Muzinich BDC Income Fund - Active ETF

Ticker: BDCI

AGP | Muzinich & Co

As at 30 June 2026

Portfolio Manager	Ji He, CFA

About BDCI

The Muzinich BDC Income Fund – Active ETF (**BDCI** or the **Fund**) is a daily liquid, actively managed fund that invests in U.S. listed Business Development Companies (**BDCs**). The Fund provides investors with access to a diversified portfolio of high-income loans from U.S. middle-market companies. BDCI deploys the Muzinich Public BDC Income Strategy (the **Strategy**).

Fund Objective and Benefits

BDCI aims to:

1. provide investors with monthly income distributions more than the RBA Cash Rate + 3% p.a,
2. outperform the S&P BDC Index USD Price Return (in Australian dollars and unhedged) over the investment cycle, and
3. provide daily liquidity via the ASX.

Portfolio Construction

BDCI provides a diversified portfolio of 20-45 U.S.-listed BDCs offering exposure to the U.S. middle market private debt sector. Typical cash allocation in the portfolio is between 0%-10%.

Income Return Objective[2]

	1 Month	3 Months	Inception
Income Return[2]	0.86%	2.53%	2.55%
RBA Cash Rate + 3 p.a.%[4]	0.58%	1.76%	1.88%
Value Added[6]	0.27%	0.77%	0.67%

Total Return Ojective[3]

	1 Month	3 Months	Inception
Total Return[2]	4.64%	0.41%	1.70%
Benchmark[5]	1.61%	-1.56%	-1.48%
Value Added[6]	3.04%	1.96%	3.18%

Key Fund Information

Net Asset Value (Ex-Distribution)	Distribution Frequency	Monthly Distribution
A$19.8293	Monthly	A$0.17

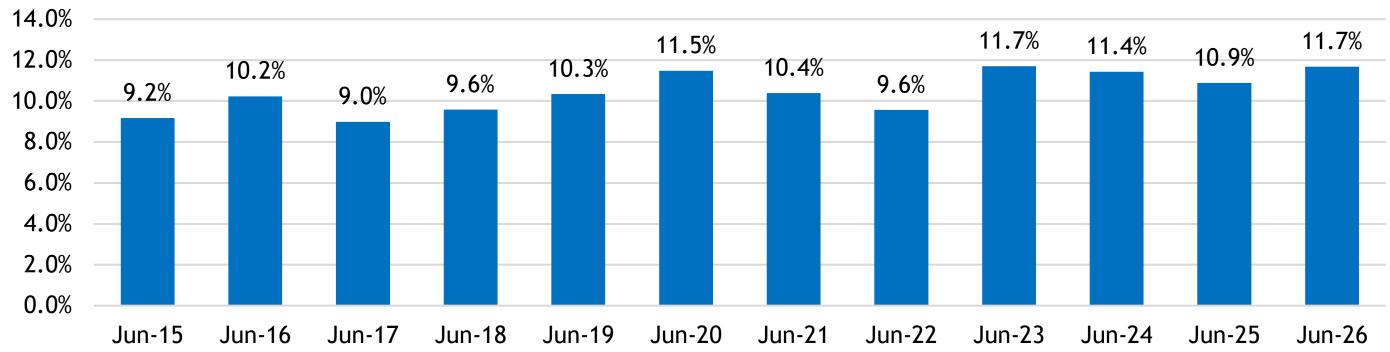
Business Development Companies

BDCs are publicly-listed companies that lend to small- and medium-sized U.S. private businesses. BDCs are registered as U.S. Regulated Investment Companies (RIC). BDCs have various characteristics and offer investors significant benefits including: 1) a requirement to distribute 90% of their income; 2) providing managerial assistance to the companies to which they lend; and 3) are exempt from U.S federal taxes.

The Strategy	Muzinich Public BDC Income Strategy

The Muzinich BDC Income Fund – Active ETF and the Muzinich Public BDC Income Strategy share the same Portfolio Manager, investment team and investment approach. As the Fund has a limited track record, Strategy Performance and Annual Income Return are shown for context. The Annual Income Return is reported in USD.

Strategy Annual Income Return (USD)[7]



Footnotes: 1. Fees are inclusive of GST and less RITC. 2. Income Return is calculated based on distributions announced during the period relative to the opening NAV (ex distribution). Price Return represents the change in NAV excluding distributions. Total Return is the sum of Income Return and Price Return and does not assume reinvestment unless otherwise stated. 3. The Fund inception date is 25 March 2026. Fund performance is in AUD and calculated based on net asset value (**NAV**) per unit, which is after management fees and expenses and assumes that all distributions are not reinvested in the Fund. Periods greater than 1 year are annualised. 4. RBA Interbank Overnight Cash Rate Index + 3% p.a. accrued daily. 5. Benchmark for the Fund is S&P BDC Index USD Price Return (unhedged). 6. Value Add equals return minus applicable Benchmark performance. 7. The annual income return represents the rolling 12-month gross income component of the Muzinich Public BDC Income Strategy's (the Strategy) total return, calculated from monthly data and expressed in USD. This chart reflects income return only and does not represent the Strategy's total return, which may be higher or lower after taking into account capital gains or losses, fees and expenses. The Fund and the Strategy are managed by the same Portfolio Manager and investment team and follow the same investment approach. However, income returns will differ due to factors including fees, expenses, portfolio implementation differences and exchange rate movements. As the Fund has a limited track record, Strategy income returns are shown for illustrative purposes only. The Strategy inception date is 2 July 2014.

