Muzinich & Co. Corporate Credit Snapshot | June 2026

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KEY TAKEAWAYS

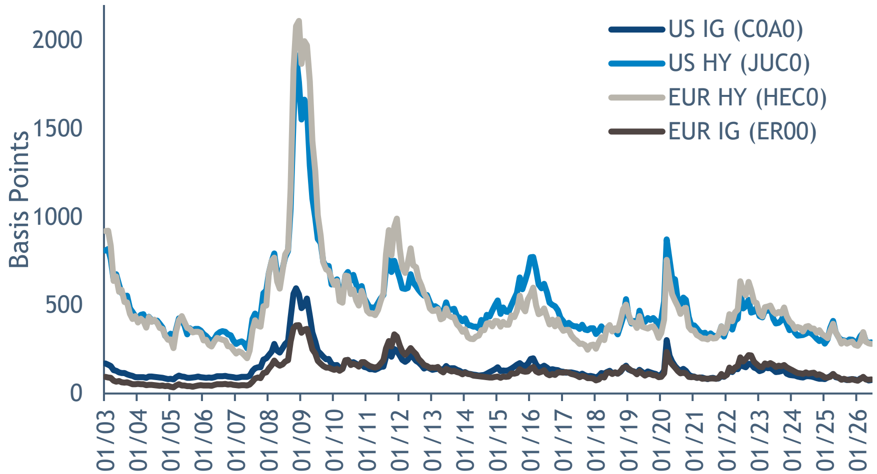
-Global credit delivered positive returns across the board in June

-The Memorandum of Understanding (MoU) signed by the US and Iran brought oil prices back to the levels seen just before the military operation began at the end of February

-In his first press conference, the new US Federal Reserve (Fed) Chair Walsh struck a hawkish tone, emphasizing the importance of bringing inflation back in line with the Committee's objective. As a result, the US Treasury curve bear-flattened, with investors increasing the probability of additional policy tightening later this year

-European interest rates declined as both growth and inflation expectations improved, while expectations for further monetary policy tightening were scaled back. Emerging markets (EM) debt gained in June. Within the EM credit universe, sovereign bonds modestly outperformed their corporate counterparts

CORPORATE BOND SPREADS (STW) BY INDEX



HIGH YIELD AND LEVERAGED LOAN TECHNICALS

US Retail Fund Flows

US$2.3 billion in high yield inflows, US$1.2 billion in leveraged loan retail inflows MTD (through 06.30)

HY New Issuance*	US	EUROPE
YTD	US$186.9 bn	US$70.5 bn
MTD	US$35.0 bn	US$18.6 bn
Loan New Issuance*	US	
YTD	US$438.4 bn	
MTD	US$78.7 bn	

Main Market Driver		
Macro: Geopolitical de-escalation and new Fed leadership		
Micro: Balanced – increased issuance absorbed by inflows		
Default Rates (Dollar weighted)**	US	EUR
LTM	1.9%	7.4%

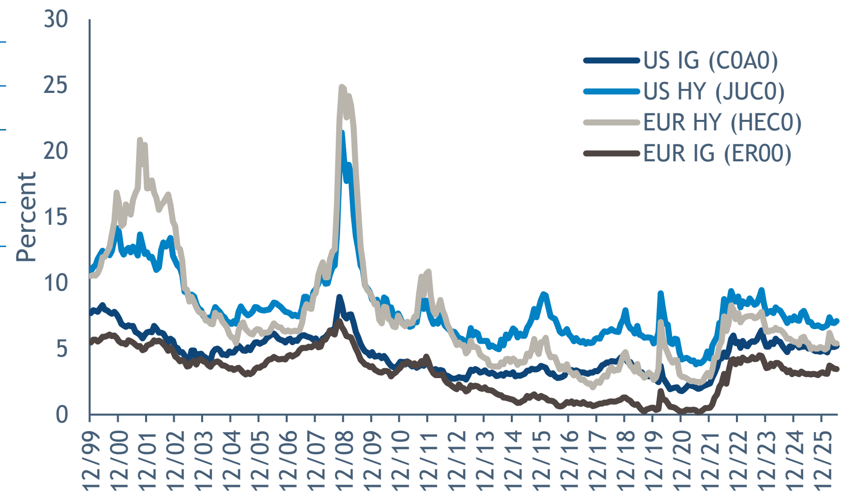
US New Issuance Names (500 mn and above) MTD

