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Muzinich Firstlight Middle Market ELTIF SICAV, S.A.

Prospectus

a Luxembourg investment company with variable capital (*société d'investissement à capital variable – SICAV*) incorporated and authorized under Part II of the Luxembourg law of 17 December 2010 relating to Undertakings for Collective Investment, as amended from time to time, under the form of a public limited company (*société anonyme – S.A.*) and subject to the provisions of the Regulation (EU) 2015/760 on European Long Term Investment Funds

February 2019

Muzinich & Co

IMPORTANT NOTICE

This prospectus (this “**Prospectus**”) is issued by Muzinich Firstlight Middle Market ELTIF SICAV, S.A. (the “**Fund**”), a Luxembourg investment company with variable capital (*société d’investissement à capital variable – SICAV*) incorporated on 20 February 2019 and authorized by the Luxembourg *Commission de Surveillance du Secteur Financier* (the “**CSSF**”) under Part II of the Luxembourg law of 17 December 2010 relating to Undertakings for Collective Investment, as amended from time to time (the “**2010 Law**”), under the form of a public limited company (*société anonyme – S.A.*) and subject to the provisions of the Regulation (EU) 2015/760 on European Long Term Investment Funds (the “**ELTIF Regulation**”). The Fund is in the process of registration with the Luxembourg *Registre de Commerce et des Sociétés* (“**RCS**”). The registered office of the Fund is 6d, route de Trèves, L-2633 Senningerberg, Grand Duchy of Luxembourg. The Fund is listed on the official list of undertakings for collective investment and approved by the CSSF, and qualifies as an alternative investment fund within the meaning of Article 1 of the Luxembourg law of 12 July 2013 on Alternative Investment Fund Managers. The entry on the list is tantamount to authorization and the entering and the maintaining on the list is subject to observance of all the provisions of the laws, regulations or agreements relating to the organization and operation of undertakings for collective investment and the distribution, placing or sale of their shares. However, this inclusion on the official list does not require an approval or disapproval of the CSSF as to the suitability or accuracy of this Prospectus. It may not, under any circumstances, be described in any way whatsoever as a positive assessment made by the CSSF of the quality of the shares offered for sale. Any declaration to the contrary should be considered as unauthorized and illegal.

Muzinich & Co. (Ireland) Limited (the “**AIFM**”), an Irish limited company, is the Fund’s alternative investment fund manager in accordance with the provisions of the European Union (Alternative Investment Fund Managers) Regulation 2013, and is duly authorized and regulated by the Central Bank of Ireland in this respect.

The AIFM intends to delegate portfolio management relating to the Fund to Muzinich & Co. Limited, an English limited company; provided that the AIFM may in its discretion alternatively appoint Muzinich & Co. (Dublin) Limited, an Irish limited company (such delegate, “**Muzinich**” or the “**Portfolio Manager**” and, with the AIFM, the “**Fund Managers**”).

1. Target investors

The Fund is intended to be marketed to both retail and professional investors who qualify as Eligible Investors (as defined herein). Prospective investors should carefully read this Prospectus in its entirety. In accordance with the requirements of the ELTIF Regulation, it is the responsibility of the applicable distributor or sub-distributor to provide appropriate investment advice to any retail investor. Retail investors should not invest in the Fund unless they have received such investment advice.

2. Investment risks

Investment in the Fund will involve significant risks due to, among other things, the nature of the Fund’s investments. As a European long-term investment fund (“**ELTIF**”) under the ELTIF Regulation, the Fund may invest in long-term assets, meaning assets that are typically of an illiquid nature, require patient capital based on commitments made for a considerable period of time, often provide late return on investment and generally have an economic profile of a long-term nature.

There can be no assurance that the Fund’s objectives will be realized or that there will be any return of capital. Investors should have the financial ability and willingness to accept the risks (including, among other things, the risk of loss of investment and the lack of liquidity) that are characteristic of the investment described herein and should consult their own advisors as to legal, tax and related matters concerning an investment in the Fund. **Shares in the Fund as offered by this Prospectus (“Shares”) are suitable only for prospective investors for whom an investment in the Fund constitutes only a small proportion of their overall investment portfolio and who fully understand, are willing to assume, and have the financial resources necessary to withstand, the risks involved in the investment program in which the Fund will engage.** Each investor will be required to make certain representations to the Fund, including (but not limited to) representations

as to investment intent, degree of sophistication, access to information concerning the Fund and ability to bear the economic risk of the investment.

Investors should note that they will be able to exercise investor rights directly against the Fund, notably the right to participate in general meetings of holders of Shares (“**Shareholders**”), only if they are registered themselves and in their own names in the register of Shareholders. In cases where an investor invests in the Fund through a nominee or other intermediary investing into the Fund in its own name but on behalf of the investor, it may not always be possible for the investor to exercise certain Shareholder rights directly against the Fund. Investors are advised to take advice on their rights.

3. Securities law considerations

This Prospectus does not constitute, and may not be used for the purposes of, an offer of Shares, or an invitation to apply to participate in the Fund by any person in any jurisdiction in which such offer or invitation is not authorized or in which the person endeavoring to make such offer or invitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or invitation. It is the responsibility of prospective investors to satisfy themselves as to full compliance with the relevant laws and regulations of any territory in connection with any application to participate in the Fund, including obtaining any requisite governmental or other consent and adhering to any other formality prescribed in such territory.

The promotion of the Fund and the distribution of this Prospectus are restricted by law. Shares may be offered in the European Union only in accordance with the ELTIF Regulation and the AIFMD.

The attention of all prospective investors is drawn to the selling restrictions set out in “Selling Restrictions”.

4. Basis and status of information

Prospective investors must rely on their own examination of the legal, taxation, financial and other consequences of an investment in the Fund, including the merits of investing and the risks involved. Prospective investors should not treat the contents of this Prospectus as advice relating to legal, taxation or investment matters and are strongly advised to conduct their own due diligence including, without limitation, as to the legal and tax consequences to them of investing in the Fund and to consult their own professional advisors concerning the acquisition, holding or disposal of Shares.

Subject to the following, the Fund has taken all reasonable care to ensure that the facts stated in this Prospectus are fair, clear and not misleading in all material respects and that, as far as the Fund is aware, there are no other material facts the omission of which would make misleading any statement in this Prospectus. The Fund accepts responsibility accordingly.

In the event that the descriptions or terms in this Prospectus are inconsistent with, or contrary to, the terms of the Fund’s articles of incorporation (the “**Articles**”), the Articles will prevail. The Articles will be sent to investors upon request. Additionally, this Prospectus, as well as a key information document in accordance with Regulation (EU) No 1286/2014 of 26 November 2014, as amended from time to time, and the Fund’s latest available annual and semi-annual report will be available to investors upon request free of charge. In the case of retail investors, paper copies will be provided and the key information document (which is also available on Muzinich’s website: www.muzinich.com) will be provided in good time before those retail investors are bound by any contract or offer relating to the Fund.

The Fund agrees to give prospective investors an opportunity to ask questions of and to receive answers from the Fund and persons acting on the Fund’s behalf concerning the Fund and this Prospectus. The Fund agrees to make available any additional information necessary for an investor to verify the accuracy of the information set forth in this Prospectus to the extent that the Fund possesses or can acquire such information without unreasonable effort or expense; provided, that, the Fund has no obligation to disclose proprietary information, including proprietary trading techniques.

Certain information, including statistical data and other factual statements, contained in this Prospectus has been obtained from published sources prepared by other parties considered to be generally reliable. However, none of the Fund Managers, any affiliate of the Fund Managers or any of their respective directors, members, officers, employees or agents (collectively, the “**Management Group**”) assumes any responsibility for the accuracy of such information. There is no representation or warranty, expressed or implied, as to the accuracy, adequacy or completeness of any such information used in this Prospectus.

All statements of opinion and/or beliefs contained in this Prospectus, all views expressed and all projections, forecasts and statements regarding future events, expectations or future performance or returns represent the Fund’s own assessment and interpretation of information available to it at the date of this Prospectus. To the extent permitted by law or regulatory requirements, no representation or warranty, whether express or implied, is made or assurance given that such statements, beliefs, views, projections or forecasts are correct or will be achieved. Prospective investors must determine for themselves what reliance (if any) they should place on such statements, beliefs, views, projections or forecasts and no responsibility is accepted by the Fund in respect thereof.

Some important factors that could cause actual results to differ materially from those in any forward-looking statements include, without limitation, market, financial or legal uncertainties. Consequently, the inclusion of projections herein should not be regarded as a representation by the Management Group, or any other person or entity, of the results that will actually be achieved by the Fund.

No statement made or information given in connection with, or relevant to, an investment in the Fund which is not included in this Prospectus may be relied upon as having been made or given with the authority of the Fund and no responsibility is accepted by the Fund or any member of the Management Group, or any of their respective directors, members, officers, employees or agents, in respect thereof.

5. Anti-money laundering regulations

Pursuant to Luxembourg laws and regulations implementing European Union directives, obligations have been imposed on all professionals in the financial sector to prevent the use of undertakings for collective investment for money laundering and terrorist financing purposes.

Measures aimed towards the prevention of money laundering, as provided by (but not limited to) the Luxembourg law of 12 November 2004 relating to the fight against money-laundering and the financing of terrorism, as amended (the “**2004 Law**”), the Grand Ducal regulation dated 1 February 2010 providing details on certain provisions of the 2004 Law and the relevant CSSF regulations and circulars, may require a detailed verification of a prospective investor’s identity.

In accordance with these provisions, the implementation of those identification procedures and, where applicable, the performance of the detailed verification are, in the case of direct subscriptions for Shares, under the supervision and responsibility of the Administrator (as defined herein). In respect of all prospective investors subscribing for Shares through a distributor or any sub-distributor or nominee appointed by such distributor or sub-distributor in accordance with the terms of its distribution agreement (if any), those identification procedures may be implemented and, where applicable, the detailed verification may be performed by such distributor or sub-distributor, provided that such distributor or sub-distributor is a credit institution or a financial establishment subject to obligations which are equivalent to those provided by the 2004 Law.

The Fund, the AIFM and the Administrator reserve the right to request such information as is necessary to verify the identity of a prospective investor. In the event of delay or failure by the prospective investor to produce any information required for verification purposes, the Fund may refuse to accept the prospective investor’s subscription and will not be liable for any interest, costs or compensation.

Shareholders may be requested to provide additional or updated identification documents from time to time pursuant to ongoing client due-diligence requirements under relevant laws and regulations.

Any information provided to the Fund, the AIFM and/or the Administrator in this context is collected for anti-money laundering and anti-terrorism financing compliance purposes but could also be used to satisfy compliance with other regulatory requirements (such as, without being limited to, FATCA or CRS legislation).

