 2018 or such longer or shorter period as may be determined by the Manager and notified to the Central Bank.

Units which are yet to launch, other than Units denominated in JPY, shall be fixed for each relevant currency at 100 per Unit. Units denominated in JPY shall have an initial issue price during the initial offer period at JPY1.0000 per Unit.

Following the launch of the relevant Units in the Fund, Units shall be issued at a price equal to the Net Asset Value per Unit (plus duties and charges as applicable).

### 9 Distribution Policy

For details on the distribution policy applicable to the relevant Classes for the Fund, please refer to the section headed "Distribution Policy" in the Prospectus.

### 10 Fees and Expenses

#### 10.1 Fees

The Manager Fees, Administrative Fees and performance fees applicable to the Classes for the Fund are as set out in the section headed "Unit Class Information" below.

## Supplement - Muzinich Developed Markets High Yield Fund cont/d...

### 10 Fees and Expenses cont/d

#### 10.2 Charges

The charges applicable to the Fund are set out below and should be read in conjunction with the section headed “Charges” in the Prospectus.

<b>Subscription Fee</b>	Not to exceed 1% of the Net Asset Value per Unit*
<b>Redemption Fee</b>	Not to exceed 1% of the Net Asset Value per Unit

Further details of the fees and expenses payable out of the assets of the Fund are disclosed in the section headed “FEES AND EXPENSES” in the Prospectus.

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\* P Units are not subject to the subscription fee.



## Supplement - Muzinich Developed Markets High Yield Fund cont/d...

### 11 Unit Class Information

Units are available in each unit category and unit type as hedged classes and unhedged classes in the following currencies: AUD, CAD, CHF, CZK, DKK, EUR, GBP, HKD, ISK, JPY, NOK, RMB, SEK, SGD and USD.

Unit Class	Available	Maximum Annual Manager Fee**	Annual Administrative Fee	Performance Fee
R Units	Accumulation and Income	1.50%	N/A	N/A
A Units	Accumulation and Income	1.00%	N/A	N/A
P Units	Accumulation and Income	1.80%	0.05%	N/A
H Units**	Accumulation and Income	0.65%	N/A	N/A
S Units***	Accumulation and Income	0.55%	N/A	N/A
M Units	Accumulation and Income	0.85%	N/A	N/A
X Units***	Accumulation and Income	N/A	N/A	N/A
G Units***	Accumulation and Income	0.65%	N/A	N/A
G1 Units***	Accumulation and Income	0.65%	N/A	N/A

The following naming convention applies to the title of each Class of Unit:

Hedging status/ Currency/ Unit type available/ Unit category / Distribution frequency\*\*\*\* (i.e. Hedged Euro Accumulation X).

\*\* H Units are available to institutional investors (for investors in the European Union, this means “Eligible Counterparties” as defined under MIFID II) investing for their own account. In addition, H Units are available to investors that are not allowed to accept and retain commissions due to regulatory requirements or due to individual fee arrangements with their clients. In such circumstances, the H Units minimum initial subscription will not be applicable at the discretion of the Manager.

\*\*\* Acceptance by the Manager of subscriptions in this Class is conditional upon the execution of a separate agreement between the investor and the Investment Manager or an affiliate.

\*\*\*\* Only applicable to (Monthly) and (Quarterly) Units.

## Supplement - Muzinich US Corporate Yield Fund

This Supplement contains information relating specifically to Muzinich US Corporate Yield Fund (the “Fund”), a sub-fund of Muzinich Funds (the “Trust”), an open-ended umbrella unit trust with segregated liability between sub-funds authorised by the Central Bank as a UCITS.

**This Supplement forms part of the Prospectus and should be read in conjunction with the Prospectus.** Capitalised terms not defined herein shall have the same meaning as in the Prospectus.

As disclosed further below, the Fund may invest in FDI for efficient portfolio management and hedging purposes.

### 1 Investment Objective

The Fund seeks to protect capital and generate attractive returns which exceed those available from Benchmark Government Bonds.

### 2 Investment Policies

The Investment Manager seeks to meet its objective through construction of a prudently managed portfolio primarily of bonds with attractive risk and reward characteristics, issued by corporate borrowers which are domiciled, headquartered, or whose primary business activities or principal trading markets are in the US. The portfolio will maintain an average investment grade rating.

The Fund primarily invests in US or USD corporate debt securities (including fixed and floating rate notes, Contingent Convertible Securities and bonds) or in US Treasury Bonds and US Agency Bonds, which are publicly traded on Recognised Exchanges. The Fund maintains an average investment grade Moody's or Standard & Poor's rating (or as deemed equivalent by the Investment Manager) of at least Baa3 or BBB-, respectively, and will at all times invest at least 70% of its Net Asset Value in investment grade bonds (including ancillary liquid assets). No more than 20% of the Fund's Net Asset Value may be rated below investment grade, and the minimum permissible rating of a security at purchase will be B3/B- by any one rating agency (or as deemed equivalent by the Investment Manager). The Fund's investment portfolio will be diversified as to issuer and industry, with no single corporate issuer comprising more than 5% of the Fund's Net Asset Value for investment grade debt securities, and no more than 3% for debt securities that are rated

below investment grade. Investments (if any) in Contingent Convertible Securities will be limited and are not expected to form a material part of the portfolio.

The Fund employs a range of hedging and portfolio management techniques to seek to manage liquidity and reduce volatility as detailed in the section headed “EFFICIENT PORTFOLIO MANAGEMENT”.

Whilst it is the intention that the Fund be fully invested as described above, the Investment Manager retains the flexibility to invest substantially in cash and/or money market instruments (including but not limited to OECD government bills, treasury notes, commercial paper and certificates of deposit), to include but not limited to, term deposits, OECD government bills and notes with investment grade ratings as well as debt instruments issued by OECD banks and corporates with a minimum ‘A-’ rating or better, in circumstances where the Investment Manager considers it to be in the best interest of the Fund to do so.

The Fund may utilise futures, forwards, options, interest rate swaps, credit default swaps (to buy and sell protection) and total return swaps (details of which are set out in the section headed “FINANCIAL DERIVATIVE INSTRUMENTS AND TECHNIQUES FOR EFFICIENT PORTFOLIO MANAGEMENT”) to hedge investments in the Fund's securities and their related assets, markets and currencies and for efficient portfolio management purposes. Use of derivatives and efficient portfolio management techniques will be subject to the conditions and within the limits laid down by the Central Bank and in accordance with the risk management statement for the Fund approved by the Central Bank. As it is not the intention that the Fund be leveraged through the use of derivatives, derivative use will be collateralised or offset with cash. Nevertheless, the use of FDI may be considered leveraging transactions, particularly if offsetting collateral changes value or offsetting cash is deemed insufficient. The Fund's exposure to any potential leverage from FDI and Contingent Convertible Securities will be monitored and measured using the commitment approach and any resulting leverage will not exceed 100% of the Net Asset Value of the Fund.

## Supplement - Muzinich US Corporate Yield Fund cont/d...

### 2 Investment Policies cont/d...

In addition, the Fund may invest in broken convertible bonds, as detailed in the section headed “FINANCIAL DERIVATIVE INSTRUMENTS AND TECHNIQUES FOR EFFICIENT PORTFOLIO MANAGEMENT”. The Fund will not be leveraged as a result of an investment in broken convertible bonds.

The Investment Manager may invest, through the purchase of loan receivables, in assignments of existing corporate loan receivables (which are collateralised, freely transferable, traded on a regulated market and unlisted); this is subject to an overall limit of 9.9% of the Net Asset Value of the Fund being invested in loans, in any other investments (including, without limitation, investments for liquidity purposes) to which paragraph 2.1 or sentence 1 or 2 of paragraph 2.2 of the section headed “PERMITTED INVESTMENTS” are applicable and in unlisted securities generally.

The Fund may invest in other open-ended collective investment schemes, with similar investment policies to the Fund, subject to a limit of 10% of the Net Asset Value of the Fund being invested in aggregate in units/shares of other collective investment schemes, which include UCITS or non-UCITS ETFs which are considered to be collective investment schemes. The Fund may invest in ETFs or swaps referencing an index for the purpose of gaining indirect exposure to corporate bonds, as detailed above. It is intended that the ETFs in which the Fund may invest will be listed on a Recognised Exchange, and will be domiciled in, or have exposure to US, European, and/or emerging markets. Within the 10% limit for investment in other collective investment schemes, the Fund may invest a maximum of 2% of its Net Asset Value in other Funds of the Trust, subject to and in accordance with the requirements of the Central Bank.

**THE FUND’S INVESTMENT STRATEGY IS SPECULATIVE AND ENTAILS SUBSTANTIAL RISKS. THERE CAN BE NO ASSURANCE THAT THE INVESTMENT OBJECTIVE OF THE FUND WILL BE ACHIEVED, AND RESULTS MAY VARY SUBSTANTIALLY OVER TIME. YOU SHOULD BE AWARE THAT SYNTHETIC SHORT SELLING AND THE USE OF DERIVATIVES COULD, IN CERTAIN CIRCUMSTANCES, INCREASE THE IMPACT OF ADVERSE MARKET CONDITIONS ON THE FUND’S NET ASSET VALUE.**

### 3 Investment Strategy

The Investment Manager seeks to invest the Fund in companies it considers to be sound, well-positioned enterprises possessing attractive longer term prospects and which also offer, in the Investment Manager’s opinion, attractive risk-adjusted returns. The Investment Manager’s proprietary research process is credit-intensive. Investment decisions are generally based on quantitative and qualitative analysis using internally generated financial models and projections. Diversified portfolios are built to reflect the Investment Manager’s decisions about credit-worthiness and industry merit. The Investment Manager emphasises a rigorous and proactive sell discipline to seek to mitigate downside volatility, particularly as higher-yielding credits may entail greater risk.