Top 10 Portfolio Holdings

Company	Weight (%)
Ares Capital	13.24
Main Street Capital	9.66
Golub Capital BDC	8.63
Blackstone Secured Lending Fund	8.40
Hercules Capital	6.64
Morgan Stanley Direct Lending	5.30
Sixth Street Specialty Lending	5.29
Bain Capital Specialty Financial	4.93
Blue Owl Capital	4.63
Capital Southwest	4.61
	71.33%

Fund Update

The Fund delivered an income return of 0.86% during the month, compared with the targeted RBA Cash Rate + 3% p.a. return of 0.58%. The Fund declared a monthly distribution of $0.17 per unit, announced on 26 June 2026.

The Fund's total return of 4.64% for the month also exceeded the 1.61% increase in the S&P BDC Index USD Price Return (unhedged) (Benchmark) over the same period. The Fund's outperformance was mainly driven by its overweight position in Fidus Investment Corp (FDUS) and its underweight position in Blue Owl Technology Finance (OTF). FDUS reported better-than-expected Q1'26 earnings, a stable NAV, strong dividend coverage with net interest income outpacing dividend and low a non-accrual rate at 0.8%. OTF reported Q1'26 earnings below expectations, with NAV down 4.8% driven by software portfolio mark downs. The shares also faced selling pressure from IPO lockup expiration, and media reports on redemption pressure in Blue Owl private BDCs.

At a macro level, U.S large cap stocks (S&P 500 Index) fell 1.52% in June due to a profit-taking rotation out of mega-cap tech and Artificial Intelligence (AI) infrastructure stocks. This index-level decline masked improving market breadth beneath the surface, as a higher percentage of individual stocks advanced. Under the new Fed Chair Kevin Warsh, the US Federal Reserve maintained a hawkish stance on interest rates policy due to lingering core inflation. This pushed the U.S. Dollar Index to a 13-month high, which has historically acted as a macro headwind for growth equities. Geopolitical risk subsided as the U.S. and Iran entered into mediated peace talks in Qatar. This shift caused crude oil prices to plummet, easing near-term corporate energy cost projections. Despite a complex geopolitical backdrop, the US economy remained largely stable during the period. Muzinich has a favourable outlook on risk assets, as the team sees limited economic damage from the conflict in the Middle East and AI spending continued to drive economical and productivity growth.

The Benchmark rose 1.61%, on expectation of "higher-for-longer" interest rates and stabilising valuation post Q1'26 earnings. The message on interest rates acted as a fundamental tailwind for public BDC earnings models. Because public BDCs primarily issue floating-rate corporate debt, a delayed path to rate cuts preserves their Net Investment Income (NII) margins. Forward-looking investors anticipated stronger-than-expected yield preservation and NII-per-share growth, backing high sector dividend payouts.

While private credit defaults are expected to rise modestly through 2026, Muzinich believes that the asset class is highly unlikely to destabilise the broader market or derail risk assets. To trigger a systemic crisis, these credit pressures would need to severely restrict credit supply to the economy or spark a major solvency event. In Muzinich's assessment, these are outcomes that current indicators do not support.

The vast majority of private credit is invested through closed-end institutional vehicles, rather than semi-liquid retail structures. While retail funds have attracted headline attention due to redemption pressures, they account for only around 15% of global private credit assets. Institutional financing, which accounts for the lion's share of the capital in the asset class, is largely invested in funds that do not offer periodic liquidity.

With the Benchmark trading at 0.82x Price-to-Book (P/B) and 12.17% dividend yield, Muzinich sees the risk/reward as attractive. In Muzinich's view, potential catalysts for improving valuations are:

- **Credit stabilisation and lower-than-expected default rates:** Current valuations are at levels reached in 2022, when there were similar pressures on valuations due to concern on credit (both with the reported non-accrual rate increasing and expectations of higher defaults on higher rates). Valuation generally improves if earnings start to show stable non-accrual rates or book value. By analysing non-traded BDC monthly NAV movements in April and May 2026, Muzinich believes there are early signs of credit stabilisation and lower default rates emerging.
- **Stabilisation of dividends:** A number of BDCs reset dividend lower in 1H'26 due to lower base rates and/or credit issues. However, U.S. interest rate expectations have recently undergone a dramatic hawkish shift, moving from widespread anticipation of steady rate cuts in late 2025 to unexpected forecasts of potential rate hikes. Improved dividend yields should underpin valuations.
- **Share buybacks**: Many BDCs have share buyback programs in place and at current discount level, it is accretive to buy back shares.

Fund Details

	Information
Index	S&P BDC Index USD Price Return (unhedged)
Management fee[1]	0.95% p.a.
Number of BDCs	20 – 45
Inception date	25 March 2026
Recommended investment period	Seven years minimum
Minimum initial investment (AUD)	$20,000
Buy/Sell spread	0.00% upon entry and exit
Entry/Exit fees	NA

How to Invest

The Fund gives investors the flexibility in how they choose to invest. Units can be purchased via your trading platform or broker through the ASX. Alternatively, investors can also invest directly via an Application Form or through the platforms listed below.

Platforms:

- HUB24 – IDPS

To find out more on how to invest, please visit our website www.associateglobal.com/funds/bdci.

Buy or sell units on the ASX

	Information
Ticker	BDCI
Exchange	ASX
Trading currency	Australian dollar
iNAV provider	ICE Data Indices
Market maker	Macquarie Securities (Australia) Limited
Pricing	Intra-day

Market pricing information on BDCI

	Ticker	iNAV ticker
Bloomberg	BDCI AU Equity	BDCIIV Index
IRESS	BDCI.AX	BDCI-AUINAV.NGIF
LSEG	BDCI.AXW	BDCIAUiv.P

For more information, contact Associate Global Partners Limited

invest@associateglobal.com 1300 052 054 www.associateglobal.com/funds/bdci