6. Date of this Prospectus

In order to take into account any material change in the Fund (including, but not limited to the issue of new classes of Shares), this Prospectus will be updated when necessary. Therefore, prospective investors should inquire as to whether there is a new version of this Prospectus. Neither the delivery of this Prospectus at any time nor the acceptance of any subscription for an investment in the Fund will under any circumstances imply that the information contained in this Prospectus is correct as at any time after the date of this Prospectus.

7. Complaints

The Fund has established procedures and arrangements for dealing with complaints submitted by retail investors pursuant to CSSF Regulation 16/07 relating to out-of-court complaint resolution. Investors may file complaints to the Fund by contacting the Fund's board of directors at the Fund's registered office (as set out in "Directory").

The applicable distributor or sub-distributor will make available facilities to receive investor complaints and will in particular ensure that a retail investor's complaints may be made in one of the official languages of the retail investor's EU member state (if applicable).

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1 GLOSSARY OF TERMS

All capitalized terms not otherwise defined in this Prospectus have the meanings set out in this Glossary. This Glossary also sets out certain defined terms used frequently herein for ease of reference.

1915 Law	The Luxembourg law of 10 August 1915 on commercial companies, as amended from time to time.
2010 Law	The Luxembourg law of 17 December 2010 relating to Undertakings for Collective Investment, as amended from time to time.
2013 Law	The Luxembourg law of 12 July 2013 on Alternative Investment Fund Managers, as amended from time to time.
Administrator	State Street Bank Luxembourg S.C.A.
Advisory Committee	As defined in “Terms of the Fund” under the heading “Advisory Committee”.
AIFM	Muzinich & Co. (Ireland) Limited.
AIFMD	Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EUR) No 1095/2010.
Articles	The Fund’s articles of incorporation.
Auditor	Deloitte Luxembourg.
Authorized Entities	The Fund and other companies directly or indirectly affiliated with the Fund, the Administrator, the Depositary, the the AIFM, the Portfolio Manager, any other agents of the Fund and/or any placement agent.
Board	The Fund’s board of directors.
CFTC	US Commodity Futures Trading Commission.
Code	US Internal Revenue Code of 1986, as amended.
Commitment	With respect to each investor, the amount for which that investor has agreed to subscribe in respect of Shares.
CRS Law	Luxembourg domestic law of 18 December 2015 transposing DAC 2 into Luxembourg law.
CSSF	The Luxembourg <i>Commission de Surveillance du Secteur Financier</i> .
DAC 2	Council Directive 2014/107/EU amending Directive 2011/16/EU.
Damages	All claims, liabilities, costs, and expenses, including legal fees, judgments, and amounts paid in defense and settlement.
Depositary	State Street Bank Luxembourg S.C.A.
Eligible Investor	An investor meeting the eligibility criteria of the ELTIF Regulation, being (i) a professional investor, and (ii) a retail investor, provided that if such retail investor’s financial instrument portfolio (composed of cash deposits and financial instruments, excluding any financial instruments that have been given as collateral) does not exceed €500,000, such retail investor may not invest an aggregate amount exceeding 10% of its financial instrument portfolio in the Fund and any other ELTIF and the initial amount invested in the Fund and any other ELTIF may not be less than

	€10,000.
Eligible Jurisdictions	(i) EU member states; or (i) third countries, provided that the relevant third country (a) is not a high-risk and non-cooperative jurisdiction identified by the Financial Action Task Force, and (b) has signed an agreement with Ireland (as the AIFM's home EU member state) and with every other EU member state in which the Shares are intended to be marketed to ensure that the third country fully complies with the standards laid down in Article 26 of the OECD Model Tax Convention on Income and on Capital and ensures an effective exchange of information in tax matters, including any multilateral tax agreements.
ELTIF	A European long-term investment fund.
ELTIF Eligible Assets	Assets referred to in Article 10 of the ELTIF Regulation, as detailed in Appendix B.
ELTIF Regulation	Regulation (EU) 2015/760 on European Long Term Investment Funds.
ERISA	US Employee Retirement Income Security Act of 1974, as amended.
EuSEF	European social entrepreneurship fund.
EuVECA	European venture capital fund.
FATCA	Collectively, the Foreign Account Tax Compliance Act, as codified in sections 1471-1474 of the Code and any US Treasury Regulations, rules or other guidance issued thereunder (including after the date hereof) and the terms of any intergovernmental agreement, and any implementing legislation or rules and any similar laws, including similar laws passed by a foreign government.
FATCA Withholding	A 30% withholding tax imposed on certain US sources of income of any FFI that fails to comply with FATCA.
FFI	Foreign financial institutions outside the US.
Fund	Muzinich Firstlight Middle Market ELTIF SICAV, S.A.
Fund Managers	the AIFM and the Portfolio Manager.
HMRC	HM Revenue & Customs.
IGA	An intergovernmental agreement.
Indemnified Persons	Collectively, each member of the Board and each member of the Management Group and each of their respective partners, directors, members, managers, employees, agents, advisors, affiliates and personnel.
Investment Company Act	US Investment Company Act of 1940, as amended.
Investment Proceeds	As defined in "Terms of the Fund" under the heading "Re-investment".
IRS	US Internal Revenue Service.
Liquidity Assets	Assets referred to in Article 50(1) of Directive 2009/65/EC.
Luxembourg FATCA Law	Luxembourg domestic law implementing the IGA on 24 July 2015.
Management Fee	As defined in "Overview of the Fund" under the heading "Management Fee and administrative fee".
Management Group	The Fund Managers, any affiliate of the Fund Managers or any of

	their respective directors, members, officers, employees or agents.
Muzinich Products	Any funds and managed accounts sponsored, managed and/or advised by members of the Management Group.
Net Investment Income	As defined in “Terms of the Fund” under the heading “Distribution policy”.
Paying Agents	Paying agents, representatives and/or correspondent banks.
Permissible Early Redemption Amount	The value of the Liquidity Assets, including cash and Investment Proceeds not reinvested or already distributed.
Personal Data	All personal data of the investor contained in any document provided by such investor and any further personal data collected in the course of their relationship with the Fund, the Administrator and/or the Depositary.
Plan Asset Regulations	As defined in “Risks related to the Fund” under the heading “ERISA considerations”.
Plan Assets Fund	As defined in “Risks related to the Fund” under the heading “ERISA considerations”.
Portfolio Manager or Muzinich	Muzinich & Co. Limited or, in the AIFM’s discretion, Muzinich & Co. (Dublin) Limited.
Prospectus	This prospectus.
Qualifying portfolio assets	As defined in Article 11 of the ELTIF Regulation.
Ramp-up Period	As defined in “Terms of the Fund” under the heading “Ramp-up Period”.
Redemption Date	As defined in “Overview of the Fund” under the heading “Redemptions”.
RESA	The Luxembourg <i>Recueil Electronique des Sociétés et Associations</i> .
Securities Act	US Securities Act of 1933, as amended.
Shareholders	Investors with the ability to exercise investor rights directly against the Fund, including the right to participate in general meetings of holders of Shares.
Shares	The shares in the Fund as offered by this Prospectus.

2 EXECUTIVE SUMMARY

This executive summary should be read as an introduction to this prospectus (this “Prospectus”) and is not a substitute for reading the Prospectus in its entirety. Any decision to invest in shares in Muzinich Firstlight Middle Market ELTIF SICAV, S.A. (the “Fund”) as offered by this Prospectus (“Shares”) should be based on consideration of the Prospectus as a whole by the investor. Where a claim relating to information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the EU member states, be required to bear the costs of translating this Prospectus before legal proceedings are initiated. Civil liability may attach to the Fund, as the entity which has tabled this executive summary including any translation hereof, and applied for its notification, but only if this executive summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus.

2.1 Fund

Muzinich Firstlight Middle Market ELTIF SICAV, S.A. is a Luxembourg investment company with variable capital (*société d’investissement à capital variable – SICAV*) incorporated on 20 February 2019 and authorized by the Luxembourg *Commission de Surveillance du Secteur Financier* (the “CSSF”) under Part II of the Luxembourg law of 17 December 2010 relating to Undertakings for Collective Investment, as amended from time to time (the “2010 Law”), under the form of a public limited company (*société anonyme – S.A.*) and subject to the provisions of the Regulation (EU) 2015/760 on European Long Term Investment Funds (the “ELTIF Regulation”). The Fund is in the process of registration with the Luxembourg *Registre de Commerce et des Sociétés*. The registered office of the Fund is 6d, route de Trèves, L-2633 Senningerberg, Grand Duchy of Luxembourg. The Fund is listed on the official list of undertakings for collective investment and approved by the CSSF, and qualifies as an alternative investment fund within the meaning of Article 1 of the Luxembourg law of 12 July 2013 on Alternative Investment Fund Managers (the “2013 Law”). The Fund’s articles of incorporation (the “Articles”) have been deposited with the RCS and will be published in the Luxembourg *Recueil Electronique des Sociétés et Associations* (the “RESA”).

The Fund is incorporated for a period of six years following its final closing date, subject to a possible extension of one year or early termination.

The minimum capital of the Fund, as provided by law, which must be achieved within six months after the date on which the Fund has been authorized as an undertaking for collective investment subject to Part II of the 2010 Law, is €1,250,000. The initial capital of the Fund is €30,000, represented by 300 fully paid up Shares. The share capital is at all times equal to the total net assets of the Fund.

2.2 Fund Managers

Muzinich & Co. (Ireland) Limited (the “AIFM”), an Irish limited company, is the Fund’s alternative investment fund manager in accordance with the provisions of the European Union (Alternative Investment Fund Managers) Regulation 2013, and is duly authorized and regulated by the Central Bank of Ireland in this respect.

The AIFM intends to delegate portfolio management relating to the Fund to Muzinich & Co. Limited, an English limited company; provided that the AIFM may in its discretion alternatively appoint Muzinich & Co. (Dublin) Limited, an Irish limited company (such delegate, “Muzinich” or the “Portfolio Manager” and, with the AIFM, the “Fund Managers”).

2.3 Investment program

The Fund will raise and channel capital in line with the EU objective of smart, sustainable and inclusive growth. The Fund will seek to invest mostly in syndicated loans and private debt instruments (both of which generally pay a floating rate of interest) and may also invest in bonds and junior investment opportunities. It is intended that the Fund will have a well-diversified portfolio.

The Fund will be permitted to invest, directly or indirectly via special purpose vehicles (each, an “**SPV**”), in portfolio undertakings that are established in: (i) EU member states; or (ii) third countries, provided that the relevant third country (a) is not a high-risk and non-cooperative jurisdiction identified by the Financial Action Task Force, and (b) has signed an agreement with Ireland (as the AIFM’s home EU member state) and with every other EU member state in which the Shares are intended to be marketed to ensure that the third country fully complies with the standards laid down in Article 26 of the OECD Model Tax Convention on Income and on Capital and ensures an effective exchange of information in tax matters, including any multilateral tax agreements (“**Eligible Jurisdictions**”). As of the date of this Prospectus, third countries meeting such criteria include (without limitation) Norway and Switzerland.