The Muzinich Portfolio Risk Analytics Committee, which is independent of the portfolio management team, regularly monitors portfolios to check for securities’ portfolio suitability, to assess absolute risk, and to confirm cross-portfolio consistency and compliance with guidelines using both proprietary models and outside services.

### 4 Profile of a Typical Investor

An investment in the Fund is suitable for investors seeking higher returns than those available in Benchmark Government Bonds over a one to three year period and who can tolerate a low to medium level of volatility.

### 5 Borrowing and Leverage

The Investment Manager does not intend that the Fund will borrow.

As it is not the intention that the Fund be leveraged through the use of derivatives, derivative use will be collateralised or offset with cash. Nevertheless, the use of FDI may be considered leveraging transactions, particularly if offsetting collateral changes value or offsetting cash is deemed insufficient. The Fund’s exposure to any potential leverage from FDI and Contingent Convertible Securities will be monitored and measured using the commitment approach (which permits leveraged exposure of 100%) and any resulting leverage will not exceed 100% of the Net Asset Value of the Fund.

## Supplement - Muzinich US Corporate Yield Fund cont/d...

### 6 Investment Restrictions

The Fund must comply with the investment restrictions outlined in the Prospectus in the sections headed “PERMITTED INVESTMENTS” and “APPENDIX I - ADDITIONAL RESTRICTIONS”.

### 7 Risk Factors

Prospective investors should refer to the sections headed “General Risks” and “Fund Specific Risks” in the Prospectus before investing in the Fund.

### 8 Key Information for Buying and Selling Units

#### 8.1 Base Currency

The Base Currency of the Fund is US\$.

#### 8.2 Dealing Frequency and Dealing Deadline

<b>Dealing Day</b>	Each Business Day
<b>Dealing Deadline (Subscriptions and Redemptions)</b>	4.00 p.m. (Irish time) on the relevant Dealing Day

#### 8.3 Minimum Subscription

For details on the minimum initial subscription amounts applicable to the Classes for the Fund, please refer to the section headed “Minimum Subscription” in the Prospectus.

#### 8.4 Initial Offer Period and Initial Offer Price

The initial offer period of the Units in the Fund shall be 9.00 am (Irish time) on 27 December 2017 to 5.00 p.m. on 26 June 2018 or such longer or shorter period as may be determined by the Manager and notified to the Central Bank.

Units which are yet to launch, other than Units denominated in JPY, shall be fixed for each relevant currency at 100 per Unit. Units denominated in JPY shall have an initial issue price during the initial offer period at JPY1.0000 per Unit.

Following the launch of the relevant Units in the Fund, Units shall be issued at a price equal to the Net Asset Value per Unit (plus duties and charges as applicable).

### 9 Distribution Policy

For details on the distribution policy applicable to the relevant Classes for the Fund, please refer to the section headed “Distribution Policy” in the Prospectus.

### 10 Fees and Expenses

#### 10.1 Fees

The Manager Fees, Administrative Fees and performance fees applicable to the Classes for the Fund are as set out in the section headed “Unit Class Information” below.

#### 10.2 Charges

The charges applicable to the Fund are set out below and should be read in conjunction with the section headed “Charges” in the Prospectus.

<b>Subscription Fee</b>	Not to exceed 1% of the Net Asset Value per Unit*
<b>Redemption Fee</b>	Not to exceed 1% of the Net Asset Value per Unit

Further details of the fees and expenses payable out of the assets of the Fund are disclosed in the section headed “FEES AND EXPENSES” in the Prospectus.

\* P Units are not subject to the subscription fee.

## Supplement - Muzinich US Corporate Yield Fund cont/d...

### 11 Unit Class Information

Units are available in each unit category and unit type as hedged classes and unhedged classes in the following currencies: AUD, CAD, CHF, CZK, DKK, EUR, GBP, HKD, ISK, JPY, NOK, RMB, SEK, SGD and USD.

Unit Category	Available	Maximum Annual Manager Fee	Annual Administrative Fee	Performance Fee
R Units	Accumulation and Income	1.00%	0.06%	N/A
A Units	Accumulation and Income	0.75%	0.06%	N/A
H Units**	Accumulation and Income	0.45%	0.06%	N/A
S Units***	Accumulation and Income	0.35%	0.06%	N/A
P Units	Accumulation and Income	1.15%	0.05%	N/A
M Units	Accumulation and Income	0.55%	0.06%	N/A
Founder Units***	Accumulation and Income	0.30%	0.06%	N/A
X Units***	Accumulation and Income	N/A	0.06%	N/A
G Units***	Accumulation and Income	0.45%	0.06%	N/A
G1 Units***	Accumulation and Income	0.45%	0.06%	N/A

The following naming convention applies to the title of each Class of Unit:

Hedging status/ Currency/ Unit type available/ Unit category / Distribution frequency\*\*\*\* (i.e. Hedged Euro Accumulation X).

\*\* H Units are available to institutional investors (for investors in the European Union, this means “Eligible Counterparties” as defined under MIFID II) investing for their own account. In addition, H Units are available to investors that are not allowed to accept and retain commissions due to regulatory requirements or due to individual fee arrangements with their clients. In such circumstances, the H Units minimum initial subscription will not be applicable at the discretion of the Manager

\*\*\* Acceptance by the Manager of subscriptions in this Class is conditional upon the execution of a separate agreement between the investor and the Investment Manager or an affiliate.

\*\*\*\* Only applicable to (Monthly) and (Quarterly) Units.

## Supplement - Muzinich Fixed Maturity 2021 Fund

This Supplement contains information relating specifically to Muzinich Fixed Maturity 2021 Fund (the “Fund”), a sub-fund of Muzinich Funds (the “Trust”), an open-ended umbrella unit trust with segregated liability between sub-funds authorised by the Central Bank as a UCITS.

**This Supplement forms part of the Prospectus and should be read in conjunction with the Prospectus.** Capitalised terms not defined herein shall have the same meaning as in the Prospectus.

**An investment in the sub-fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

As disclosed further below, the Fund may invest in FDI for efficient portfolio management and hedging purposes.

### 1 Investment Objective

The Fund seeks to protect capital and generate an attractive level of income by investing in debt securities for a limited term.

### 2 Term of Fund

The Fund will be liquidated on 30 September 2021. The Manager may defer such liquidation for a period of up to 4 months. Upon liquidation, all proceeds will be returned to investors.

### 3 Offering Period

For the purpose of subscriptions, the Fund will undergo an offering period which will conclude on or before 31 December 2017 unless otherwise extended by the Manager in accordance with the requirements of the Central Bank. After the offering period ends, the Fund will be closed for subscriptions and will only remain open for redemptions. Please refer to the section entitled “Key Information for Buying and Selling Units” for further information.

### 4 Investment Policies

The Investment Manager seeks to meet the Fund’s investment objective through investment in debt securities, primarily bonds (fixed and/or floating rate) and money market instruments (including but not limited to OECD government bills, treasury notes, commercial paper and certificates of deposit) which are issued by government or corporate issuers.

The Investment Manager expects that under normal market conditions the Fund will be primarily invested in U.S. Dollar denominated debt securities and the average credit rating of the securities held in the Fund’s portfolio will be investment grade. The Investment Manager will seek to invest a minimum of 65% of the Fund’s Net Asset Value in securities that are rated investment grade and may invest up to 35% of the Net Asset Value of the Fund in sub-investment grade securities of government issuers or corporate issuers from the public sector that are at least rated BB- and majority owned by a sovereign state, as rated by ratings agencies such as Moody’s and/or Standard & Poor’s or as deemed equivalent by the Investment Manager (“Ratings Agency”). Should any difference in rating by one or more Ratings Agency (or firm) arise, the following approach shall be taken; Where there is one available rating this will be used, where there are two available ratings the lowest shall be used, and where there are three available ratings, they will be sorted in ascending order and the second shall be used.

In addition, there is no restriction on the amount that will be invested in securities that are issued in emerging market countries and such securities may be denominated in a Hard Currency. For the purpose of this Fund, “Hard Currency” is defined as US Dollar, Euro, Sterling, Japanese Yen and Swiss Franc.

The Fund will invest in debt securities which have a maturity that extends up to 6 months past the Fund’s liquidation date, however, the Investment Manager may also invest up to 50% of the Fund’s Net Asset Value in securities that have a maturity date that extends up to 24 months past the Fund’s liquidation date.

With the exception of permitted investments in transferable securities and money market instruments which are unlisted, all securities/instruments in which the Fund will invest will be listed and/or traded on a Recognised Exchange (as defined in the Prospectus).

The Fund’s investment portfolio will be diversified as to issuer and industry, with no single issuer comprising more than 3% of the Fund’s Net Asset Value. The Fund may also invest in Contingent Convertible Securities but such investments (if any) will be limited and are not expected to form a material part of the portfolio.



## Supplement - Muzinich Fixed Maturity 2021 Fund cont/d...

### 4 Investment Policies cont/d...

The Fund employs a range of hedging and portfolio management techniques to seek to manage liquidity and reduce volatility as detailed in the section headed “EFFICIENT PORTFOLIO MANAGEMENT”.

