

Portfolio Manager Ji He, CFA

About BDCI

BDCI 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.

Fund Objective and Benefits

BDCI aims to outperform the S&P BDC Index USD Price Return (in Australian dollars and unhedged) over the investment cycle. BDCI provides investors with monthly income distributions and 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%.

Key Fund Information

Net Asset Value	Distribution Frequency	Monthly Distribution
A\$19.2763	Monthly	A\$0.17
Index	Fees ¹	iNAV Ticker
S&P BDC Index USD Price Return (unhedged)	Management: 0.95% p.a.	BBG: BDCIIV Index IRESS: BDCI-AUINAV.NGIF LSEG: BDCIAUiv.P

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.

Income Return³

Fund Performance²

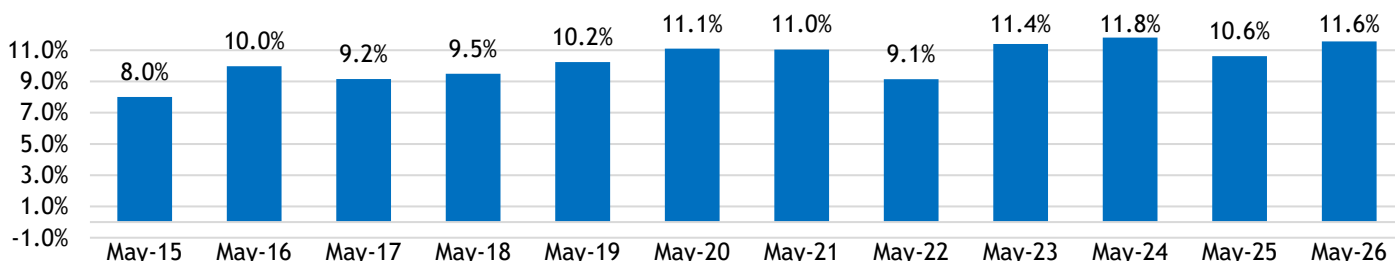
	1 Month	2 Months	Inception		1 Month	2 Months	Inception
Income Return ³	0.89%	1.68%	1.70%	Total Return ³	-4.43%	-3.16%	-1.92%
RBA Cash Rate + 3 p.a. ⁴	0.60%	1.17%	1.28%	Benchmark ⁵	-4.86%	-3.11%	-3.04%

The Strategy

Muzinich Public BDC Income Strategy

The Muzinich BDC Income Fund - Active ETF (the **Fund**) and the Muzinich Public BDC Income Strategy (the **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)⁶



Footnotes: 1. Fees are inclusive of GST and less RITC. 2. 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. 3. 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. 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. 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	13.26
Blackstone Secured Lending Fund	9.27
Golub Capital BDC	8.94
Main Street Capital	7.46
Hercules Capital	6.26
Morgan Stanley Direct Lending	5.96
Blue Owl Capital	5.29
Sixth Street Specialty Lending	4.83
Bain Capital Special	4.19
Capital Southwest	3.58
	69.04%

Fund Update

The Fund delivered an income return of 0.83% during the month, compared with an RBA Cash Rate + 3% p.a. return of 0.60%. The Fund declared a monthly distribution of \$0.17 per unit, [announced on 27 May 2026](#).

The Fund's performance was mainly driven by underweight exposure to Ares Capital Corporation (ARCC) and Hercules Capital Inc (HTGC), which reported earnings that exceeded investors' expectations, while overweight to Sixth Street Specialty Lending (TSLX) detracted from performance with a dividend reduction.


Despite ongoing geopolitical tension between the U.S and Iran and the subsequent inflation shock, the U.S. equity market reached new highs in May. The secular demand for Artificial Intelligence (AI) infrastructure was the main driver behind the equity market's rally this month, as AI beneficiaries reported strong earnings growth. In fact, the Information Technology sector stood above the rest, outpacing other broad index gains. U.S large cap stocks (S&P 500 Index) climbed 5.15% in May, and persistent inflation and soaring long-term U.S Treasury yield signalled that market expectations have shifted away from rate cuts to hold or potentially rate hikes. Capital intensive or rate sensitive sectors such as Energy, Utilities, Financials and Real Estate all underperformed and posted negative equity returns this month.

Meanwhile, the Benchmark⁵ fell 4.86%, as negative investor sentiment on private credit continued to pressure valuations. BDCs reported Q1'26 earnings with a broad decline in net asset values, driven by lower leveraged loan valuations and credit weakness in underperforming BDCs. Non-accruals are rising across the board, although they remain low, relative to historical standards. BDC management noted that credit vintages originated during the peak deal-making era of 2022-2023 are approaching maturity, causing a predictable, slight increase in borrower stress. As 2025 interest rates were fully realised in Q1'26 earnings, several portfolio BDCs reduced dividends to realign with earnings power at the current interest rate level.

As BDCs navigate through a challenging landscape of negative investor sentiment, the macro backdrop of the U.S economy and corporate balance sheets remained strong. The expectation of rates has shifted from a headwind to the industry, to a stable backdrop or potentially a tailwind in 2H'26. In Muzinich's view, credit defaults will likely increase from a historically low level, meaning active management of high-quality portfolio selection will be the key to navigating greater uncertainty. Software remains an important watch item, particularly given investor concerns around AI disruption. While investors remain focused on the potential impact of AI on software companies, the portfolio's software exposure remains well diversified and below the broader market average. With S&P BDC Index trading at 0.84x its price-to-book ratio and an 11.99% dividend yield, Muzinich sees the risk-reward economics as attractive given current book values reflect some of the credit deterioration.

For more information, contact Associate Global Partners Limited

 invest@associateglobal.com

 1300 052 054

 www.associateglobal.com/funds/bdci

Disclaimer: AGP Investment Management Limited (AGP IM) (ABN 26 123 611 978, AFSL 312247) is a wholly owned subsidiary of Associate Global Partners Limited (AGP) (ABN 56 080 277 998), a financial institution listed on the ASX (APL). AGP IM is the Responsible Entity of Muzinich BDC Income Fund - Active ETF (ARSN 691 941 401) (the Fund). This material has been prepared for general information only and does not constitute investment advice or a recommendation. Neither AGP IM, AGP, their related bodies corporate, entities, directors or officers guarantees the performance of, or the timing or amount of repayment of capital or income invested in the Fund or that the Fund will achieve its investment objectives. Past performance is not indicative of future performance. Any references to 'We', 'Our', 'Us', or the 'Team' used in the context of the portfolio commentary, is in reference to Muzinich, as investment manager for the Fund. Any economic or market forecasts are not guaranteed. Any references to particular securities or sectors are for illustrative purposes only and are as at the date of publication of this material. This is not a recommendation in relation to any named securities or sectors and no warranty or guarantee is provided that the positions will remain within the portfolio of the Fund. Any securities identified and described are for illustrative purposes only and do not represent all of the securities purchased, sold or recommended for client accounts. The reader should not assume that an investment in the securities identified was or will be profitable. Investors should seek professional investment, financial or other advice to assist the investor determine the individual tolerance to risk and needs to attain a particular return on investment. In no way should the investor rely on information contained in this material. Investors should read the Fund's Product Disclosure Statement and Target Market Determination in full before making a decision to invest in the Fund. These documents are available at www.associateglobal.com.