Any SPVs used by the Fund in connection with its investments will be controlled by the Fund and will have the same auditor (to the extent that an audit of any such SPV is required) and the same financial year as the Fund.

The Fund’s investments will qualify as eligible investments for a European long-term investment fund (“**ELTIF**”), in particular with regard eligible assets and spreading of investment risks in accordance with Chapter II of the ELTIF Regulation.

As an ELTIF, the Fund may invest in long-term assets, meaning assets that are typically of an illiquid nature, require patient capital based on commitments made for a considerable period of time, often provide late return on investment and generally have an economic profile of a long-term nature.

2.4 Investment risks

Investment in the Fund will involve significant risks due to, among other things, the nature of the Fund’s investments, which may include long-term assets. Risks associated with investments in long-term assets are described in “Certain Risk Factors and Potential Conflicts of Interest” under the heading “Long-term nature of investments”. The Fund will itself be, and an investment in the Fund should be viewed by investors as, long-term in nature. There can be no assurance that the Fund’s objectives will be realized or that there will be any return of capital. Investors should have the financial ability and willingness to accept the risks (including, among other things, the risk of loss of investment and the lack of liquidity) that are characteristic of the investment described herein and should consult their own advisors as to legal, tax and related matters concerning an investment in the Fund.

3 OVERVIEW OF FUND

3.1 Portfolio Manager

Muzinich & Co. Limited, an English limited company having its registered office at 8 Hanover Street, London W1S 1YQ and with registered number 03852444; provided that the AIFM may in its discretion alternatively appoint Muzinich & Co. (Dublin) Limited, an Irish limited company having its registered office at 56 Fitzwilliam Square, Dublin 2, Ireland and registered with the Central Bank of Ireland under number 625717.

3.2 AIFM

Muzinich & Co. (Ireland) Limited, an Irish limited company having its registered office at 32 Molesworth Street, Dublin 2, Ireland and registered with the Central Bank of Ireland under number C30119.

3.3 Fund

Muzinich Firstlight Middle Market ELTIF SICAV, S.A., a Luxembourg investment company with variable capital (*société d'investissement à capital variable – SICAV*) incorporated on 20 February 2019 and authorized under Part II of the 2010 Law, under the form of a public limited company (*société anonyme – S.A.*) and subject to the provisions of ELTIF Regulation. The Fund is in the process of registration with the Luxembourg *Registre de Commerce et des Sociétés*. The registered office of the Fund is 6d, route de Trèves, L-2633 Senningerberg, Grand Duchy of Luxembourg. The Fund is listed on the official list of undertakings for collective investment and approved by the CSSF, and qualifies as an alternative investment fund within the meaning of Article 1 of the 2013 Law. The Articles have been deposited with the RCS and will be published in the RESA.

3.4 Distributors, sub-distributors and Paying Agents

Distributors and sub-distributors

One or more distributors may be appointed by the Fund, each in respect of one or more classes of Shares. Any such distributor may be an affiliate of the Fund and/or the Fund Managers. Muzinich & Co. Limited will act as the Fund's initial global distributor, and is expected to appoint one or more sub-distributors, each in respect of one or more classes of Shares. Besides the requirements applicable generally to the distribution of financial instruments, each distributor or sub-distributor, as applicable, will be responsible for ensuring that potential investors comply with the eligibility criteria laid down in the ELTIF Regulation, that the Fund's investments are suitable for retail investors regarding their experience, financial situation and investment objectives and for implementing 'know your customer' and anti-money laundering policies.

Paying Agents

One or more paying agents, representatives and/or correspondent banks ("**Paying Agents**") may be appointed by the Fund, each in respect of one or more classes of Shares.

3.5 Closings; Fund term; redemptions

Closings

The first closing of the Fund will be held as soon as practicable. Additional closings may occur within one year of the first closing. It is expected that 100% of each investor's commitment to the Fund ("**Commitment**") will be drawn on or around the date on which the investor's Commitment is accepted by the Fund.

Cooling-off period

During the period commencing on his or her admission to the Fund and ending on the date two weeks later, a retail investor may, by written notice to the Fund, cancel his or her Commitment. In such case, any amounts previously drawn from such retail investor will be returned without penalty. For the avoidance of doubt, the "admission to the Fund" above means the issue of Shares to an investor.

Term

The Fund will terminate on the sixth anniversary of its final closing date, but may be extended for up to one year at the discretion of the Fund's board of directors (the "**Board**"), subject to earlier termination upon full realization of the Fund's portfolio or if market opportunities are inadequate to support its ongoing operation.

Redemptions

Starting on 1 January 2022, investors will be able to request the redemption of their Shares on a semi-annual basis. Redemptions may be made subject to the following conditions:

- The Fund may honor redemption requests based on net asset value as of 30 June and 31 December of each year (each, a "**Redemption Date**").
- Redemption requests must be received at least 28 calendar days before the relevant Redemption Date.
- Investors whose Shares are redeemed at the investor's request prior to the Fund's liquidation will be subject to an early redemption charge, which will be payable to the Fund. This early redemption charge will equal:
 - 2.0% for Redemption Dates in 2022;
 - 1.5% for Redemption Dates in 2023;
 - 1.0% for Redemption Dates in 2024; and
 - 0.5% for Redemption Dates in 2025.
- Aggregate redemptions will be limited at each Redemption Date to the value of the Fund's assets of the type referred to in Article 50(1) of Directive 2009/65/EC ("**Liquidity Assets**"), including cash and Investment Proceeds (as defined in "Terms of the Fund" under the heading "Re-investment") not reinvested or already distributed (the "**Permissible Early Redemption Amount**").
- Should redemption requests in any redemption period exceed the Permissible Early Redemption Amount, then the requests will be satisfied on a pro rata basis and the outstanding requests will roll forward to the next Redemption Date.
- Redemption proceeds will be paid as soon as reasonably practicable after ascertaining the net asset value as of the relevant Redemption Date.

3.6 Fees

Management Fee and administrative fee

In respect of Commitments corresponding to the Fund's classes of Shares, the Fund will also pay the AIFM an annual management fee (the "**Management Fee**"), as set out below. The Management Fee will be calculated as a percentage of the relevant class's net asset value and will be paid to the AIFM on a quarterly basis in arrears.

Class of Shares	Maximum Management Fee
H	0.60%
A	1.00%
R	1.20%
P	1.50%

The Management Fee will be reduced by 100% (without double-counting) of any: (i) directors' fees, financial consulting fees, advisory fees, monitoring or other transaction fees, paid to the AIFM or any of its affiliates, with respect to the Fund's investments and (ii) break up or abort fees with respect to the Fund's transactions not completed that are paid to the AIFM or any of its affiliates.

The AIFM will pay the fees of the Portfolio Manager from the Management Fee. Additionally, the AIFM may pay all or part of the Management Fee, and/or the Portfolio Manager may pay all or part of its fee, to any party that invests in or provides services to the AIFM or the Portfolio Manager, or in respect of the Fund, including any distributor or sub-distributor.

In addition to the foregoing, on a quarterly basis in arrears, the Fund will pay the AIFM an annual administrative fee equal to 0.15% of the Fund's net asset value. The administrative fee will be calculated as a percentage of the relevant class's net asset value and will be paid to the AIFM on a quarterly basis in arrears. For the avoidance of doubt, such administrative fee is payable in addition to fees payable by the Fund to the Administrator.

3.7 Investment program

Investment focus

The Fund will raise and channel capital in line with the EU objective of smart, sustainable and inclusive growth. The Fund will seek to invest mostly in syndicated loans and private debt instruments (both of which generally pay a floating rate of interest) and may also invest in bonds and junior investment opportunities. It is intended that the Fund will have a well-diversified portfolio.

Geographic focus

The Fund will be permitted to invest, directly or indirectly via SPVs, in portfolio undertakings that are established in Eligible Jurisdictions.

Long-term nature

As an ELTIF, the Fund may invest in long-term assets, meaning assets that are typically of an illiquid nature, require patient capital based on commitments made for a considerable period of time, often provide late return on investment and generally have an economic profile of a long-term nature. The Fund will itself be, and an investment in the Fund should be viewed by investors as, long-term in nature.

4 INVESTMENT PROGRAM

4.1 Investment objective

The Fund will raise and channel capital in line with the EU objective of smart, sustainable and inclusive growth. The Fund will seek to invest mostly in syndicated loans and private debt instruments (both of which generally pay a floating rate of interest), and may also invest in bonds, and junior investment opportunities. For the avoidance of doubt, the Fund may originate loans directly. It is intended that the Fund will have a well-diversified portfolio. The Fund will be permitted to invest, directly or indirectly via SPVs, in portfolio undertakings that are established in Eligible Jurisdictions. As an ELTIF, the Fund may invest in long-term assets, meaning assets that are typically of an illiquid nature, require patient capital based on commitments made for a considerable period of time, often provide late return on investment and generally have an economic profile of a long-term nature. The Fund will itself be, and an investment in the Fund should be viewed by investors as, long-term in nature.

The Fund's investments will qualify as eligible investments for an ELTIF, in particular with regard to eligible assets and spreading of investment risks in accordance with Chapter II of the ELTIF Regulation, as detailed in Appendix B.

Any SPVs used by the Fund in connection with its investments will be controlled by the Fund and will have the same auditor (to the extent that an audit of any such SPV is required) and the same financial year as the Fund.

The Fund's performance will not be determined by reference to any benchmark.

4.2 Investment limitations

The following investment restrictions will apply to the Fund:

- (i) Unless the Advisory Committee (as defined in "Terms of the Fund" under the heading "Advisory Committee") consents, the Fund will invest no more than 5% of aggregate Commitments in the loans, securities, warrants, debentures, or other instruments of any single portfolio undertaking. If the Fund invests more than 5% of aggregate Commitments in the loans, securities, warrants, debentures, or other instruments of any single portfolio undertaking, then the Portfolio Manager will use its reasonable endeavors to sell down or otherwise dispose of a portion of such investment within 12 months of its acquisition to the extent necessary so that the Fund's interest in such investment does not exceed 5% of aggregate Commitments.
- (ii) The Fund will not invest in any consumer loan or in any working capital debt (*Betriebsmittelkredite*).

These investment restrictions will be applied at the time the relevant investment is made.

In addition to the foregoing, certain portfolio composition requirements applicable to ELTIFs and to funds authorized under Part II of the 2010 Law will apply, as detailed in Appendix B.