Whilst it is the intention that the Fund be fully invested as described above, in circumstances where the Investment Manager considers it to be in the best interest of the Fund to do so (including, but not limited to, market conditions), the Investment Manager retains the flexibility to invest substantially in cash and/or money market instruments (including but not limited to OECD government bills, treasury notes, commercial paper and certificates of deposit), to include but not limited to, term deposits, OECD government bills and notes with investment grade ratings as well as debt instruments issued by OECD banks and corporates with a minimum ‘A-’ rating or better.

The Fund may utilise futures, forwards, options, interest rate swaps, credit default swaps (to buy and sell protection) and total return swaps (details of which are set out in the section headed “FINANCIAL DERIVATIVE INSTRUMENTS AND TECHNIQUES FOR EFFICIENT PORTFOLIO MANAGEMENT”) to hedge investments in the Fund’s securities and their related assets, markets and currencies and for efficient portfolio management purposes. The Fund does intend to enter into an interest rate swap for the duration of the Fund for efficient portfolio management purposes only where up to 100% of the portfolios assets may be hedged. Use of derivatives and efficient portfolio management techniques will be subject to the conditions and within the limits laid down by the Central Bank and in accordance with the risk management statement for the Fund approved by the Central Bank. As it is not the intention that the Fund be leveraged through the use of derivatives, derivative use will be collateralised or offset with cash. Nevertheless, the use of FDI may be considered leveraging transactions, particularly if offsetting collateral changes value or offsetting cash is deemed insufficient. The Fund’s exposure to any potential leverage will be monitored and measured using the commitment approach and any resulting leverage will not exceed 100% of the Net Asset Value of the Fund.

In addition, the Fund may invest in broken convertible bonds, as detailed in the section headed “FINANCIAL DERIVATIVE INSTRUMENTS AND TECHNIQUES FOR EFFICIENT PORTFOLIO MANAGEMENT”. The Fund will not be leveraged as a result of an investment in broken convertible bonds.

The Investment Manager may invest, through the purchase of securitised loan receivables, in assignments of existing corporate loan receivables (which are collateralised, freely transferable, traded on a regulated market and unlisted); this is subject to an overall limit of 9.9% of the Net Asset Value of the Fund being invested in loans, in any other investments (including, without limitation, investments for liquidity purposes) to which paragraph 2.1 or sentence 1 or 2 of paragraph 2.2 of the section headed “PERMITTED INVESTMENTS” are applicable and in unlisted securities generally.

The Fund may invest in other open-ended collective investment schemes, with similar investment policies to the Fund, subject to a limit of 10% of the Net Asset Value of the Fund being invested in aggregate in units/shares of other collective investment schemes, which include UCITS or non-UCITS ETFs which are considered to be collective investment schemes. The Fund may invest in ETFs or swaps referencing an index for the purpose of gaining indirect exposure to corporate bonds, as detailed above. It is intended that the ETFs in which the Fund may invest will be listed on a Recognised Exchange, and will be domiciled in, or have exposure to US, European, and/or emerging markets. Within the 10% limit for investment in other collective investment schemes, the Fund may invest a maximum of 2% of its Net Asset Value in other Funds of the Trust, subject to and in accordance with the requirements of the Central Bank.

**THE FUND’S INVESTMENT STRATEGY IS SPECULATIVE AND ENTAILS SUBSTANTIAL RISKS. THERE CAN BE NO ASSURANCE THAT THE INVESTMENT OBJECTIVE OF THE FUND WILL BE ACHIEVED, AND RESULTS MAY VARY SUBSTANTIALLY OVER TIME. YOU SHOULD BE AWARE THAT THE USE OF DERIVATIVES COULD, IN CERTAIN CIRCUMSTANCES, INCREASE THE IMPACT OF ADVERSE MARKET CONDITIONS ON THE FUND’S NET ASSET VALUE.**

## Supplement - Muzinich Fixed Maturity 2021 Fund cont/d...

### 5 Investment Strategy

The Investment Manager seeks to invest the Fund in issuers it considers to be, among other things, commercially and financially sound, well-positioned within their respective industry and possessing attractive longer term prospects and which also offer, in the Investment Manager's opinion, attractive risk-adjusted returns. The Investment Manager's proprietary research process is credit-intensive. Investment decisions are generally based on quantitative and qualitative analysis using internally generated financial models and projections. Diversified portfolios are built to reflect the Investment Manager's decisions about credit-worthiness and industry merit. The Investment Manager emphasises a rigorous and proactive sell discipline to seek to mitigate downside volatility.

The Muzinich Portfolio Risk Analytics Committee, which is independent of the portfolio management team, regularly monitors portfolios to check for securities' portfolio suitability, to assess absolute risk, and to confirm cross-portfolio consistency and compliance with guidelines using both proprietary models and external services.

### 6 Profile of a Typical Investor

An investment in the Fund is suitable for investors seeking a regular level of income through investment in primarily investment grade credits for approximately four years and who can tolerate a low-medium level of volatility.

### 7 Borrowing and Leverage

The Investment Manager does not intend that the Fund will borrow.

It is not the intention that the Fund be leveraged through the use of derivatives, as derivative use will be collateralised or offset with cash. Nevertheless, the use of FDI and Contingent Convertible Securities may be considered leveraging transactions, particularly if offsetting collateral changes value or offsetting cash is deemed insufficient. The Fund's exposure to any potential leverage from FDI and Contingent Convertible Securities will be monitored and measured using the commitment approach (which permits leveraged exposure of 100%) and any resulting leverage will not exceed 100% of the Net Asset Value of the Fund.

### 8 Investment Restrictions

The Fund must comply with the investment restrictions outlined in the Prospectus in the sections headed "PERMITTED INVESTMENTS" and "APPENDIX I - ADDITIONAL RESTRICTIONS".

### 9 Risk Factors

Prospective investors should refer to the sections headed "General Risks" and "Fund Specific Risks" in the Prospectus before investing in the Fund.

### 10 Key Information for Buying and Selling Units

#### 10.1 Base Currency

The Base Currency of the Fund is US\$.

#### 10.2 Dealing Frequency and Dealing Deadline

Dealing Day	Each Business Day
Dealing Deadline - Subscriptions	4.00 p.m. (Irish time) on the relevant Dealing Day until 31 December 2017 at which point the Fund will close for Subscriptions.
Dealing Deadline - Redemptions	4.00 p.m. (Irish time) on the relevant Dealing Day

#### 10.3 Minimum Subscription

For details on the minimum initial subscription amounts applicable to the Classes for the Fund, please refer to the section headed "Minimum Subscription" in the Prospectus.

#### 10.4 Initial Offer Period and Initial Offer Price

The initial offer period of the Units in the Fund shall be 9.00 am (Irish time) on 4 September 2017 to 5.00 p.m. on 31 December 2017 or such longer or shorter period as may be determined by the Manager and notified to the Central Bank.

Units which are yet to launch, other than Units denominated in JPY, shall be fixed for each relevant currency at 100 per Unit. Units denominated in JPY shall have an initial issue price during the initial offer period at JPY1.0000 per Unit.

## Supplement - Muzinich Fixed Maturity 2021 Fund cont/d...

### 11 Distribution Policy

For details on the distribution policy applicable to the relevant Classes for the Fund, please refer to the section headed “Distribution Policy” in the Prospectus.

### 12 Fees and Expenses

#### 12.1 Fees

The Manager Fees, Administrative Fees and performance fees applicable to the Classes for the Fund are as set out in the section headed “Unit Class Information” below.

#### 12.2 Charges

The charges applicable to the Fund are set out below and should be read in conjunction with the section headed “Charges” in the Prospectus.

<b>Subscription Fee</b>	Not to exceed 1% of the Net Asset Value per Unit
<b>Redemption Fee</b>	Not to exceed 2% of the Net Asset Value per Unit

Further details of the fees and expenses payable out of the assets of the Fund are disclosed in the section headed “FEES AND EXPENSES” in the Prospectus.

## Supplement - Muzinich Fixed Maturity 2021 Fund cont/d...

### 13 Unit Class Information

Units are available in each unit category and unit type as hedged classes and unhedged classes in the following currencies: AUD, CAD, CHF, CZK, DKK, EUR, GBP, HKD, ISK, JPY, NOK, RMB, SEK, SGD and USD.

Unit Category	Available	Maximum Annual Manager Fee	Annual Administrative Fee	Performance Fee
R Units	Accumulation and Income	1.00%	0.12%	N/A
A Units	Accumulation and Income	0.75%	0.12%	N/A
A1 Units*	Accumulation and Income	0.45%	0.12%	N/A
P Units	Accumulation and Income	1.15%	0.12%	N/A
H Units**	Accumulation and Income	0.45%	0.12%	N/A
S Units*	Accumulation and Income	0.35%	0.12%	N/A
S1 Units*	Accumulation and Income	0.35%	0.12%	N/A
M Units	Accumulation and Income	0.55%	0.12%	N/A
X Units*	Accumulation and Income	N/A	0.12%	N/A
G Units*	Accumulation and Income	0.45%	0.12%	N/A
G1 Units*	Accumulation and Income	0.45%	0.12%	N/A

The following naming convention applies to the title of each Class of Unit;

Hedging status/ Currency/ Unit type available/ Unit category/ Distribution frequency\*\*\* (i.e. Hedged Euro Accumulation X).

\* Acceptance by the Manager of subscriptions in this Class is conditional upon the execution of a separate agreement between the investor and the Investment Manager or an affiliate.