Goodyear Tire & Rubber, FS KKR Capital Corp, Teleflex Inc., Noble Finance, Venture Global LNG, Elk Grove Village Property, Whirlpool Corp, Ourtfont Media, QXO Building Products, Stingray Compute, Rocket Cos Inc., Allegiant Travel Co, Applied Digital, Coreweave Inc., Shutterfly, Seadrill Finance, Iron Mountain, Equipmentshare.com Inc., California Resources, Gentivea, GFL Environmental, Dealer Tire Financial, Yondr JK 1LLC, Gaia Purchaser Inc., Westjet Airlines, Oceaneering, Castrol, Starwood Property Trust, Core & Main, Global Infrastructure Solutions, Stonebriar

US New Issuance Pipeline (Announced)

Prime Data Centers, American Greetings, Talos Production Inc., Garda World Security Corp

CORPORATE BOND YIELDS (YTW) BY INDEX



Note: Reference to the names of each company mentioned in this communication is merely for explaining the investment strategy and should not be construed as investment advice or investment recommendation of those companies.

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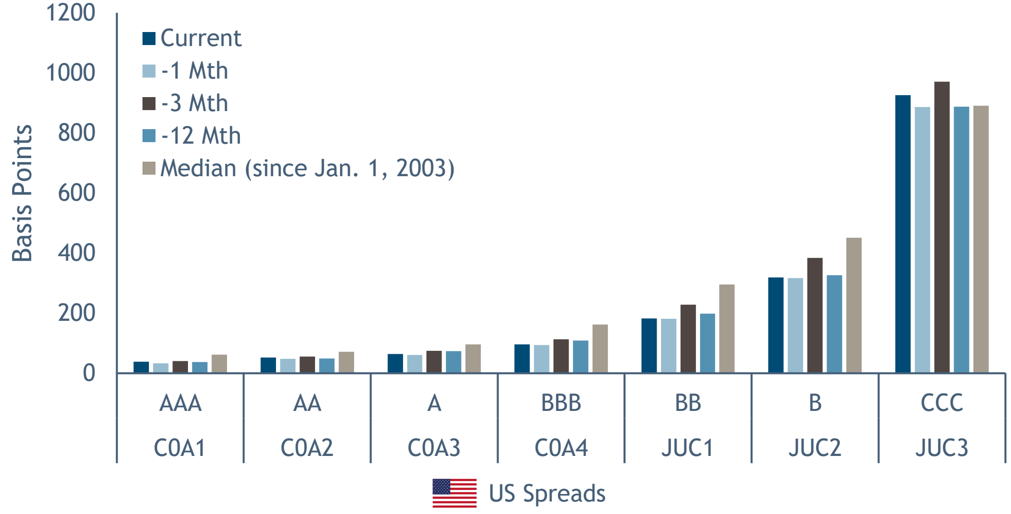
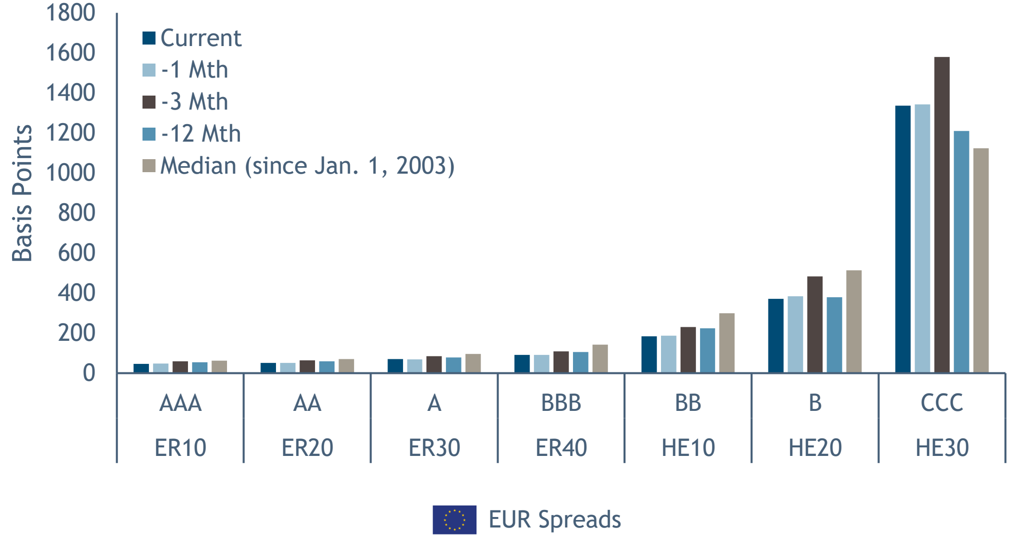
CORPORATE BOND SPREADS (STW) – JUNE 30, 2026