4.3 Allocation of investment opportunities

Investment opportunities falling within the Fund's investment objective sourced by the Fund Managers, any affiliate of the Fund Managers or any of their respective directors, members, officers, employees or agents (collectively, the "**Management Group**") will generally be allocated to the Fund and other funds and managed accounts sponsored, managed and/or advised by members of the Management Group ("**Muzinich Products**") within whose investment strategies the investment opportunity also falls in proportion to their respective aggregate available capital; provided that allocations may be made on a basis other than *pro rata* to aggregate available capital if such allocation is made in good faith and does not result in an improper disadvantage to the Fund or any other Muzinich Product. The reasons for such a non-*pro rata* allocation may include (without limitation): tax, regulatory and legal considerations; the jurisdiction of the investee company; the amount of potential follow-on investment that may be required for such investment and the other

investments of the Fund or any other Muzinich Product; the size of the investment (including minimum lot size); the time horizon of the investment; setting aside capital in respect of appropriate reserves and contingencies; portfolio concentration (for example, if it is determined in good faith that a *pro rata* addition will result in too large a concentration (for example, industry or currency) in light of diversification policies and other available opportunities for the Fund or any other Muzinich Product); different liquidity needs or circumstances; the portion of the investment period of the Fund or any other Muzinich Product which has elapsed; and the target internal rate of return or other return profile of the Fund or any other Muzinich Product. Muzinich may amend the above investment allocation mechanics from time to time; provided that it will not be amended in a way that materially adversely affects the Fund.

4.4 Borrowing

The Fund may borrow up to 30% of the value of its capital for the purpose of investing in ELTIF Eligible Assets (as defined in Appendix B) as permitted by the ELTIF Regulation, except for loans as described in paragraph (iii) of the description of ELTIF Eligible Assets set out in Appendix B, and provided that the holdings in cash or cash equivalents of the Fund are not sufficient to make the investment concerned. Any borrowing must be contracted in the same currency as the assets to be acquired with the borrowed cash; must have a maturity no longer than the life of the Fund; and must encumber assets that represent no more than 30% of the value of the Fund's capital.

Subject to Article 16 of the ELTIF Regulation, the Fund may, either directly or indirectly through a special purpose vehicle, enter into guarantees, indemnities, covenants and undertakings in connection with investments made by the Fund. The Fund may secure any such borrowings, guarantees, indemnities, covenants and undertakings by mortgage, charge, pledge or assignment of or security interest in all or any part of the Fund's assets.

Any borrowing by the Fund must be from first class professionals specialized in this type of transaction, subject to the following restrictions:

- (i) The counterparty risk resulting from the difference between (a) the value of the assets transferred by the Fund to a lender as security in the context of borrowing transactions, and (b) the amount owed by the Fund to such lender, may not exceed 20% of the Fund's assets. The Fund may, in addition, provide security by using security arrangements which do not result in a transfer of ownership or which limit the counterparty risk by other means.
- (ii) The counterparty risk resulting from the sum of (a) the difference between the value of the assets transferred as security in the context of securities lending transactions (as defined in Appendix B) and the amounts due under the last paragraph in "Portfolio composition requirements applicable to funds authorized under Part II of the 2010 Law" in Appendix B under the heading "Short sales", and (b) the difference between the assets transferred as security and the amounts borrowed referred to above may not, in respect of a single lender, exceed 20% of the Fund's assets.

4.5 Hedging policy

Muzinich intends to hedge the Fund's exposure to currency risk due to investments denominated in currencies other than the euro (or non-euro currency in which a Commitment has been made). However, investors should note that Muzinich is under no obligation whatsoever to engage in such hedging arrangements.

The Fund may purchase and sell foreign currency in conjunction with the purchase or sale of underlying Fund investments as part of its hedging strategy. The Fund's foreign currency transactions may be conducted on a spot basis to satisfy settlement of investments. The Fund may also enter into contracts for forward settlement of foreign currencies through forward contracts, options agreements or other foreign currency hedging instruments. The Fund will enter into foreign currency transactions as a hedging tool and will not purchase or sell foreign currencies on a standalone basis.

In addition, the Fund may use credit default swaps (both single-name and index) and interest rate futures for hedging purposes.

Financial derivative instruments may be used only for the purpose of hedging risks inherent to other investments of the Fund.

5 TERMS OF THE FUND

The following information is qualified in its entirety by the Articles. In the event that the descriptions or terms in this Prospectus are inconsistent with, or contrary to, the terms of the Articles, the Articles will prevail. For any information not covered in this description of the terms of the Fund, investors should refer to Appendix A: AIFMD Investor Disclosures.

Fund

Muzinich Firstlight Middle Market ELTIF SICAV, S.A., a Luxembourg investment company with variable capital (*société d'investissement à capital variable – SICAV*) incorporated on 20 February 2019 and authorized by the CSSF under Part II of the 2010 Law, under the form of a public limited company (*société anonyme – S.A.*) and subject to the provisions of the ELTIF Regulation. The Fund is in the process of registration with the Luxembourg *Registre de Commerce et des Sociétés*. The registered office of the Fund is 6d, route de Trèves, L-2633 Senningerberg, Grand Duchy of Luxembourg. The Fund is listed on the official list of undertakings for collective investment and approved by the CSSF, and qualifies as an alternative investment fund within the meaning of Article 1 of the 2013 Law. The Articles have been deposited with the RCS and will be published in the RESA.

AIFM

Muzinich & Co. (Ireland) Limited, an Irish limited company having its registered office at 32 Molesworth Street, Dublin 2, Ireland and registered with the Central Bank of Ireland under number C30119, is the Fund's alternative investment fund manager in accordance with the provisions of the European Union (Alternative Investment Fund Managers) Regulation 2013. Muzinich & Co. (Ireland) Limited is duly authorized and regulated by the Central Bank of Ireland in this respect.

Portfolio Manager

The AIFM intends to delegate portfolio management relating to the Fund to Muzinich & Co. Limited; provided that the AIFM may in its discretion alternatively appoint Muzinich & Co. (Dublin) Limited. Muzinich & Co. Limited is duly authorized and regulated by the UK Financial Conduct Authority in this respect and Muzinich & Co. (Dublin) Limited is duly authorized and regulated by the Central Bank of Ireland in this respect.

Distributors and sub-distributors

One or more distributors may be appointed by the Fund, each in respect of one or more classes of Shares. Any such distributor may be an affiliate of the Fund and/or the Fund Managers. Muzinich & Co. Limited will act as the Fund's initial global distributor, and is expected to appoint one or more sub-distributors, each in respect of one or more classes of Shares. Besides the requirements applicable generally to the distribution of financial instruments, each distributor or sub-distributor, as applicable, will be responsible for ensuring that potential investors comply with the eligibility criteria laid down in the ELTIF Regulation, that the Fund's investments are suitable for retail investors regarding their experience, financial situation and investment objectives and for implementing 'know your customer' and anti-money laundering policies.

Commitments

Commitments will be accepted in euro; provided that the Board may, at its discretion, elect to accept Commitments denominated in currencies other than euro. In furtherance thereof, Shares are available in each of the Share class categories set out in the table below in the following currencies: CHF, DKK, EUR, GBP, NOK, SEK and USD. Shares of those currencies are also available as hedged classes and unhedged classes. An investor's minimum Commitment is as follows (or its equivalent in the applicable subscription currency):

Class of Shares	Minimum Commitment
H*	€ 5,000,000
A	€1,000,000
R	€100,000
P	€10,000

* H Shares are available to institutional investors (for investors in the European Union, this means “eligible counterparties”, as defined Directive 2014/65/EU (MiFID II)) investing for their own account. In addition, H Shares 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.

The Board may in its sole discretion accept individual Commitments of smaller amounts, subject to compliance with Article 30(3) of the ELTIF Regulation.

Closings

The first closing of the Fund will be held as soon as practicable. Additional closings may occur within one year of the first closing. It is expected that 100% of each investor’s Commitment will be drawn on or around the date on which the investor’s Commitment is accepted by the Fund.

Eligible Investors

Shares may be acquired only by Eligible Investors. An “**Eligible Investor**” means an investor meeting the eligibility criteria of the ELTIF Regulation, being (i) a professional investor¹, and (ii) a retail investor, provided that if such retail investor’s financial instrument portfolio (composed of cash deposits and financial instruments, excluding any financial instruments that have been given as collateral) does not exceed €500,000, then such retail investor may not invest an aggregate amount exceeding 10% of its financial instrument portfolio in the Fund and any other ELTIF and the initial amount invested in the Fund and any other ELTIF may not be less than €10,000.

If the Board determines that an investor is no longer an Eligible Investor or if the investor is in breach of its obligations, representations or warranties to the Fund, or fails to make such representations or warranties or fails to deliver information (for example as required under the US Foreign Account Tax Compliance Act (“**FATCA**”) or similar law) as the Board may require, the Board may (i) require/cause such investor to sell all or some of its Shares in accordance with the Articles, or (ii) redeem such investor’s Shares in accordance with the Articles.

The Administrator, Paying Agent, distributor or sub-distributor (where appropriate) will verify that each investor is an Eligible Investor.

Cooling-off period

During the period commencing on his or her admission to the Fund and ending on the date two weeks later, a retail investor may, by written notice to the Fund, cancel his or her Commitment. In such case, any amounts previously drawn from such retail investor will be returned without penalty. For the avoidance of doubt, the “admission to the Fund” above means the issue of Shares to an investor.

¹ A professional investor means an investor which is considered to be a professional client, or may, on request, be treated as a professional client in accordance with Annex II to Directive 2014/65/EU

Target Fund size	The Fund will target total Commitments of €200 million, but the Board may in its sole discretion accept more or less than that amount.
Term	The Fund will terminate on the sixth anniversary of its final closing date, but may be extended for up to one year at the discretion of the Board, subject to earlier termination upon full realization of the Fund's portfolio or if market opportunities are inadequate to support its ongoing operation. The Articles allow for an orderly disposal of the Fund's assets in order to redeem Shares after Fund's termination date. Redemptions to investors will commence on the date following the Fund's termination date. A detailed schedule will be adopted at the latest one year before the Fund's termination date, in accordance with article 21 of the ELTIF Regulation.
Ramp-up Period	The Fund's ramp-up period will commence on its first closing and will end on the first anniversary of the final closing (the " Ramp-up Period "), provided that the Board may extend the Ramp-up Period by up to one year, subject to the requirement that the Board may not extend the Ramp-up Period past the halfway point of the Fund's life.
Reports to investors	The Fund will furnish to its investors (i) audited financial statements annually commencing with the first year in which it is in operation for the full year, and (ii) unaudited semi-annual reports. The Fund will publish annually a detailed report of its activity and the management of its assets, including a balance sheet and profit and loss account, the detailed makeup of its assets, and the auditor's report.
Advisory Committee	<p>The Fund will establish an advisory committee (the "Advisory Committee") composed of investor representatives selected by the Board (which may, for the avoidance of doubt, include distributors, sub-distributors and/or affiliates of distributors or sub-distributors).</p> <p>In addition to its other functions, the Advisory Committee will provide such advice and counsel as is requested by the Board or the AIFM in connection with investments, potential conflicts of interest, and other matters. The AIFM or the Board, as applicable, will retain ultimate responsibility for all decisions relating to the operation and management of the Fund.</p>
Distribution policy	Following the Fund's final closing, the Fund expects to distribute at least 85% of Net Investment Income on a semi-annual basis (calculated as of 31 March and 30 September of each year (or, if not a business day, on the next following business day) (each, a " distribution date "). " Net Investment Income " includes all interest or fee income received in cash in respect of the underlying investments, other than to the extent such income is applied in respect of any Management Fees or other expenses of the Fund, and appropriate reserves. Distributions will be paid as soon as reasonably practicable after ascertaining the net asset value as of the relevant distribution date.
Re-investment	The Portfolio Manager may, in its discretion, elect to re-invest any Investment Proceeds. " Investment Proceeds " means all proceeds received in respect of investments (including Net Investment Income), other than to the extent such income is applied in respect of any Management Fees or other expenses of the Fund, and appropriate reserves.
Subsequent closing investors	Investors making Commitments at any closing after the first closing, or investors who increase their Commitment after the first closing, will generally acquire Shares at a price per Share based on the net asset value of the relevant class of Shares as of the next date on which the net asset value of the relevant class of Shares is calculated following the date on

which the investor's Commitment is accepted by the Fund.