\*\* H Units are available to institutional investors (for investors in the European Union, this means "Eligible Counterparties" as defined under MIFID II) investing for their own account. In addition, H Units are available to investors that are not allowed to accept and retain commissions due to regulatory requirements or due to individual fee arrangements with their clients. In such circumstances, the H Units minimum initial subscription will not be applicable at the discretion of the Manager.

\*\*\* Only applicable to (Monthly) and (Quarterly) Units.

## Supplement - Muzinich Emerging Market Debt Fund

This Supplement contains information relating specifically to Muzinich Emerging Market Debt Fund (the “Fund”), a sub-fund of Muzinich Funds (the “Trust”), an open-ended umbrella unit trust with segregated liability between sub-funds authorised by the Central Bank as a UCITS.

**This Supplement forms part of the Prospectus and should be read in conjunction with the Prospectus.** Capitalised terms not defined herein shall have the same meaning as in the Prospectus.

**An investment in the sub-fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

As disclosed further below, the Fund may invest in FDI for efficient portfolio management and hedging purposes.

### 1 Investment Objective

The Fund seeks to protect capital and generate an attractive level of risk adjusted total return.

### 2 Investment Policies

The Investment Manager seeks to meet the Fund’s investment objective through investment in debt securities, primarily bonds, (fixed and/or floating rate) and money market instruments (including but not limited to OECD government bills, treasury notes, commercial paper and certificates of deposit) which are issued by government or corporate issuers which have their head office or exercise an overriding part of their economic activity in emerging market countries (Asia, Africa, Latin America and certain parts of Europe) but, to a lesser extent, may also invest in European and North American companies with emerging markets exposure. Such debt securities will generally be rated below investment grade, typically less than AA, by Moody’s or Standard & Poor’s (or as deemed equivalent by the Investment Manager).

The Investment Manager expects that under normal market conditions the Fund will primarily invest the Fund’s Net Asset Value in Hard Currency debt securities issued by government or corporate issuers in emerging market countries. For the purpose of this Fund, “Hard Currency” is defined as US Dollar, Euro, Sterling, Japanese Yen and Swiss Franc.

With the exception of permitted investments in transferable securities and money market

instruments which are unlisted, all securities/instruments in which the Fund will invest will be listed and/or traded on a Recognised Exchange (as defined in the Prospectus).

The Fund’s investment portfolio will be diversified as to issuer and industry, with no single corporate issuer comprising more than 3% of the Fund’s Net Asset Value. The Fund may also invest in Contingent Convertible Securities but such investments (if any) will be limited and are not expected to form a material part of the portfolio.

The Fund employs a range of hedging and portfolio management techniques to seek to manage liquidity and reduce volatility as detailed in the section headed “EFFICIENT PORTFOLIO MANAGEMENT”.

Whilst it is the intention that the Fund be fully invested as described above, in circumstances where the Investment Manager considers it to be in the best interest of the Fund to do so (including, but not limited to, market conditions), the Investment Manager retains the flexibility to invest substantially in cash and/or money market instruments (including but not limited to OECD government bills, treasury notes, commercial paper and certificates of deposit), to include but not limited to, term deposits, OECD government bills and notes with investment grade ratings as well as debt instruments issued by OECD banks and corporates with a minimum ‘A-’ rating or better.

The Fund may utilise futures, forwards, options, interest rate swaps, credit default swaps (to buy and sell protection) and total return swaps (details of which are set out in the section headed “FINANCIAL DERIVATIVE INSTRUMENTS AND TECHNIQUES FOR EFFICIENT PORTFOLIO MANAGEMENT”) to hedge investments in the Fund’s securities and their related assets, markets and currencies and for efficient portfolio management purposes. Use of derivatives and efficient portfolio management techniques will be subject to the conditions and within the limits laid down by the Central Bank and in accordance with the risk management statement for the Fund approved by the Central Bank. As it is not the intention that the Fund be leveraged through the use of derivatives, derivative use will be collateralised or offset with cash. Nevertheless, the use of FDI may be considered leveraging transactions, particularly if offsetting collateral changes value or offsetting cash is deemed insufficient. The Fund’s exposure



## Supplement - Muzinich Emerging Market Debt Fund cont/d...

### 2 Investment Policies cont/d...

to any potential leverage from FDI and Contingent Convertible Securities will be monitored and measured using the commitment approach and any resulting leverage will not exceed 100% of the Net Asset Value of the Fund.

In addition, the Fund may invest in broken convertible bonds, as detailed in the section headed "FINANCIAL DERIVATIVE INSTRUMENTS AND TECHNIQUES FOR EFFICIENT PORTFOLIO MANAGEMENT". The Fund will not be leveraged as a result of an investment in broken convertible bonds.

The Investment Manager may invest, through the purchase of securitised loan receivables, in assignments of existing corporate loan receivables (which are collateralised, freely transferable, traded on a regulated market and unlisted); this is subject to an overall limit of 9.9% of the Net Asset Value of the Fund being invested in loans, in any other investments (including, without limitation, investments for liquidity purposes) to which paragraph 2.1 or sentence 1 or 2 of paragraph 2.2 of the section headed "PERMITTED INVESTMENTS" are applicable and in unlisted securities generally.

The Fund may invest in other open-ended collective investment schemes, with similar investment policies to the Fund, subject to a limit of 10% of the Net Asset Value of the Fund being invested in aggregate in units/shares of other collective investment schemes, which include UCITS or non-UCITS ETFs which are considered to be collective investment schemes. The Fund may invest in ETFs or swaps referencing an index for the purpose of gaining indirect exposure to corporate bonds, as detailed above. It is intended that the ETFs in which the Fund may invest will be listed on a Recognised Exchange, and will be domiciled in, or have exposure to US, European, and/or emerging markets. Within the 10% limit for investment in other collective investment schemes, the Fund may invest a maximum of 2% of its Net Asset Value in other Funds of the Trust, subject to and in accordance with the requirements of the Central Bank.

**THE FUND'S INVESTMENT STRATEGY IS SPECULATIVE AND ENTAILS SUBSTANTIAL RISKS. THERE CAN BE NO ASSURANCE THAT THE INVESTMENT OBJECTIVE OF THE FUND WILL BE ACHIEVED, AND RESULTS MAY VARY SUBSTANTIALLY OVER TIME. YOU SHOULD BE**

**AWARE THAT THE USE OF DERIVATIVES COULD, IN CERTAIN CIRCUMSTANCES, INCREASE THE IMPACT OF ADVERSE MARKET CONDITIONS ON THE FUND'S NET ASSET VALUE.**

### 3 Investment Strategy

The Investment Manager seeks to invest the Fund in issuers it considers to be, among other things, commercially and financially sound, well-positioned within its respective industry and possessing attractive longer term prospects and which also offer, in the Investment Manager's opinion, attractive risk-adjusted returns. The Investment Manager's proprietary research process is credit-intensive. Investment decisions are generally based on quantitative and qualitative analysis using internally generated financial models and projections. Diversified portfolios are built to reflect the Investment Manager's decisions about credit-worthiness and industry merit. The Investment Manager emphasises a rigorous and proactive sell discipline to seek to mitigate downside volatility.

The Muzinich Portfolio Risk Analytics Committee, which is independent of the portfolio management team, regularly monitors portfolios to check for securities' portfolio suitability, to assess absolute risk, and to confirm cross-portfolio consistency and compliance with guidelines using both proprietary models and outside services.

### 4 Profile of a Typical Investor

An investment in the Fund is suitable for investors seeking higher returns than those available in investment grade credits over a 3-5 year period and can tolerate a medium level of volatility.

### 5 Borrowing and Leverage

The Investment Manager does not intend that the Fund will borrow.

It is not the intention that the Fund be leveraged through the use of derivatives, as derivative use will be collateralised or offset with cash. Nevertheless, the use of FDI may be considered leveraging transactions, particularly if offsetting collateral changes value or offsetting cash is deemed insufficient. The Fund's exposure to any potential leverage from FDI and Contingent Convertible Securities will be monitored and measured using the commitment approach (which permits leveraged exposure of 100%) and any resulting leverage will not exceed 100% of the Net Asset Value of the Fund.



## Supplement - Muzinich Emerging Market Debt Fund cont/d...

### 6 Investment Restrictions

The Fund must comply with the investment restrictions outlined in the Prospectus in the sections headed “PERMITTED INVESTMENTS” and “APPENDIX I - ADDITIONAL RESTRICTIONS”.

### 7 Risk Factors

Prospective investors should refer to the sections headed “General Risks” and “Fund Specific Risks” in the Prospectus before investing in the Fund.

### 8 Key Information for Buying and Selling Units

#### 8.1 Base Currency

The Base Currency of the Fund is US\$.

#### 8.2 Dealing Frequency and Dealing Deadline

<b>Dealing Day</b>	Each Business Day
<b>Dealing Deadline (Subscriptions and Redemptions)</b>	4.00 p.m. (Irish time) on the relevant Dealing Day

#### 8.3 Minimum Subscription

For details on the minimum initial subscription amounts applicable to the Classes for the Fund, please refer to the section headed “Minimum Subscription” in the Prospectus.

#### 8.4 Initial Offer Period and Initial Offer Price

The initial offer period of the Units in the Fund shall be 9.00 am (Irish time) on 27 December 2017 to 5.00 p.m. on 26 June 2018 or such longer or shorter period as may be determined by the Manager and notified to the Central Bank.

Units which are yet to launch, other than Units denominated in JPY, shall be fixed for each relevant currency at 100 per Unit. Units denominated in JPY shall have an initial issue price during the initial offer period at JPY1.0000 per Unit.