	Index	Rating	Current STW	-1 Mth	-3 Mth	-12 Mth	Median (since Jan. 1, 2003)
US	C0A0	IG	77	74	90	88	126
	JUC0	HY	290	286	344	318	433
	JUC4	BB/B	230	228	282	249	368
	C0A1	AAA	39	33	41	37	63
	C0A2	AA	52	48	56	49	72
	C0A3	A	64	61	75	74	97
	C0A4	BBB	96	94	113	109	162
	JUC1	BB	183	181	228	199	296
	JUC2	B	319	317	384	327	451
	JUC3	CCC	926	887	971	888	891
EM	EMCL	All	158	158	192	183	293
EUR	ER00	IG	79	78	95	90	113
	HEC0	HY	281	284	348	318	412
	ER10	AAA	47	48	59	55	62
	ER20	AA	52	51	64	59	70
	ER30	A	70	69	85	79	96
	ER40	BBB	92	91	109	105	142
	HE10	BB	184	188	231	224	300
	HE20	B	371	384	484	379	514
	HE30	CCC	1336	1342	1580	1210	1123

CORPORATE BOND SPREADS (STW)





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MARKET PERFORMANCE % AND STATISTICS – JUNE 30, 2026

		Performance Summary (%)				Characteristics			Performance History (%, annualised)				
High Yield		**MTD**	**Pr. Mth**	**QTD**	**YTD**	**DTW (yrs)**	**YTW (%)**	**STW (bps)**	**1 Year**	**2 Year**	**3 Year**	**4 Year**	**5 Year**
JUC0	US HY	0.22	0.49	2.42	1.87	3.14	7.10	290	5.75	7.96	8.75	8.79	4.13
JC4N	US HY BB-B	0.25	0.58	2.37	2.18	3.20	6.46	226	6.13	7.53	8.27	8.35	3.91
HEC0	Euro HY	0.64	1.07	3.69	1.90	2.98	5.39	281	4.28	6.23	7.69	7.98	2.97
HEC5	Euro HY BB-B	0.64	0.99	3.56	1.82	2.99	4.89	231	4.59	6.39	7.68	8.18	3.05
Investment Grade													
C0A0	US IG	0.15	0.71	1.43	1.00	6.47	5.20	77	4.47	5.75	5.51	4.47	0.52
C4NF	US BBB Corporates	0.15	0.84	1.68	1.26	6.58	5.37	93	4.87	6.06	5.94	5.10	0.66
ER00	Europe IG	0.47	0.91	2.33	1.36	4.49	3.45	79	2.54	4.27	4.98	3.71	0.20
EN40	Europe BBB	0.48	0.94	2.42	1.38	4.43	3.54	89	2.75	4.48	5.25	4.13	0.13
Governments (7-10 Year Indices)													
G4O2	US Treasuries 7-10 Yrs	0.26	-0.02	0.13	0.03	6.96	4.39	2	2.74	4.48	3.07	1.45	-1.00
G4L0	UK Gilts 7-10 Yrs	0.69	1.90	2.34	0.58	7.05	4.67	0	2.96	3.03	4.13	-0.27	-2.18
G4D0	German Fed Govt 7-10 Yrs	0.69	1.05	1.90	1.36	7.50	2.80	0	0.95	1.61	1.79	-0.33	-2.76
Equities													
S&P	S&P 500 incl. Dividends	-0.95	5.26	15.20	10.19				22.29	18.66	20.59	20.33	13.38
DAX	DAX Index	-0.43	3.34	10.21	2.06				4.54	17.08	15.68	18.25	9.98
Syndicated Loans							**YTM (%)**	**3Y DM (bps)**					
US	US Leveraged Loan Index	0.11	0.57	1.87	1.30		8.72	507	4.04	5.49	7.34	7.91	5.78
Europe	European Leveraged Loan Index	0.32	0.79	2.70	1.83		7.56	508	3.82	5.15	6.82	7.60	5.08

Past performance is not a reliable indicator of current or future performance.

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CREDIT MARKET UPDATE

US:
US credit delivered positive returns across the board this month. The Memorandum of Understanding (MoU) signed by the US and Iran brought oil prices back to the levels seen just before the military operation began at the end of February. At the same time, in his first press conference, the new US Federal Reserve (Fed) Chair Warsh struck a hawkish tone, emphasizing the importance of bringing inflation back in line with the Committee's objective. As a result, the US Treasury curve bear-flattened, with investors increasing the probability of additional policy tightening later this year. Credit spreads remained broadly stable throughout the month. The higher carry available in the high yield market enabled it to outperform its investment grade counterpart.

Europe:
European credit markets delivered positive returns in June. The Memorandum of Understanding (MoU) signed by the US and Iran brought oil prices back to the levels seen just before the military operation began at the end of February. This allowed European interest rates to decline in parallel, as both growth and inflation expectations improved, while expectations for further monetary policy tightening were scaled back. European government bond curves bull-flattened in June, with UK Gilts outperforming, as softer UK inflation and encouraging euro area Harmonised Index of Consumer Prices (HICP) data suggested inflation may have peaked. In contrast, the US government bond curve diverged from Europe after newly minted US Federal Reserve (Fed) Chair Walsh struck a hawkish tone and the US Treasury curve bear-flattened, with investors increasing the probability of additional policy tightening later this year. Lower European interest rates and carry provided the primary drivers of total returns for the month, while credit spreads remained broadly stable.

EM:
Emerging markets (EM) debt gained in June. Within the EM credit universe, sovereign bonds modestly outperformed their corporate counterparts, largely reflecting the sovereign index's higher allocation to Colombian debt. Colombian bonds rallied sharply after right-wing outsider Abelardo de la Espriella, known as "The Tiger," secured a surprise victory in the presidential election. This also helped make Latin American high yield the strongest-performing region within the high yield corporate universe. Meanwhile, within investment grade, Latin America also outperformed, supported by spread tightening and the region's relatively large exposure to longer-duration bonds, which outperformed on the US Treasury curve that bear-flattened. Across rating buckets, BB-rated bonds delivered the best performance, benefiting from their attractive carry and lower sensitivity to the rise in US Treasury yields. All sectors generated positive total returns during the month, although performance varied significantly. Transportation was the clear standout, benefiting from lower energy prices, while auto producers lagged as persistent oversupply and the impact of tariffs continued to weigh on the sector. On the demand side, fund flows remained supportive, helping to provide a favorable technical backdrop for the asset class.