Costs of setting up the Fund

The Fund will reimburse the AIFM for its organizational and startup expenses, including establishment costs of entities forming part of the wider fund structure, legal, travel, accounting, filing, printing, capital raising and other organizational expenses, and will amortize these costs over the first three financial years. The AIFM will bear the cost (through an offset against the Management Fee or otherwise) of all organizational expenses in excess 1% of the Fund's aggregate Commitments, if any.

Costs related to the acquisition of assets

The Fund will pay all of its costs and expenses associated with the acquisition, holding, enforcing and disposition of its investments, including extraordinary expenses such as litigation, if any, save in each case to the extent reimbursed by portfolio companies (which reimbursements may be for travel, subsistence and any other out-of-pocket expenses incurred in connection with the making, monitoring, enforcing and/or disposing of such portfolio company investments, including follow-on investments and re-financings).

Management Fee

In respect of Commitments corresponding to the Fund's classes of Shares, the Fund will pay the AIFM the annual Management Fee as set out below. The Management Fee will be calculated as a percentage of the relevant class's net asset value and will be paid to the AIFM on a quarterly basis in arrears.

Class of Shares	Maximum Management Fee
H	0.60%
A	1.00%
R	1.20%
P	1.50%

The Management Fee will be reduced by 100% (without double-counting) of any (i) directors' fees, financial consulting fees, advisory fees, monitoring or other transaction fees, paid to the AIFM or any of its affiliates, with respect to the Fund's investments, and (ii) break up or abort fees with respect to the Fund's transactions not completed that are paid to the AIFM or any of its affiliates.

No performance-related fees are payable.

The AIFM will pay the fees of the Portfolio Manager from the Management Fee. Additionally, the AIFM may pay all or part of the Management Fee, and/or the Portfolio Manager may pay all or part of its fee, to any party that invests in or provides services to the AIFM or the Portfolio Manager, or in respect of the Fund, including any distributor or sub-distributor.

Other costs

On a quarterly basis in arrears, the Fund will pay the AIFM an annual administrative fee equal to 0.15% of the Fund's net asset value. The administrative fee will be calculated as a percentage of the relevant class's net asset value and will be paid to the AIFM on a quarterly basis in arrears. For the avoidance of doubt, such administrative fee is payable in addition to fees payable by the Fund to the Administrator.

The Depositary will be entitled to receive an annual fee of no more than 0.10% of the net asset value of the Fund, accrued daily and payable

monthly in arrears out of the assets of the Fund. The Depositary is entitled to recover its reasonable out-of-pocket expenses from the Fund.

The Administrator will be entitled to receive an annual fee of no more than 0.10% of the net asset value of the Fund, accrued daily and payable monthly in arrears, out of the assets of the Fund. The Administrator is entitled to recover its reasonable out-of-pocket expenses from the Fund.

Subject to the foregoing, the AIFM will pay all ordinary administrative and overhead expenses incurred in connection with maintaining and operating its office(s), including, without limitation, employees' salaries, rent and utilities.

In addition to the Management Fee, the Fund will pay all of its other costs and expenses, including all overheads of the Board and AIFM incurred in connection with the Fund's activities, including legal, auditing, consulting, depositary, administration, transfer agency, financing, hedging, accounting, marketing and custodian fees and expenses; remuneration and expenses paid to the board members; expenses associated with the Fund's financial statements, tax returns and any Fund-related reporting or filing obligations; out-of-pocket expenses incurred in connection with transactions not consummated; expenses of the Advisory Committee and meetings of the investors and any other meeting with any investor(s); insurance (including directors and officers insurance); paying agents', representatives' and correspondent banks' fees; and any taxes, fees or other governmental charges levied against the Fund.

A subscription fee of up to 2% of an investor's Commitment may be charged by the applicable distributor or sub-distributor.

Overall costs ratio

The overall ratio of the Fund's costs to the capital of the Fund is expected to be in the range of 0.35% to 0.55% in excess of the relevant share class's management fee.

Alternative investment vehicles

For legal, tax, regulatory, or other reasons, the Fund may form one or more alternative investment entities to make, restructure or otherwise hold investments outside of the Fund. Generally, in such event, each investor that participates in such an alternative investment vehicle would do so on substantially the same terms and conditions as it participates in the Fund.

Transfers

An investor may freely sell, assign, or transfer any share in the Fund, subject to the transferee satisfying all AML/KYC procedures and meeting other legal requirements.

Accounting standards, valuations and net asset value

All the financial statements of the Fund will be prepared in accordance with International Financial Reporting Standards.

The assets and liabilities of a Fund will be valued at each valuation point of the Fund, as follows:

- the Fund's illiquid assets will be valued at fair value in accordance with the International Private Equity and Venture Capital Guidelines Edition December 2014 (as may be amended or reissued from time to time). The Fund's auditors will review and express an opinion on the fair value of the Fund's investments as at the end of each calendar year; and
- assets listed or traded on a recognized exchange for which market quotations are readily available will be valued at the latest mid-market price. Where a security is listed or dealt in on more than one

recognized exchange, the relevant exchange or market will be the principal or main stock exchange or market on which the security is listed or dealt on or the exchange or market which the AIFM determines provides the fairest criteria in determining a value for the relevant investment.

The Fund's net asset value and net asset value per Share will be determined by the Administrator as of the last day of each calendar month and made available to investors generally by no later than the last day of the next calendar month.

The Board may temporarily suspend the determination of the Fund's net asset value and net asset value per Share in the circumstances set out in the Articles.

Defaulting Investors

Any investor that fails for any reason (i) to advance an amount which is the subject of a drawdown notice, or (ii) to perform or observe any other term, covenant, condition, representation or warranty set out in its subscription agreement will be considered a defaulting investor and will be subject to the provisions and remedies further described in the Articles.

Redemptions

Starting on 1 January 2022, investors will be able to request the redemption of their Shares on a semi-annual basis. Redemptions may be made subject to the following conditions:

- The Fund may honor redemption requests based on net asset value as of each Redemption Date.
- Redemption requests must be received at least 28 calendar days before the relevant Redemption Date.
- Investors whose Shares are redeemed at the investor's request prior to the Fund's liquidation will be subject to an early redemption charge, which will be payable to the Fund. This early redemption charge will equal:
 - 2.0% for Redemption Dates in 2022;
 - 1.5% for Redemption Dates in 2023;
 - 1.0% for Redemption Dates in 2024; and
 - 0.5% for Redemption Dates in 2025.
- Aggregate redemptions will be limited at each Redemption Date to the Permissible Early Redemption Amount.
- Redemption proceeds will be paid, generally in cash, as soon as reasonably practicable after ascertaining the net asset value as of the relevant Redemption Date. Redemption proceeds may also be paid by means of a delivery in kind of securities or other assets held by the Fund, having due regard to the principle of equal treatment of all Shareholders and subject to the consent of the relevant Shareholders.

Should redemption requests in any redemption period exceed the Permissible Early Redemption Amount, then the requests will be satisfied on a pro rata basis and the outstanding requests will roll forward to the next Redemption Date.

Indemnification and exculpation

The Fund will indemnify and hold harmless each member of the Board and each member of the Management Group and each of their respective partners, directors, members, managers, employees, agents, advisors, affiliates and personnel (collectively, "**Indemnified Persons**") against all

claims, liabilities, costs, and expenses, including legal fees, judgments, and amounts paid in defense and settlement, as incurred by them (collectively, “**Damages**”), by reason of their activities on behalf of the Fund or the investors, other than (i) for fraud, gross negligence or willful misconduct of the applicable Indemnified Person, or (ii) with respect to any matter directly resulting from the Indemnified Person’s material breach of the alternative investment fund management agreement appointing the AIFM or the portfolio management agreement appointing Muzinich which, in each such case, (a) remains unremedied 30 days following such breach, and (b) thereafter is determined by a court of competent jurisdiction.

No Indemnified Person will be liable to the Fund for Damages by reason of their activities on behalf of the Fund or the investors, other than (i) for fraud, gross negligence or willful misconduct or (ii) with respect to any matter directly resulting from the Indemnified Person’s material breach of the alternative investment fund management agreement appointing the AIFM or the portfolio management agreement appointing Muzinich which, in each such case, (a) remains unremedied 30 days following such breach, and (b) thereafter, is determined by a court of competent jurisdiction.

Share classes

Subject to the approval of the CSSF and the issue of a correspondingly updated form of this Prospectus, the Board will be permitted to issue one or more additional classes of shares in the Fund, the terms applicable to which may differ from these described in this Prospectus (including, without limitation, the subscription currency, and/or the Management Fee and/or distribution fee payable in respect of such class or classes).

Conversions

Shareholders are not permitted to convert Shares of one class into Shares of another class.

Investor meetings

The annual general meeting of Shareholders of the Fund will be held at the registered office of the Fund in Luxembourg no later than six months after the end of each financial year. Convening details in respect of each general meeting will be provided in the manner prescribed by the Articles.

Proceedings of any extraordinary general meeting called upon to resolve on amendments to the Articles will not be valid unless Shareholders holding at least half of the Fund’s capital are represented and the agenda indicates the proposed amendments to the Articles and, where applicable, the text of those which concern the objects or the form of the Fund. If the first of these conditions is not satisfied, a second meeting must be convened, in the manner prescribed by the Articles. The proceedings of the second meeting will be valid regardless of the proportion of the Fund’s capital represented. At both meetings, resolutions will be validly passed if they are passed by two-thirds of the votes cast. Votes cast will not include votes cast in relation to Shares represented at the meeting but in respect of which Shareholders have not taken part in the vote or have abstained or have returned a blank or invalid vote.