Following the launch of the relevant Units in the Fund, Units shall be issued at a price equal to the Net Asset Value per Unit (plus duties and charges as applicable).

### 9 Distribution Policy

For details on the distribution policy applicable to the relevant Classes for the Fund, please refer to the section headed “Distribution Policy” in the Prospectus.

### 10 Fees and Expenses

#### 10.1 Fees

The Manager Fees, Administrative Fees and performance fees applicable to the Classes for the Fund are as set out in the section headed “Unit Class Information” below.

#### 10.2 Charges

The charges applicable to the Fund are set out below and should be read in conjunction with the section headed “Charges” in the Prospectus.

<b>Subscription Fee</b>	Not to exceed 1% of the Net Asset Value per Unit*
<b>Redemption Fee</b>	Not to exceed 2% of the Net Asset Value per Unit

Further details of the fees and expenses payable out of the assets of the Fund are disclosed in the section headed “FEES AND EXPENSES” in the Prospectus.

\* P Units are not subject to the subscription fee.

## Supplement - Muzinich Emerging Market Debt Fund cont/d...

### 11 Unit Class Information

Units are available in each unit category and unit type as hedged classes and unhedged classes in the following currencies: AUD, CAD, CHF, CZK, DKK, EUR, GBP, HKD, ISK, JPY, NOK, RMB, SEK, SGD and USD.

Unit Category	Available	Maximum Annual Manager Fee	Annual Administrative Fee	Performance Fee
R Units	Accumulation and Income	1.50%	0.06%	N/A
A Units	Accumulation and Income	1.00%	0.06%	N/A
P Units	Accumulation and Income	1.80%	0.05%	N/A
H Units**	Accumulation and Income	0.65%	0.06%	N/A
S Units***	Accumulation and Income	0.55%	0.06%	N/A
M Units	Accumulation and Income	0.85%	0.06%	N/A
X Units***	Accumulation and Income	N/A	0.06%	N/A
G Units***	Accumulation and Income	0.65%	0.06%	N/A
Founder***	Accumulation and Income	0.40%	0.06%	N/A
G1 Units***	Accumulation and Income	0.65%	0.06%	N/A

The following naming convention applies to the title of each Class of Unit:

Hedging status/ Currency/ Unit type available/ Unit category/ Distribution frequency\*\*\*\* (i.e. Hedged Euro Accumulation X).

\*\* H Units are available to institutional investors (for investors in the European Union, this means “Eligible Counterparties” as defined under MIFID II) investing for their own account. In addition, H Units are available to investors that are not allowed to accept and retain commissions due to regulatory requirements or due to individual fee arrangements with their clients. In such circumstances, the H Units minimum initial subscription will not be applicable at the discretion of the Manager.

\*\*\* Acceptance by the Manager of subscriptions in this Class is conditional upon the execution of a separate agreement between the investor and the Investment Manager or an affiliate.

\*\*\*\* Only applicable to (Monthly) and (Quarterly) Units.

## Supplement - Muzinich European Credit Alpha Fund

This Supplement contains information relating specifically to Muzinich European Credit Alpha Fund (the “Fund”), a sub-fund of Muzinich Funds (the “Trust”), an open-ended umbrella unit trust with segregated liability between sub-funds authorised by the Central Bank as a UCITS.

**This Supplement forms part of the Prospectus and should be read in conjunction with the Prospectus.** Capitalised terms not defined herein shall have the same meaning as in the Prospectus.

**The Fund may invest principally in FDI for investment purposes and for hedging purposes. An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

### 1 Investment Objective

The Fund seeks to generate consistent attractive returns on a risk-adjusted basis over a three to five year period.

### 2 Investment Policies

The Investment Manager seeks to meet its objective by investing primarily, either directly or indirectly through the use of FDI, in high yield corporate debt securities (including notes, such as floating rate short-term and medium-term notes, Contingent Convertible Securities and bonds) issued primarily by European issuers, or by companies that carry out a substantial proportion of their activities in Europe but whose issues may be in non-European currencies.

The corporate bonds in which the Investment Manager will primarily invest will be non-investment grade, but the Investment Manager may also invest in investment grade corporate bonds, which the Investment Manager believes may enhance the overall returns of the Fund. The securities in which the Fund may invest will be listed or traded on a Recognised Exchange.

The Fund employs a range of hedging and leveraging techniques, as described below, to seek to enhance returns and reduce volatility. The Fund may also invest 10% of its Net Asset Value in transferable securities that are equity securities including, but not limited to, shares and depositary receipts.

Whilst it is the intention that the Fund be fully invested as described above, the Investment Manager retains the flexibility to invest

substantially in cash and/or money market instruments in circumstances where the Investment Manager considers it to be in the best interest of the Fund to do so including, but not limited to, (i) OECD commercial paper and certificates of deposit, (ii) term deposits, (iii) OECD government bills and notes with investment grade ratings, and (iv) debt instruments issued by OECD banks and corporates.

The Investment Manager may utilise futures, options, swaps, credit default swaps and total return swaps (details of which are set out in the section headed “FINANCIAL DERIVATIVE INSTRUMENTS AND TECHNIQUES FOR EFFICIENT PORTFOLIO MANAGEMENT”) to gain exposure to higher yielding corporate debt and to hedge investments in the Fund’s securities and their related assets, markets and currencies. Use of derivatives will be subject to the conditions and within the limits laid down by the Central Bank and in accordance with the risk management statement for the Fund approved by the Central Bank. The Fund will be leveraged through the use of derivatives. The leveraged exposure of the Fund through the use of derivatives and Contingent Convertible Securities will not exceed 100% of the Net Asset Value of the Fund and will be measured using the commitment approach. Investments (if any) in Contingent Convertible Securities will be limited and are not expected to form a material part of the portfolio.

The Investment Manager may invest, either directly through the purchase of loan receivables in assignments of existing corporate loan receivables or indirectly via a total return swap, in existing corporate loan receivables (which are collateralised, freely transferable, traded on a regulated market and unlisted); this is subject to an overall limit of 9.9% of the Net Asset Value of the Fund being invested directly or indirectly in loans, in any other investments (including, without limitation, investments for liquidity purposes) to which paragraph 2.1 or sentence 1 or 2 of paragraph 2.2 of the section headed “PERMITTED INVESTMENTS” are applicable and in unlisted securities generally (and in the case of exposure through total return swaps, the overall 9.9% limit above will be applied to the market value of the underlying assets or the value of the swap, whichever is higher).

## Supplement - Muzinich European Credit Alpha Fund cont/d...

### 2 Investment Policies cont/d...

The Fund may invest in other open-ended collective investment schemes, with similar investment policies to the Fund, subject to a limit of 10% of the Net Asset Value of the Fund being invested in aggregate in units/shares of other collective investment schemes, which include UCITS or non-UCITS ETFs which are considered to be collective investment schemes. The Fund may invest in ETFs for the purpose of gaining indirect exposure to corporate bonds, as detailed above. It is intended that the ETFs in which the Fund may invest will be listed on a Recognised Exchange, and will be domiciled in, or have exposure to European markets. Within the 10% limit for investment in other collective investment schemes, the Fund may invest a maximum of 2% of its Net Asset Value in other Funds of the Trust, subject to and in accordance with the requirements of the Central Bank.

The Fund may be significantly invested in FDI.

**THE FUND'S INVESTMENT STRATEGY IS SPECULATIVE AND ENTAILS SUBSTANTIAL RISKS. THERE CAN BE NO ASSURANCE THAT THE INVESTMENT OBJECTIVE OF THE FUND WILL BE ACHIEVED, AND RESULTS MAY VARY SUBSTANTIALLY OVER TIME. YOU SHOULD BE AWARE THAT SYNTHETIC SHORT SELLING AND THE USE OF DERIVATIVES COULD, IN CERTAIN CIRCUMSTANCES, SUBSTANTIALLY INCREASE THE IMPACT OF ADVERSE MARKET CONDITIONS ON THE FUND'S NET ASSET VALUE.**

### 3 Investment Strategy

The overall strategy will stress total returns and risk control through a disciplined investment style focused on capital preservation and the delivery of total returns through measures such as industry and issuer diversification, position limitations and opportunistic synthetic shorting through the use of FDI. The Manager expects that the Fund will operate in normal circumstances with full flexibility with respect to long/short exposure (whereby all the assets of the Fund can be subject to long positions and/or short positions, each permitted up to a maximum of 100% of the assets of the Fund at any given time). The investment strategy of the Fund is not industry specific.

The Investment Manager will seek to take advantage of enhanced return and hedging opportunities primarily in Europe. The Investment

Manager believes that the corporate debt market offers investment opportunities that arise from the fact that bond prices do not always reflect the fundamental value of a given issuer. This may be due to market distortions and inefficiencies and sometimes a lack of sophisticated credit modeling and analytical capabilities on the part of investors. To take advantage of these opportunities, the Investment Manager will seek income and trading gains, and will seek to invest in relative value or paired trades, in the context of a diversified portfolio primarily of higher yielding corporate bonds. Relative value or paired trades are trades involving long and/or synthetic short investments (expected short exposure will be as outlined above) in at least two instruments (for example, a long option and a credit default swap over two corporate bonds) which together provide opportunities for additional return and/or for returns with more market-neutral risk profiles than either instrument alone offers. Investment in relative value or paired trades will be on an opportunistic basis, *i.e.* as and when opportunities in the markets present themselves.

The Investment Manager's proprietary research process is credit-intensive. Investment decisions are generally based on quantitative and qualitative analysis using internally generated financial models and projections. Diversified portfolios are built to reflect the Investment Manager's decisions about credit-worthiness and industry merit.