Outlook:
Investor optimism has continued to be underpinned by a resilient US economy, with June's data consistently surprising to the upside as AI-driven capital expenditure, healthy consumer spending, and a labor market near full employment continue to support growth. Against this backdrop, US inflation has broadened beyond any single driver, with resilient demand, tariff-related cost pass-through, and AI hardware shortages keeping price pressures sticky. Falling energy prices promise to offer some relief, with Europe especially poised to benefit, contributing to the divergence we are seeing between the US and Europe. Euro area data have generally lagged expectations, though reported data are starting to indicate a state of stagnation rather than contraction. Where investors began 2026 focused on the scale of policy loosening required, attention is increasingly turning to the risk of policy missteps.

Important Information

The following indices referenced in the snapshot are ICE BofA indices:
JUC0 – ICE BofA US Cash Pay High Yield Constrained Index
JUC1 – ICE BofA BB US Cash Pay High Yield Constrained Index;
JUC2 - ICE BofA Single-B US Cash Pay High Yield Constrained Index;
JUC3 - ICE BofA CCC and Lower US Cash Pay High Yield Constrained Index;
JUC4 – ICE BofA BB-B US Cash Pay High Yield Constrained Index;
JC4N – ICE BofA BB-B US Non-Financial Cash Pay High Yield Constrained Index;
HEC0 – ICE BofA Euro High Yield Constrained Index;
HE10 – ICE BofA BB Euro High Yield Index;
HE20 – ICE BofA Single-B Euro High Yield Index;
HE30 – ICE BofA CCC & Lower Euro High Yield Index;
HEC5 – ICE BofA BB-B Euro Non-Financial High Yield Constrained Index;
C0A0 – ICE BofA US Corporate Index;
C0A1 - ICE BofA AAA US Corporate Index;
C0A2 - ICE BofA AA US Corporate Index;
C0A3 - ICE BofA Single-A US Corporate Index;
C0A4 - ICE BofA BBB US Corporate Index;
C4NF – ICE BofA BBB US Non-Financial Corporate Index;
ER00 – ICE BofA Euro Corporate Index;
ER10 – ICE BofA AAA Euro Corporate Index;
ER20 – ICE BofA AA Euro Corporate Index;
ER30 – ICE BofA Single-A Euro Corporate Index;
ER40 – ICE BofA BBB Euro Corporate Index;
EN40 - ICE BofA BBB Euro Non-Financial Index;
G4O2 – ICE BofA 7-10 Year US Treasury Index
G4L0 – ICE BofA 7-10 Year UK Gilt Index
G4D0 – ICE BofA 7-10 Year German Government Index;
EMCL – ICE BofA US Emerging Markets Liquid Corporate Plus Index.

S&P 500 - The Standard & Poor's 500 Index (S&P 500) is an index of 500 stocks seen as a leading indicator of U.S. equities and a reflection of the performance of the large cap universe, made up of companies selected by economists.
DAX - The German Stock Index is a total return index of 30 selected German blue chip stocks traded on the Frankfurt Stock Exchange. The equities use free float shares in the index calculation.
Bloomberg US Leveraged Loan Index - The Bloomberg US Leveraged Loan Index measures the performance of USD denominated, hig-yield, floating-rate, institutional leveraged loan market. The US Loan Index was created in 2024, with history backfilled to January 1, 2019.
Bloomberg European Leveraged Loan Index – The Bloomberg European Leveraged Loan Index measures the performance of the EUR- and GBP- denominated, high-yield, floating-rate, institutional leveraged loan market. The index was created in 2025, with history backfilled to January 1, 2019.

All performance, duration, yield and spread data downloaded from Bloomberg. Markit iBoxx USD Leveraged Loan (IBOXLTRI), S&P 500 incl. Dividends, and DAX figures from Bloomberg. You cannot invest directly into an index.

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