Voting rights

Each Share entitles the applicable Shareholder present or represented at the relevant general meeting to one vote. Voting in respect of fractions of Shares is not permitted. The Board may determine in the convening notice for any general meeting that Shareholders are only permitted to vote if they confirm their attendance by a certain date and time prior to the relevant general meeting.

Board

In accordance with Luxembourg law, the Shareholders will determine the number of board members and will appoint the Board at a meeting of Shareholders for a term not exceeding six years; provided that a Board member may be appointed only with the prior approval of the CSSF. Board

members may be re-elected. The Shareholders may remove any Board member at any meeting of the Shareholders.

Liquidation

In accordance with Luxembourg law, if the capital of the Fund falls below two thirds of its minimum capital of €1,250,000, the Board must submit the question of the dissolution of the Fund to a general meeting of Shareholders for which no quorum may be prescribed and at which decisions will be taken by Shareholders holding a simple majority of the Shares represented at the meeting. If the capital of the Fund falls below one quarter of its minimum capital of €1,250,000, the Board must submit the question of the dissolution of the Fund to a general meeting for which no quorum may be prescribed and at which decisions will be taken by Shareholders holding one quarter of the Shares represented at the meeting.

The Shareholders may, in accordance with the Articles and the 1915 Law, decide to liquidate the Fund at a general meeting.

Any liquidation of the Fund, which may be proposed by the Board to the Shareholders at any time, will be carried out in accordance with the provision for the 2010 Law. Such law specifies the steps to be taken to enable Shareholders to participate in the distribution of the liquidation proceeds and provides upon finalization of the liquidation that the assets be deposited in escrow with the Luxembourg *Caisse de Consignation* to be held for the benefit of the relevant Shareholders. Amounts not claimed from escrow within the relevant prescription period will be liable to be forfeited in accordance with applicable Luxembourg law.

Currency

The currency of the Fund is the euro (€).

Legal counsel

Macfarlanes LLP as to European Union and English law; Loyens & Loeff Luxembourg S.à.r.l. as to Luxembourg law.

Auditor

The accounting data related in the annual report of the Fund will be examined by an authorized independent auditor (*réviseur d'entreprises agréé*) appointed by the Fund and remunerated by the Fund. The auditors will fulfil the duties prescribed by the 2010 Law. The Fund has appointed Deloitte Luxembourg as its independent auditor.

Administrator

The Fund has appointed State Street Bank Luxembourg S.C.A. as its administrator; provided that the Fund may, at any time, appoint an alternative administrator and retains full discretion to appoint an affiliate to perform such function. Change of service provider will be subject to the prior approval of the CSSF.

Depository

The Fund has appointed State Street Bank Luxembourg S.C.A. as its depository; provided that the Fund may, at any time, appoint an alternative depository and retains full discretion to appoint an affiliate to perform such function. Change of service provider will be subject to the prior approval of the CSSF.

Paying Agents

One or more Paying Agents may be appointed by the Fund, each in respect of one or more classes of Shares.

Facilities agents

In accordance with the ELTIF Regulation, the AIFM has put in place facilities for retail investors, in each member state of the EU in which the Fund is marketed, to perform the following tasks:

- process subscriptions, payments, repurchase and redemption orders relating to Shares and provide information on how these orders can be

made and how repurchase and redemption proceeds are paid;

- facilitate the handling of information relating to the Shareholders' exercise of their rights arising from their investment in the Fund in the member state in which the Fund is marketed;
- make available facilities to receive investor complaints and in particular ensure that a retail investor's complaints may be made in one of the official languages of the retail investor's EU member state (if applicable);
- make available for inspection and for the obtaining of copies the Articles, the latest annual report and any more recent unaudited semi-annual report, if applicable; and
- provide Shareholders with information relevant to the tasks the facilities agent performs in a durable medium.

Contact details for the Fund's facilities agents are set out in "Directory".

6 CERTAIN RISK FACTORS AND POTENTIAL CONFLICTS OF INTEREST

An investment in the Fund involves a high degree of risk. Prospective investors should carefully consider, among other factors, the matters described below, each of which could have an adverse effect on the value of an investment in the Fund. However, this Prospectus does not purport to be a complete disclosure of all risks that may be relevant to a decision to make an investment in the Fund. No attempt has been made to rank risks in the order of their likelihood or potential harm. As a result of such factors, as well as other risks inherent in any investment, there can be no assurance that the Fund will meet its objectives or that significant operating losses will not occur. Returns on an investment in the Fund may be unpredictable and, accordingly, a prospective investor should only invest in the Fund as part of an overall investment strategy.

6.1 Long-term nature of investments

Syndicated loans, which, along with private debt instruments, are expected to comprise the majority of the Fund's portfolio of investments, are not generally traded on recognized exchange markets. Instead, they typically are traded by banks and other institutional investors participating in the loan markets. The liquidity of the Fund's investments will therefore depend on the liquidity of this market. Trading in loans is based on the European Loan Market convention of T+10 but is also subject to settlement delays as transfers may require extensive documentation, the payment of significant fees and the consent of the agent bank or underlying obligor. Club loans, private debt, and junior investment opportunities are also subject to limitations on liquidity. In addition, certain investments may be subject to legal or contractual restrictions or requirements that limit the Fund's ability to transfer them or sell them for cash. Bonds issued by middle-market companies may be thinly traded or there may be no public market at all for such bonds. As a result, the Fund's investments may be long-term in nature and there can be no assurance that the Fund will be able to realize investments at attractive prices or otherwise be able to effect a successful realization or exit strategy. It may also not be possible to establish their current value at any particular time. The long-term nature of certain assets within the Fund's portfolio may impede the Fund's ability to respond to adverse changes in the performance of its assets and may adversely affect the value of an investment in the Fund.

6.2 Risks related to the Fund

6.2.1. No assurance of returns or achieving investment objectives

Muzinich cannot provide assurances that it will be able to select, make and/or realize investments. There is no assurance that the Fund will be able to generate returns for investors or that the returns will be commensurate with the risk of investing in the types of assets and transactions described in this Prospectus. There can be no assurance that the Fund's investment objectives will be met or that investors will receive a return of all their drawn Commitment. Therefore, a prospective investor should invest in the Fund only if it can withstand a total loss of its investment. The past investment performance of entities with which Muzinich has been associated cannot be taken to guarantee future results of any investment in the Fund. Investors must determine for themselves what weight, if any, to place on such past investment performance. In general, there can be no guarantee that the Fund will be able to avoid losses.

6.2.2. Lack of operating history

The Fund has no operating history and has been established in order to make investments of the type described in this Prospectus. Although Muzinich has recent experience relating to the origination, acquisition, holding and disposal of investments of the type described in this Prospectus, the Fund has no investment history and no basis upon which an evaluation of its prospects can be made.

6.2.3. A single investor may control the Fund

A single investor and its affiliates may hold a majority (or greater proportion) of the Shares and, as such, would be capable, acting alone, of passing any resolution in relation to the Fund requiring a majority (or greater proportion) of the Shares. Investors should be aware that any such investor will

not owe any duty of care to the interests of other investors and will be entitled to exercise any votes attributable to its investment in the Fund solely in its own interests.

6.2.4. Diverse investors

Investors may have conflicting investment, tax and other interests with respect to their investments in the Fund. The conflicting interests of individual investors may relate to or arise from, among other things, the nature of investments made by the Fund, the structuring of the origination or acquisition of investments and the timing of disposition of investments. As a consequence, conflicts of interest may arise in connection with decisions made by the Fund Managers, including with respect to the nature or structuring of investments, that may be more beneficial for one investor than for another, especially with respect to investors' individual tax situations. In selecting and structuring appropriate investments, the Fund Managers will consider the investment and tax objectives of the Fund and its investors as a whole, rather than the investment, tax or other objectives of any investor individually.

6.2.5. Changes in laws or regulation

The Fund is subject to regulation by laws at local and national levels and in multiple jurisdictions. These laws and regulations, as well as their interpretation, may be changed from time to time in a way that could have a material adverse effect on the Fund's operations. For example, changes to the tax laws or practice in any tax jurisdiction or to a tax treaty affecting the Fund or any of its investments could adversely affect the value of the investments held by the Fund and the Fund's ability to achieve its investment objective. Additionally, financial regulation is constantly changing and the Fund may need to be adapted to comply with, or be materially adversely affected by, such changes.

6.2.6. Disclosure of confidential information

Investors may include entities that are subject to state public records or similar laws that may compel public disclosure of confidential information regarding the Fund, its investments and its investors. There can be no assurance that such information will not be disclosed either publicly or to regulators, or otherwise.

6.2.7. Tax considerations

The Fund is intended to be structured in a manner such that the Fund itself is not subject to net income taxation. If the Fund or any affiliate of the Fund were treated as resident, or as having a permanent establishment, or as otherwise being engaged in a trade or activity, in any country in which it invests or in which its investments are managed, all of the Fund's income or gains, or that part thereof, attributable to or effectively connected with such permanent establishment or trade or activity, may be subject to tax. In addition, an investment in the Fund involves complex tax considerations which may differ for each investor, and each prospective investor is advised to consult its own tax advisors. Any tax legislation and its interpretation, and the legal and regulatory regimes which apply in relation to an investment in the Fund may change during the life of the Fund, including retrospectively. Accounting practice may also change, which may affect, in particular, the manner in which the Fund's investments are valued and/or the way in which income or capital gains are recognized and/or allocated by the Fund.

6.2.8. FATCA considerations

The Fund is subject to certain regulations imposed by regulators in multiple jurisdictions, including the US Foreign Account Tax Compliance Act, as codified in sections 1471-1474 of the US Internal Revenue Code of 1986, as amended (the "**Code**") and any US Treasury Regulations, rules or other guidance issued thereunder (including after the date hereof) and the terms of any intergovernmental agreement, and any implementing legislation or rules and any similar laws, including similar laws passed by a foreign government (collectively, "**FATCA Rules**"). Very generally, FATCA Rules require reporting to the IRS of certain non-US financial institutions that do not comply with FATCA Rules and certain US persons' direct and indirect ownership of non-US accounts and non-US entities. Failure to provide the requested information or to otherwise comply with the requirements of FATCA Rules may lead to a 30% withholding tax applying to certain US source income (including dividends and interest) and gross proceeds from the sale or other disposal of property that can produce US source interest or

dividends. This withholding tax is generally effective, although withholding on gross proceeds will not begin before 1 January 2019.

Each entity constituting the Fund will be treated as a “Foreign Financial Institution” within the meaning of FATCA, and, accordingly, in order to avoid the imposition of the 30% withholding tax described above, each such entity must either (i) enter into (or qualify for an exemption from entering into) and comply with the terms of a “FATCA Agreement” with the IRS or (ii) satisfy the requirements of (including any rules or regulations implemented pursuant to) an intergovernmental agreement (together, an “IGA”). As such, the Fund requires all investors to provide documentary evidence of their tax residence and all other information deemed necessary to comply with FATCA Rules. Please see “Certain Tax Considerations” below for further information about FATCA and its application.