The Muzinich Portfolio Risk Analytics Committee, which is independent of the portfolio management team, regularly monitors portfolios to check for securities' portfolio suitability, to assess absolute risk, and to confirm compliance with guidelines using both proprietary models and outside services.

### 4 Profile of a Typical Investor

An investment in the Fund is suitable for investors who seek higher returns than those available in investment grade credit over a three to five year period and who can tolerate a medium level of volatility.

## Supplement - Muzinich European Credit Alpha Fund cont/d...

### 5 Borrowing and Leverage

The Fund will be leveraged through the use of derivatives. The total leveraged exposure of the Fund through the use of derivatives and Contingent Convertible Securities will not exceed 100% of the Net Asset Value of the Fund and will be measured using the commitment approach.

### 6 Investment Restrictions

The Fund must comply with the investment restrictions outlined in the Prospectus in the sections headed “PERMITTED INVESTMENTS” and “APPENDIX I - ADDITIONAL RESTRICTIONS”.

### 7 Risk Factors

Prospective investors should refer to the sections headed “General Risks” and “Fund Specific Risks” in the Prospectus before investing in the Fund.

### 8 Key Information for Buying and Selling Units

#### 8.1 Base Currency

The Base Currency of the Fund is Euro.

#### 8.2 Dealing Frequency and Dealing Deadline

<b>Dealing Day</b>	<b>For subscriptions and redemptions:</b> Every Friday and the first Business Day of each calendar month. In addition, the Net Asset Value is calculated on every Business Day, for reporting and fee calculation purposes only.
<b>Dealing Deadline (Subscriptions and Redemptions)</b>	<b>For subscriptions:</b> 4.00 p.m. (Irish time) on the relevant Dealing Day  <b>For redemptions:</b> 4.00 p.m. (Irish time) seven Business Days prior to the relevant Dealing Day

#### 8.3 Minimum Subscription

For details on the minimum initial subscription amounts applicable to the Classes for the Fund, please refer to the section headed “Minimum Subscription” in the Prospectus.

#### 8.4 Initial Offer Period and Initial Offer Price

The initial offer period of the Units in the Fund shall be 9.00 am (Irish time) on 27 December 2017 to 5.00 p.m. on 26 June 2018 or such longer or

shorter period as may be determined by the Manager and notified to the Central Bank.

Units which are yet to launch, other than Units denominated in JPY, shall be fixed for each relevant currency at 100 per Unit. Units denominated in JPY shall have an initial issue price during the initial offer period at JPY1.0000 per Unit.

Following the launch of the relevant Units in the Fund, Units shall be issued at a price equal to the Net Asset Value per Unit (plus duties and charges as applicable).

### 9 Distribution Policy

For details on the distribution policy applicable to the relevant Classes for the Fund, please refer to the section headed “Distribution Policy” in the Prospectus.

### 10 Fees and Expenses

#### 10.1 Fees

The Manager Fees, Administrative Fees and performance fees applicable to the Classes for the Fund are as set out in the section headed “Unit Class Information” below.

#### 10.2 Charges

The charges applicable to the Fund are set out below and should be read in conjunction with the section headed “Charges” in the Prospectus.

<b>Subscription Fee</b>	Not to exceed 1% of the Net Asset Value per Unit*
<b>Redemption Fee</b>	Not to exceed 2% of the Net Asset Value per Unit

Further details of the fees and expenses payable out of the assets of the Fund are disclosed in the section headed “FEES AND EXPENSES” in the Prospectus.

\* P Units are not subject to the subscription fee.

## Supplement - Muzinich European Credit Alpha Fund cont/d...

### 11 Unit Class Information

Units are available in each unit category and unit type as hedged classes and unhedged classes in the following currencies: AUD, CAD, CHF, CZK, DKK, EUR, GBP, HKD, ISK, JPY, NOK, RMB, SEK, SGD and USD.

Unit Class	Available	Maximum Annual Manager Fee**	Annual Administrative Fee	Performance Fee
Founder**	Accumulation and Income	0.35%	0.10%	20.00% Non-Equalisation Performance Fee over a 3.00% hurdle
NR Units	Accumulation and Income	1.50%	0.10%	20.00% Non-Equalisation Performance Fee over a 3.00% hurdle
ER Units	Accumulation and Income	1.50%	0.10%	20.00% Equalisation Performance Fee over a 3.00% hurdle
N Units	Accumulation and Income	1.00%	0.10%	20.00% Non-Equalisation Performance Fee over a 3.00% hurdle
E Units	Accumulation and Income	1.00%	0.10%	20.00% Equalisation Performance Fee over a 3.00% hurdle
NH Units***	Accumulation and Income	0.65%	0.10%	20.00% Non-Equalisation Performance Fee over a 3.00% hurdle
EH Units***	Accumulation and Income	0.65%	0.10%	20.00% Equalisation Performance Fee over a 3.00% hurdle
NX Units**	Accumulation and Income	N/A	0.10%	20.00% Non-Equalisation Performance Fee over a 3.00% hurdle
EX Units**	Accumulation and Income	N/A	0.10%	20.00% Equalisation Performance Fee over a 3.00% hurdle
NP Units	Accumulation and Income	1.80%	0.10%	20.00% Non-Equalisation Performance Fee over a 3.00% hurdle

The following naming convention applies to the title of each Class of Unit:

Hedging status/ Currency/ Unit type available/ Unit category / Distribution frequency\*\*\*\* (i.e. Hedged Euro Accumulation NX).

\*\* Acceptance by the Manager of subscriptions in this Class is conditional upon the execution of a separate agreement between the investor and the Investment Manager or an affiliate.

\*\*\* H Units are available to institutional investors (for investors in the European Union, this means “Eligible Counterparties” as defined under MIFID II) investing for their own account. In addition, H Units are available to investors that are not allowed to accept and retain commissions due to regulatory requirements or due to individual fee arrangements with their clients. In such circumstances, the H Units minimum initial subscription will not be applicable at the discretion of the Manager.

\*\*\*\* Only applicable to (Monthly) and (Quarterly) Units.



## Supplement - Muzinich Fixed Maturity 2024 Fund

This Supplement contains information relating specifically to Muzinich Fixed Maturity 2024 Fund (the “Fund”), a sub-fund of Muzinich Funds (the “Trust”), an open-ended umbrella unit trust with segregated liability between sub-funds authorised by the Central Bank as a UCITS.

**This Supplement forms part of the Prospectus and should be read in conjunction with the Prospectus.** Capitalised terms not defined herein shall have the same meaning as in the Prospectus.

**An investment in the sub-fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

As disclosed further below, the Fund may invest in FDI for efficient portfolio management and hedging purposes.

### 1 Investment Objective

The Fund seeks to protect capital and generate an attractive level of income by investing in debt securities for a limited term.

### 2 Term of Fund

The Fund will be liquidated on 31 December 2024. The Manager may defer such liquidation for a period of up to 4 months. Upon liquidation, all proceeds will be returned to investors.

### 3 Offering Period

For the purpose of subscriptions, the Fund will undergo an offering period which will conclude on or before 28 February 2018 unless otherwise extended by the Manager in accordance with the requirements of the Central Bank. After the offering period ends, the Fund will be closed for subscriptions and will only remain open for redemptions. Please refer to the section entitled “Key Information for Buying and Selling Units” for further information.

### 4 Investment Policies

The Investment Manager seeks to meet the Fund’s investment objective through investment primarily in high yield (i.e. sub-investment grade) fixed and/or floating rate corporate bonds and/or investment grade corporate bonds issued by US, European and emerging market issuers (investment in issues from emerging markets will be limited to a maximum of 30% of the Net Asset Value of the Fund), which are listed and/or traded on a Recognised Exchange. The Fund may also invest in money market instruments (including but not

limited to OECD government bills, treasury notes, commercial paper and certificates of deposit) which are issued by government or corporate issuers.

The Investment Manager expects that under normal market conditions the Fund will be primarily invested in U.S. Dollar, Euro and GBP denominated debt securities.

The Fund will invest in high yield (i.e. sub investment grade) corporate bonds and/or investment grade corporate bonds, as rated by Standard and Poor’s, Moody’s and/or Fitch (or as deemed equivalent by the Investment Manager) (“Ratings Agency”). Should any difference in rating by one or more Ratings Agency (or firm) arise, the following approach shall be taken; Where there is one available rating this will be used, where there are two available ratings the lowest shall be used, and where there are three available ratings, they will be sorted in ascending order and the second shall be used. A maximum of 7.5% of the Net Asset Value of the Fund may be invested in corporate bonds that are rated below B3/B-. The allocation between high yield and investment grade, and among various geographies, will be determined primarily based on a relative value assessment across global credit markets. The Fund may also invest in Contingent Convertible Securities but such investments (if any) will be limited and are not expected to form a material part of the portfolio.

The Fund will invest in debt securities which have a maturity that is no later than the Fund’s liquidation date of 31 December 2024.

With the exception of permitted investments in transferable securities and money market instruments which are unlisted, all securities/instruments in which the Fund will invest will be listed and/or traded on a Recognised Exchange (as defined in the Prospectus).

The Fund’s investment portfolio will be diversified as to issuer and industry, with no single corporate issuer comprising more than 3% of the Fund’s Net Asset Value.

The Fund employs a range of hedging and portfolio management techniques to seek to manage liquidity and reduce volatility as detailed in the section headed “EFFICIENT PORTFOLIO MANAGEMENT”.