Despite anything else herein contained and as far as permitted by Luxembourg law, the Fund may:

- withhold any taxes or similar charges that it is legally required to withhold, whether by law or otherwise, in respect of any investor in the Fund;
- require any investor or beneficial owner of an Interest to furnish promptly such personal data as may be required by the Board in its discretion in order to comply with any law and/or to determine promptly the amount of withholding to be retained;
- divulge any such personal information to any tax authority, as may be required by law or such authority; and
- withhold the payment of any dividend or redemption proceeds to an investor until the Fund holds sufficient information to enable it to determine the correct amount to be withheld.

6.2.9. Currency fluctuations

The Fund may make and realize investments denominated in more than one currency. As a result, changes in rates of exchange of the euro to other currencies may have an adverse effect on the value, price or income of the Fund’s investments. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments. Investors should note that, although Muzinich intends to hedge the Fund’s exposure to currency risk due to investments denominated in currencies other than the euro (or non-euro currency in which a Commitment has been made), it is under no obligation whatsoever to engage in such hedging arrangements. Moreover, where the Fund holds certain hedging instruments, it may be required to post greater collateral or margin in the event of fluctuations in the relevant currencies, reducing the assets of the Fund available for investment.

6.2.10. ERISA considerations

The Fund intends to limit investment by “benefit plan investors” (within the meaning of the US Department of Labor regulation 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA (the “**Plan Asset Regulations**”)) so that the participation by benefit plan investors in the Fund will not be “significant” (within the meaning of the Plan Asset Regulations). If it is unable to do so, the underlying assets of the Fund may be deemed to be the assets of the benefit plan investors, making the Fund subject to the fiduciary responsibility requirements of ERISA (a “**Plan Assets Fund**”). This could result in Fund transactions being prohibited transactions under ERISA and section 4975 of the Code which would be subject to excise taxes or other penalties under ERISA and the Code. If at any time the Fund determines that assets of the Fund may be deemed to be “plan assets” subject to ERISA and section 4975 of the Code, the Fund may take certain actions it may determine to be necessary or appropriate, including redeeming the shares of one or more investors or otherwise requiring such investors to dispose of all or some of their Shares or terminating and liquidating the Fund. In addition, if the Fund is deemed to hold plan assets, then Muzinich may have to forgo, from time to time, investments or other arrangements on behalf of the Fund that might otherwise have been desirable for the Fund or to dispose of investments at a time when the Fund might otherwise have continued to hold them. While the Fund intends to be operated in a way that will minimize the exposure to these risks, the possibility the Fund could be a Plan Assets Fund cannot be precluded.

6.2.11. Forward-looking statements and models

Certain statements in this Prospectus constitute “forward-looking statements”. When used in this Prospectus, the words “project”, “anticipate”, “believe”, “estimate”, “expect” and similar expressions are generally intended to identify forward-looking statements. Such forward-looking statements, including the intended actions and performance objectives of the Fund, involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Fund to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Investors should determine for themselves what reliance, if any, to place on such forward-looking statements.

In addition to other analytical tools, Muzinich may use financial models to evaluate investment opportunities. The accuracy and effectiveness of such models cannot be guaranteed. In all cases, projections are only estimates of future results which are based upon assumptions made at the time that the projections are developed. Projections are inherently uncertain and subject to factors beyond the control of Muzinich and the portfolio company in question. The inaccuracy of certain assumptions, the failure to satisfy certain financial requirements and the occurrence of unforeseen events could impair the ability of Muzinich to realize projected values and/or cash flow in respect of an investment. Therefore, there can be no assurance that the projected results will be obtained and actual results may vary significantly from the projections. General economic and industry-specific conditions, which are not predictable, can have also an adverse impact on the reliability of projections.

6.2.12. Paying Agents

Local laws and/or regulations in EU 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. Shareholders 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 credit risk against that intermediate entity with respect to (i) subscription monies prior to the transmission of such monies to the Depositary for the account of the Fund, and (ii) redemption monies payable by such intermediate entity to the relevant Shareholder.

6.2.13. Share class level risk

While it is not intended to engage in any material investment management or trading activity at Share class level within a Fund, other than for hedging purposes, it should be noted that any such activity may expose the Fund to cross contamination risk as it may not be possible to ensure (contractually or otherwise) that a counterparty's recourse in any such arrangements is limited to the assets of the relevant class.

6.2.14. Operational risks (including cybersecurity and identity theft)

An investment in the Fund, like any fund, can involve operational risks arising from factors such as processing errors, human errors, inadequate or failed internal or external processes, failure in systems and technology, changes in personnel, infiltration by unauthorized persons and errors caused by service providers such as the Portfolio Manager or the Administrator. While the Fund seeks to minimize such events through controls and oversight, there may still be failures that could cause losses to the Fund.

The AIFM, Portfolio Manager, Administrator and Depositary (and their respective groups) each maintain appropriate information technology systems. However, like any other system, these systems could be subject to cyber security attacks or similar threats resulting in data security breaches, theft, a disruption in the AIFM's, Investment Manager's, Administrator's and/or Depositary's service or ability to close out positions and the disclosure or corruption of sensitive and confidential information. Notwithstanding the existence of policies and procedures designed to detect and prevent such breaches and ensure the security, integrity and confidentiality of such information as well as the existence of business continuity and disaster recovery measures designed to mitigate any such breach or disruption at the level of the Fund and its delegates, such security breaches may potentially also result in loss of assets and could create significant financial and or legal exposure for the Fund.

6.3 Risks related to the Fund's investments: debt investments

6.3.1. Structure of investments

Investments made by the Fund may be made through intervening holding companies or other special purpose vehicles. No assurance is given that any particular structure will be suitable for all investors and, in certain circumstances, such structures may lead to additional costs or reporting obligations for some or all of the investors. In addition, certain tax laws may change or be subject to differing interpretations, possibly with retroactive effect, that may have a negative impact on the Fund. The tax treatment of a particular special purpose vehicle may change after an investment has been made or a special purpose vehicle has been established, with the result that the issuer of investments held by or borrower in respect of loans originated by a special purpose vehicle becomes subject to tax. Also, the special purpose vehicles themselves may become increasingly liable to tax or be required to withhold tax on payments or distributions to the Fund, or may need to be unwound or restructured, in each case resulting in the Fund's returns being reduced. The Fund and the special purpose vehicles may be subject to such risks both in the jurisdiction of their respective establishment or incorporation and in each jurisdiction of their respective operations.

6.3.2. Credit risk

The Fund is subject to credit risk: i.e., the risk that an underlying borrower will be unable to pay principal and interest when due. Certain of the Fund's investments may not be rated by any rating agency and Muzinich will be required to formulate its own views on credit risk. Accordingly, the Fund may be primarily dependent upon the judgment of Muzinich as to the credit quality of underlying borrowers. In particular, the Fund may depend on Muzinich's internal fundamental analytical systems. A default, or credit impairment of any of the Fund's investments could result in a significant or even total loss of the investment.

6.3.3. Loans to private companies

A significant portion of the Fund's portfolio may be committed to the origination or purchasing of loans to small and medium-sized, privately owned businesses. Compared to larger, publicly owned firms, such companies generally have limited financial resources and access to capital and higher funding costs. They may be in a weaker financial position and may need more capital to expand or compete. These companies frequently have shorter operating histories, narrower product lines and smaller market shares than larger businesses, which render them more vulnerable to competitors' actions and market conditions, as well as general economic downturns. There may not be as much information publicly available about these companies as would be available for public companies and such information may not be of the same quality. These companies are also more likely to depend on the management talents and efforts of a small group of persons and, as a result, the death, disability, resignation or termination of one or more of these persons could have a material adverse impact on these companies' ability to meet their obligations. The above challenges increase the risk of these companies defaulting on their obligations.

6.3.4. Real assets and infrastructure

Certain investments made by the Fund may be subject to the risks inherent in real property or infrastructure, including where secured as collateral against loans advanced by the Fund. Real assets and infrastructure are affected by a number of factors, including changes in the general economic climate, local conditions (such as an oversupply of space or a reduction in demand for space), the quality and philosophy of management, competition based on rental rates, attractiveness and location of the properties, financial condition of tenants, buyers and sellers of properties, quality of maintenance, insurance and management services, and changes in operating costs. Real assets and infrastructure are also affected by such factors as government regulations (including those governing usage, improvements, zoning and taxes), interest rate levels, the availability of financing, potential liability under changing environmental and other laws, uninsured casualties, the exercise of the right of eminent domain by governmental entities, acts of God and other factors that are beyond the control of the Fund Managers.

Governmental authorities at all levels are actively involved in the promulgation and enforcement of laws and regulations relating to taxation, land use and zoning restrictions, planning regulations, environmental protection and safety and other matters. The promulgation and enforcement of such regulations could have the effect of increasing the expenses, and lowering the income or rate of return, as well as adversely affecting the value, of any of the loans affected thereby. Changes in such regimes over the Fund's lifetime may adversely affect the Fund or its investments.

6.3.5. Adjustments to terms of investments

The terms and conditions of loan agreements and related documents may be amended, modified or waived only by the agreement of the lenders. Generally, any such agreement must include a majority or a super majority (measured by outstanding loans or commitments) or, in certain circumstances, a unanimous vote of the lenders. Consequently, the terms and conditions of the payment obligation arising from loan agreements could be modified, amended or waived in a manner contrary to the preferences of the Fund if a sufficient number of the other lenders concurred with such modification, amendment or waiver. There can be no assurance that any obligations arising from a loan agreement will maintain the terms and conditions to which the Fund originally agreed.

The exercise of remedies may also be subject to the vote of a specified percentage of the lenders thereunder. Muzinich will have the authority to cause the Fund to consent to certain amendments, waivers or modifications to the portfolio investments requested by obligors or the lead agents for loan syndication agreements. Muzinich may, in accordance with its investment management standards, cause the Fund to extend or defer the maturity, adjust the outstanding balance of any investment, reduce or forgive interest or fees, release material collateral or guarantees, or otherwise amend, modify or waive the terms of any related loan agreement, including the payment terms thereunder. Muzinich will make such determinations in accordance with its investment management standards. Any amendment, waiver or modification of an investment could adversely impact the Fund's investment returns.

6.3.6. Investments in debt and foreign currency transactions

The Fund has a broad investment mandate that gives the Fund the authority to make investments in a wide variety of loans, instruments, securities, debentures, warrants and other assets. However, Muzinich envisages that the Fund's portfolio will be weighted towards secured investments in the most senior levels of the capital structures of its investee companies.

Set out below is an overview of the principal investments that fall within the Fund's investment mandate.