## Supplement - Muzinich Fixed Maturity 2024 Fund cont/d...

### 4 Investment Policies cont/d...

Whilst it is the intention that the Fund be fully invested as described above, in circumstances where the Investment Manager considers it to be in the best interest of the Fund to do so (including, but not limited to, market conditions), the Investment Manager retains the flexibility to invest substantially in cash and/or money market instruments (including but not limited to OECD government bills, treasury notes, commercial paper and certificates of deposit), to include but not limited to, term deposits, OECD government bills and notes with investment grade ratings as well as debt instruments issued by OECD banks and corporates with a minimum 'A-' rating or better.

The Fund may utilise futures, forwards, options, interest rate swaps, credit default swaps (to buy and sell protection) and total return swaps (details of which are set out in the section headed "FINANCIAL DERIVATIVE INSTRUMENTS AND TECHNIQUES FOR EFFICIENT PORTFOLIO MANAGEMENT") to hedge investments in the Fund's securities and their related assets, markets and currencies and for efficient portfolio management purposes. Use of derivatives and efficient portfolio management techniques will be subject to the conditions and within the limits laid down by the Central Bank and in accordance with the risk management statement for the Fund approved by the Central Bank. As it is not the intention that the Fund be leveraged through the use of derivatives, derivative use will be collateralised or offset with cash. Nevertheless, the use of FDI may be considered leveraging transactions, particularly if offsetting collateral changes value or offsetting cash is deemed insufficient. The Fund's exposure to any potential leverage from FDI and Contingent Convertible Securities will be monitored and measured using the commitment approach and any resulting leverage will not exceed 100% of the Net Asset Value of the Fund.

In addition, the Fund may invest in broken convertible bonds, as detailed in the section headed "FINANCIAL DERIVATIVE INSTRUMENTS AND TECHNIQUES FOR EFFICIENT PORTFOLIO MANAGEMENT". The Fund will not be leveraged as a result of an investment in broken convertible bonds.

The Investment Manager may invest, through the purchase of securitised loan receivables, in assignments of existing corporate loan receivables (which are collateralised, freely transferable,

traded on a regulated market and unlisted); this is subject to an overall limit of 9.9% of the Net Asset Value of the Fund being invested in loans, in any other investments (including, without limitation, investments for liquidity purposes) to which paragraph 2.1 or sentence 1 or 2 of paragraph 2.2 of the section headed "PERMITTED INVESTMENTS" are applicable and in unlisted securities generally.

The Fund may invest in other open-ended collective investment schemes, with similar investment policies to the Fund, subject to a limit of 10% of the Net Asset Value of the Fund being invested in aggregate in units/shares of other collective investment schemes, which include UCITS or non-UCITS ETFs which are considered to be collective investment schemes. The Fund may invest in ETFs or swaps referencing an index for the purpose of gaining indirect exposure to corporate bonds, as detailed above. It is intended that the ETFs in which the Fund may invest will be listed on a Recognised Exchange, and will be domiciled in, or have exposure to US, European, and/or emerging markets. Within the 10% limit for investment in other collective investment schemes, the Fund may invest a maximum of 2% of its Net Asset Value in other Funds of the Trust, subject to and in accordance with the requirements of the Central Bank.

**THE FUND'S INVESTMENT STRATEGY IS SPECULATIVE AND ENTAILS SUBSTANTIAL RISKS. THERE CAN BE NO ASSURANCE THAT THE INVESTMENT OBJECTIVE OF THE FUND WILL BE ACHIEVED, AND RESULTS MAY VARY SUBSTANTIALLY OVER TIME. YOU SHOULD BE AWARE THAT THE USE OF DERIVATIVES COULD, IN CERTAIN CIRCUMSTANCES, INCREASE THE IMPACT OF ADVERSE MARKET CONDITIONS ON THE FUND'S NET ASSET VALUE.**

### 5 Investment Strategy

The Investment Manager seeks to invest the Fund in issuers considers through the use of proprietary analysis to be, among other things, commercially and financially sound, well-positioned within their respective industry and possessing attractive longer term prospects and which also offer, in the Investment Manager's opinion, attractive risk-adjusted returns (monitored relative to the applicable market cycle). The Investment Manager's proprietary research process is credit-intensive, i.e. focuses on the credit characteristics of issuers and their ability to effectively meet

## Supplement - Muzinich Fixed Maturity 2024 Fund cont/d...

### 5 Investment Strategy cont/d...

their payment obligations. Investment decisions are generally based on quantitative and qualitative analysis using internally generated financial models and projections. Diversified portfolios are built to reflect the Investment Manager's decisions about credit-worthiness and industry merit. The Investment Manager emphasises a rigorous and proactive sell discipline to seek to mitigate downside volatility.

The Muzinich Portfolio Risk Analytics Committee, which is independent of the portfolio management team, regularly monitors portfolios to check for securities' portfolio suitability, to assess absolute risk, and to confirm cross-portfolio consistency and compliance with guidelines using both proprietary models and external services.

### 6 Profile of a Typical Investor

An investment in the Fund is suitable for investors seeking a regular level of income through investment primarily in above B3/B- credits for approximately seven years and who can tolerate a low-medium level of volatility.

### 7 Borrowing and Leverage

The Investment Manager does not intend that the Fund will borrow.

It is not the intention that the Fund be leveraged through the use of derivatives, as derivative use will be collateralised or offset with cash. Nevertheless, the use of FDI may be considered leveraging transactions, particularly if offsetting collateral changes value or offsetting cash is deemed insufficient. The Fund's exposure to any potential leverage from FDI and Contingent Convertible Securities will be monitored and measured using the commitment approach (which permits leveraged exposure of 100%) and any resulting leverage will not exceed 100% of the Net Asset Value of the Fund.

### 8 Investment Restrictions

The Fund must comply with the investment restrictions outlined in the Prospectus in the sections headed "PERMITTED INVESTMENTS" and "APPENDIX I - ADDITIONAL RESTRICTIONS".

### 9 Risk Factors

Prospective investors should refer to the sections headed "General Risks" and "Fund Specific Risks" in the Prospectus before investing in the Fund.

### 10 Key Information for Buying and Selling Units

#### 10.1 Base Currency

The Base Currency of the Fund is Euro.

#### 10.2 Dealing Frequency and Dealing Deadline

Dealing Day	Each Business Day
<b>Dealing Deadline - Subscriptions</b>	4.00 p.m. (Irish time) on the relevant Dealing Day until 28 February 2018 at which point the Fund will close for Subscriptions.
<b>Dealing Deadline - Redemptions</b>	4.00 p.m. (Irish time) on the relevant Dealing Day

#### 10.3 Minimum Subscription

For details on the minimum initial subscription amounts applicable to the Classes for the Fund, please refer to the section headed "Minimum Subscription" in the Prospectus.

#### 10.4 Initial Offer Period and Initial Offer Price

The initial offer period of the Units in the Fund shall be 9.00 am (Irish time) on 23 October 2017 to 5.00 p.m. on 28 February 2018 or such longer or shorter period as may be determined by the Manager and notified to the Central Bank.

Units which are yet to launch, other than Units denominated in JPY, shall be fixed for each relevant currency at 100 per Unit. Units denominated in JPY shall have an initial issue price during the initial offer period at JPY1.0000 per Unit.

## Supplement - Muzinich Fixed Maturity 2024 Fund cont/d...

### 11 Distribution Policy

In relation to "Income" designated Units, the Manager intends to distribute interest income earned, after the deduction of expenses, corresponding to a coupon amount of approximately 1% of the underlying securities held by the Fund during the relevant distribution period although the Manager reserves the right to distribute more or less at the relevant distribution date if deemed necessary in its sole discretion.

For further details on the distribution policy applicable to the relevant Classes for the Fund, please refer to the section headed "Distribution Policy" in the Prospectus.

### 12 Fees and Expenses

#### 12.1 Fees

The Manager Fees, Administrative Fees and performance fees applicable to the Classes for the Fund are as set out in the section headed "Unit Class Information" below.

#### 12.2 Charges

The charges applicable to the Fund are set out below and should be read in conjunction with the section headed "Charges" in the Prospectus.

<b>Subscription Fee</b>	Not to exceed 1% of the Net Asset Value per Unit
<b>Redemption Fee</b>	Not to exceed 2% of the Net Asset Value per Unit
	A Redemption Fee of 2% will be payable to the Fund on any redemptions on or before 31 December 2018, thereafter the redemption fee will reduce by 0.50% per calendar year until it reaches 0% from 1 January 2022.

Further details of the fees and expenses payable out of the assets of the Fund are disclosed in the section headed "FEES AND EXPENSES" in the Prospectus.

## Supplement - Muzinich Fixed Maturity 2024 Fund cont/d...

### 13 Unit Class Information

Units are available in each unit category and unit type as hedged classes and unhedged classes in the following currencies: AUD, CAD, CHF, CZK, DKK, EUR, GBP, HKD, JPY, NOK, RMB, SEK, SGD and USD.

Unit Class	Available	Maximum Annual Manager Fee	Annual Administrative Fee	Performance Fee
A Units	Accumulation and Income	0.55%	0.05%	N/A
P Units	Accumulation and Income	1.25%	0.05%	N/A

The following naming convention applies to the title of each Class of Unit;

Hedging status/ Currency/ Unit type available/ Unit category/ Distribution frequency\* (i.e. Hedged Euro Accumulation A).

\* Only applicable to (Monthly) and (Quarterly) Units.

## Country Supplement for Austria

This Country Supplement forms part of and should be read in conjunction with the prospectus for Muzinich Funds (the “Trust”), as may be amended and supplemented from time to time (the “Prospectus”).

The following information is addressed to potential investors of “MUZINICH FUNDS” in the Republic of Austria. This information specifies and completes the Prospectus as far as sales activities in Austria are concerned:

**Paying Agent** in the Republic of Austria is

*Deutsche Bank Österreich AG  
A-1010 Wien, Stock im Eisen-Platz 3*

The Prospectus with Agreements, the Key Investor Information Document, the annual and semi-annual reports, and the subscription and repurchase prices are available free of charge at the office of the Austrian Paying Agent. Investors can also request other information and review documents there. In addition, payments from and to the investors are processed by the Austrian Paying Agent.

**Austrian Tax Representative** in accordance with § 186 InvFG 2011 (*Investmentfondsgesetz 2011* - Investment Fund Act 2011) is

*Ernst & Young Steuerberatungs- und  
Wirtschaftsprüfungsgesellschaft m.b.H.,  
Wagramer Straße 19, 1220 Vienna*

### Tax Situation in Austria

MUZINICH FUNDS is a foreign fund according to § 140 InvFG 2011, units of which are approved for public sale in Austria. *Ernst & Young*, the Austrian Tax Representative will establish the “*ausschüttungsgleiche Erträge*” (distributable income) towards the competent Austrian authorities.

Potential investors are encouraged to seek advice on relevant foreign-exchange regulations and on legal and tax provisions applicable to them.

### Additional Information

The Net Asset Value of each Fund as well as all other notifications for investors are published via [www.muzinich.com](http://www.muzinich.com).

This Country Supplement is not an offer or advertising in those jurisdictions where such offer or such advertising are inadmissible or if individuals making such an offer or doing such advertising are not legally admitted to make or to do such action or under which persons violate any law if they receive such offer or advertising.

**Information according to § 3 KSchG (Konsumentenschutzgesetz - Consumer Protection Act)**

A consumer is entitled to withdraw from his contractual application or from the contract if the consumer has delivered the contractual declaration concerning the Fund’s units neither in the offices of a company permanently used for its business purposes nor at the stand used by it for these units on a fair or any market place.

This withdrawal can be declared until the contract has become effective or thereafter within a period of one week. This period starts with the day the Prospectus has been handed over.

The withdrawal to be effective has to be submitted in writing. It is sufficient if the consumer returns a document containing his contractual declaration or that of a company to this company or its representative (if latter has been involved in the contractual negotiations) together with a comment in this document making it clear that the consumer declines the conclusion or the maintenance of the contract. To comply with the prescribed period it is sufficient to dispatch the declaration of revocation in time.



## Country Supplement for Austria cont/d...

According to § 63 WAG 2007 (*Wertpapieraufsichtsgesetz 2007* - Security Supervision Act 2007) the right of withdrawal according to § 3 KSchG relating to the purchase of units of investment funds is also applicable if the consumer has been the active part in getting in contact with the company or its sales agent for the conclusion of a contract.

**In Austria, the following Funds are admitted for public offering:**

- Muzinich Americayield Fund
- Muzinich Europeyield Fund
- Muzinich Enhancedyield Short-Term Fund
- Muzinich Bondyield ESG Fund
- Muzinich ShortDurationHighYield Fund
- Muzinich LongShortCreditYield Fund
- Muzinich EmergingMarketsShortDuration Fund
- Muzinich GlobalTacticalCredit Fund
- Muzinich Asia Credit Opportunities Fund
- Muzinich Emerging Market Debt Fund
- Muzinich European Credit Alpha Fund

## Country Supplement for Denmark

This Country Supplement forms part of and should be read in conjunction with the prospectus for Muzinich Funds (the “Fund”), as may be amended and supplemented from time to time (the “Prospectus”).

### Danish Representative

The Manager has appointed StockRate Asset Management A/S as Danish representative of the Fund (the “**Representative**”) under Section 8 of Danish Executive Order no. 1298 of 14 December 2012 on Foreign Investments Undertakings Marketing in Denmark.

The details of the Representative are as follows:

StockRate Asset Management A/S  
Representative Services  
Sdr. Jernbanevej 18D  
DK - 3400 Hillerød  
Denmark  
Telephone number: +45 3833 7575  
E-mail: [info@stockrate.dk](mailto:info@stockrate.dk)

The Representative will act as intermediary in relation to requests from Danish investors to the Fund, including Danish investors’ requests for subscription and requests for redemption of shares.

The Representative will pass on information which the Manager is required to supply under the laws of Ireland, insofar and as long there is no prohibition from selling and distributing shares of the Fund or any of its sub-funds in the territory of the Kingdom of Denmark.

The fees of the Representative shall be payable out of the assets of the Fund and shall be at normal commercial rates.

The Representative will not act as a paying agent in respect to the Danish investors.

## Country Supplement for Luxembourg

**Country Supplement to the Prospectus for Investors in Luxembourg (the “Country Supplement”)**

This Country Supplement forms part of and should be read in the context of and in conjunction with the prospectus for Muzinich Funds (the “Trust”) as may be amended and supplemented from time to time (the “Prospectus”). Unless otherwise provided for in this Country Supplement, all capitalised terms shall have the same meaning herein as in the Prospectus.

### Public Distribution of the Trust in Luxembourg

All Funds of the Trust which are available for subscription have been notified for public distribution in Luxembourg. All Units shall be issued as provided in the Prospectus.

The Prospectus provides that different Classes are available for each Fund. However for more information on the availability of each Class for the different Funds, the investor should contact **SOCIETE GENERALE BANK & TRUST**, a société anonyme incorporated under the laws of Grand Duchy of Luxembourg and having its registered office at 11, Avenue Emile Reuter, L-2420 Luxembourg.

**SOCIETE GENERALE BANK & TRUST** has been appointed as paying agent in respect of all Units of the Trust. Accordingly, investors may request the subscription and redemption of Units and the payment of distributions from **SOCIETE GENERALE BANK & TRUST**.

The following documents may also be obtained free of charge from **SOCIETE GENERALE BANK & TRUST**:

- a) a copy of the annual and semi-annual reports of the Trust;
- b) a copy of the Trust Deed;
- c) a copy of the material contracts referred to in the Prospectus;
- d) a copy of the Regulations and the Central Bank UCITS Regulations;
- e) the Prospectus; and
- f) the key investor information documents.

The net asset value and the latest issue and redemption prices (if applicable) for each of the Units, may be obtained from **SOCIETE GENERALE BANK & TRUST**, at 11, Avenue Emile Reuter, L-2420 Luxembourg.

There will be no door-to-door sales of the Units in Luxembourg.

### Taxation of Unitholders

Under current Luxembourg law, there are no Luxembourg ordinary income, capital gains, estate or inheritance taxes payable by the Trust or by Unitholders in respect of their Units except by Unitholders who are domiciled in, are residents of, or have a permanent establishment in the Grand Duchy of Luxembourg and by certain former Luxembourg resident Unitholders (with the exception of possible withholding taxes on payments to or to the benefit of individuals resident either in the EU or in certain dependant or associated territories of the EU).

The information above is not intended to provide and should not be relied upon for tax advice. Investors in Luxembourg are advised to consult their tax advisors for more information about the tax implications of their investments in the Trust.

The Directors of the Manager of the Trust are responsible for the contents of the Prospectus and this Country Supplement.

## Country Supplement for United Kingdom

### ADDITIONAL INFORMATION FOR INVESTORS RESIDENT IN THE UNITED KINGDOM

This Country Supplement forms part of and should be read in conjunction with the prospectus for Muzinich Funds (the “Fund”), as may be amended and supplemented from time to time (the “Prospectus”).

All capitalised terms contained herein shall have the same meaning in this Country Supplement as in the Prospectus unless otherwise indicated.

The Directors of Muzinich & Co. (Ireland) Limited, the Manager of the Fund, whose names appear under the heading “Management of the Fund”, are the persons responsible for the information contained in the Prospectus and this Country Supplement and accept responsibility accordingly. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything likely to affect the import of the information.

#### UK Facilities Agent

Muzinich & Co. Limited  
8 Hanover Street,  
London, W1S 1YQ.

The Manager has appointed Muzinich & Co., Limited as UK Facilities Agent pursuant to the Facilities Agency Agreement dated 3<sup>rd</sup> September, 2003, as amended.

The duties of the UK Facilities Agent shall be those prescribed in the UK FCA Collective Investment Schemes Sourcebook 9.4 which, for the avoidance of doubt are set out below, and such other, additional or different duties as may be prescribed thereunder or as may be requisite to secure and maintain “recognition” for UK purposes of the Fund under Section 264 Financial Services and Markets Act 2000 or any amending legislation.

- Maintain facilities for inspection (free of charge) and for the obtaining (free of charge, in the case of documents listed below, and otherwise at no more than a reasonable charge) of copies in English of:-
  - the Trust Deed
  - the Prospectus
  - the Key Investor Information documents
  - the annual and half-yearly reports relating to the Fund.
- Maintain facilities:
  - where information in English can be obtained about the Manager’s most recently published sale and purchase prices of units in the Fund;
  - to assist a Unitholder in the Fund to redeem units in the Fund and to assist a Unitholder to obtain payment of the price on redemption (which, for the avoidance of doubt, does not involve any dealing in monies by the UK Facilities Agent).
- Maintain facilities at which any person who has a complaint to make about the operation of the Fund can submit his complaint for transmission to the Manager.

The UK Facilities Agent will not be entitled to receive any fees and expenses from the Manager.