- Senior Secured Loans. Senior secured loans are debt instruments that typically represent the most senior claim on a company's assets and cash flows. Such loans typically have three to eight years maturity. They are often issued in different tranches (A, B and C), all *pari passu*, but with different maturity dates and spreads.
- Unitranche Loans. Unitranche loans are senior secured loans that are structured to provide control over a company's capital structure as a "one-stop" style financing solution by eliminating the need for negotiations with other credit classes in the event of a restructuring process. Consistent with a capital preservation focus, unitranche loans typically exhibit a higher rate of recovery than second lien and mezzanine loans.
- Junior Debt. Junior debt includes loans or notes that frequently have second lien and are junior in ranking to senior secured debt in a capital structure, but which rank above unsecured mezzanine debt or equity. In some instances, junior debt investors can participate in the upside performance of a business through the benefit of warrants.
- Mezzanine Loans. Mezzanine loans are subordinated debt instruments that represent a claim on a company's assets which is senior only to the borrower's common and preferred equity, but subordinated to senior or any second lien loans. Mezzanine loans typically mature after senior and second facilities.

- Club Loan. A club loan is a debt instrument issued by a borrower to a group of lenders that is priced on a primary basis with limited or no expectation of secondary pricing.
- Bonds. See “Bonds” below.
- Equity Instruments. Loans purchased by or originated by the Fund may also include an equity component (typically referred to as “kickers”) such as common stock, preferred stock, a warrant, a profit participation right or other minority shareholding. These equity instruments will not typically be an investment focus for the Fund.
- Cash and Cash Equivalent Investments. The Fund may also invest in cash or cash equivalents and short-term securities, including investment grade fixed income and/or money-market securities (including funds investing in such assets) considered prudent by Muzinich in light of current market conditions to manage cash pending re-investment or Fund distributions.
- Hedging Transactions. The Fund may purchase and sell foreign currency in conjunction with the purchase or sale of underlying Fund investments as part of its hedging strategy. The Fund’s foreign currency transactions may be conducted on a spot basis to satisfy settlement of investments. The Fund may also enter into contracts for forward settlement of foreign currencies through forward contracts, options agreements or other foreign currency hedging instruments. The Fund will enter into foreign currency transactions as a hedging tool and will not purchase or sell foreign currencies on a standalone basis. In addition, the Fund may use credit default swaps (both single-name and index) and interest rate futures for hedging purposes.

6.3.7. Bonds

The Fund may invest in both investment grade and sub-investment grade debt securities (bonds). Sub-investment grade debt securities are subject to greater risk of loss of principal and interest than higher-rated debt securities. The Fund may invest in debt securities which rank junior to other outstanding securities and obligations of the issuer, all or a significant portion of which may be secured on substantially all of that issuer’s assets. The Fund may invest in debt securities which are not protected by financial covenants or limitations on additional indebtedness. The issuers of debt securities may default on their obligations, whether due to insolvency, bankruptcy, fraud or other causes and their failure to make the scheduled payments could cause the Fund to suffer significant losses. The Fund will therefore be subject to credit, liquidity and interest rate risks.

The Fund is subject to credit risk: i.e., the risk that an issuer of securities will be unable to pay principal and interest when due, or that the value of the security will suffer because investors believe the issuer is less able to pay. This is broadly gauged by the credit ratings of the securities in which the Fund invests. However, ratings are only the opinions of the agencies issuing them, may change less quickly than the relevant circumstances and are not absolute guarantees of the quality of the securities. Furthermore, the Fund’s investments may not be rated by any rating agency or may be below investment grade or the Fund may formulate its own views on credit risk. The Fund will be primarily dependent upon the judgment of the Fund Managers as to the credit quality of rated and unrated securities. A default, downgrade or credit impairment of any of the Fund’s investments could result in a significant or even total loss of the investment.

Furthermore, convertible securities may carry additional risks specific to the individual securities due to the complex terms and conditions defined in their prospectuses. In addition to the risks of borrower default, the Fund will be subject to a variety of risks in connection with such debt instruments, including risks arising from mismanagement or a decline in the value of collateral, contested foreclosures, bankruptcy of the debtor, claims for lender liability and the imposition of common law or statutory restrictions on the Fund’s exercise of contractual remedies for defaults on such investments. Also, the market for debt securities may be inefficient and illiquid, making it difficult to value financial instruments accurately.

6.3.8. Investments in distressed instruments

The Fund will not actively pursue investments in distressed instruments as its core strategy but it may acquire (or under certain circumstances add to) an instrument of a company that is potentially facing

liquidity or solvency issues, subsequently declares bankruptcy or otherwise engages in a bankruptcy-type reorganization.

6.3.9. General market risk

Investments in loans, securities, debentures, warrants and other assets or participations are subject to varying degrees of risk. The yields available from such investments generally depend on the structure of the investment and the creditworthiness of the borrower or issuer. Income from, and the value of, the Fund's investments may be adversely affected by many factors that are beyond the Fund's control, including: adverse changes in national and local economic and market conditions; changes in interest rates and in the availability, costs and terms of financing; changes in governmental laws and regulations, fiscal policies and costs of compliance with laws and regulations; changes in operating expenses; and civil unrest, acts of war or terrorism and natural disasters, including earthquakes and floods, which may result in uninsured and underinsured losses.

A general economic slowdown could have an adverse effect on the Fund. Delinquencies, borrower insolvency events and losses generally increase during economic slowdowns or recessions. Any sustained period of increased delinquencies, borrower or issuer defaults or losses is likely to adversely affect the Fund's ability to finance loans in the future. Furthermore, various international events have caused significant uncertainty in the global financial markets. While the long-term effects of such events and their potential consequences are unknown, they could have an adverse effect on general economic conditions, consumer confidence and market liquidity.

6.3.10. Interest rate adjustments

The Fund may rely on short-term financings to acquire investments with long-term maturities. Certain of the Fund's investments may be adjustable rate instruments in which interest rates vary over time, based upon changes in an objective index (e.g., LIBOR) which generally reflect short-term interest rates. The interest rates on the Fund's financings similarly vary with changes in an objective index but may adjust more frequently than the interest rates of the Fund's investments.

6.3.11. Prepayments

The value of the Fund's assets may be affected by prepayment rates on loans. Prepayment rates are influenced by changes in interest rates and a variety of economic, geographic and other factors beyond the Fund's control. Therefore, the frequency at which prepayments (including voluntary prepayments by borrowers and liquidations due to defaults and insolvency) occur on the Fund's investments may adversely impact the Fund and prepayment rates cannot be predicted with certainty, making it impossible to completely insulate the Fund from prepayment or other such risks. Prepayments give rise to increased re-investment risk, as the Fund might realize excess cash earlier than expected. If prepayment rates increase, including, for example, when the prevailing level of interest rates falls, the Fund may be unable to re-invest cash in a new investment with an expected rate of return at least equal to that of the investment repaid.

6.3.12. Underlying exposure to the consumer market

A portion of the Fund's portfolio may be directly or indirectly exposed to the consumer market. The financial condition of consumers is difficult to assess and predict as many consumer borrowers have no or very limited credit history. There is a greater risk of default in relation to the consumer market which may indirectly have an impact on returns to the Fund.

6.3.13. Financing arrangements

The Fund may enter into one or more credit facilities or other financing agreements to finance investments or for liquidity and working capital purposes. Such agreements generally include a recourse or credit support component. Further, such borrowings may also provide the lender with the ability to make margin calls and may limit the length of time during which any given asset may be used as eligible collateral.

6.3.14. Taxes

The Fund's interest and dividend income, gross sales and disposition proceeds may be subject to withholding and other taxes applicable to the borrower's or issuer's jurisdiction. The Fund may structure such investments so as to minimize any such liability, but there can be no assurance that such efforts will be successful or, in any event, that such taxes will not have an adverse effect on the returns of the Fund.

6.3.15. Insurance

Insurance on the assets securing the Fund's investments may not cover all losses. There are certain types of losses, generally of a catastrophic nature, such as earthquakes, floods, hurricanes, terrorism or acts of war that may be uninsurable or not economically insurable. Inflation, environmental considerations and other factors, including terrorism or acts of war, also might make insurance proceeds insufficient to repair or replace an asset if it is damaged or destroyed. Under such circumstances, the insurance proceeds received might not be adequate to restore the Fund's economic position with respect to the affected assets. Any uninsured loss could result in both loss of cash flow from and the value of the affected asset.

6.3.16. Borrower fraud

Fraud by potential borrowers could cause the Fund to suffer losses. A potential borrower could defraud the Fund by, among other things: directing the proceeds of collections of its accounts receivable to bank accounts other than the Fund's established lockboxes; failing to accurately record accounts receivable aging; overstating or falsifying records showing accounts receivable; or providing inaccurate reporting of other financial information. The failure of a potential borrower to report its financial position accurately, comply with loan covenants or be eligible for additional borrowings could result in the loss of some or the entire principal of a particular loan or loans.

6.3.17. Borrower bankruptcy

The borrowers in respect of instruments, securities, debentures, warrants, loans and other assets or participations constituting the Fund assets may seek the protection afforded by bankruptcy, insolvency and other debtor relief laws. One of the protections offered in certain jurisdictions in such proceedings is a stay on required payments on such assets of the Fund. A stay on payments to be made on the assets of the Fund could adversely affect the value of those assets and the Fund itself. Other protections in such proceedings include forgiveness of debt, the ability to create super-priority liens in favor of certain creditors of the debtor and certain well-defined claims procedures. Additionally, the numerous risks inherent in the bankruptcy process create a potential risk of loss by the Fund of its entire investment in any particular investment.

6.3.18. Related liability risk

The Fund may become subject to unexpected contingent liabilities after the advance or purchase of a loan or the purchase of a security or other obligation. Examples include environmental liabilities or, in some European countries, social liabilities relating to the mitigation of the effect of corporate restructurings on employees.

6.3.19. Security may not be enforceable

Investments may be secured by real property interests, mortgages, charges, pledges, liens or other security interests including liens on high risk collateral, or notes or pledges made by high-risk borrowers, including sub-prime and non-performing loans. Depending on the jurisdiction in which such security interests are created, enforcement of such security interests may be a complicated and difficult process. For example, enforcement of security interests in certain jurisdictions may require a court order and a sale of the secured property through public bidding or auction. In addition, some jurisdictions grant courts the power to declare security interest arrangements to be void if they deem the security interest to be excessive.

The Fund's investments and the collateral underlying those investments will be subject to various laws for the protection of creditors in the jurisdictions of incorporation of the borrowers concerned and, if different, the jurisdictions in which they conduct business and/or hold assets. Such differences in law may also adversely affect the rights of the Fund as a subordinated lender with respect to other creditors. Additionally, the Fund, as a creditor, may experience less favorable treatment under different insolvency regimes than those that apply in, for example, the United Kingdom, including in cases where the Fund seeks to enforce any security it may hold as a creditor.

6.3.20. Subordination risk

Certain debt investments originated or acquired by the Fund will be subject to additional risks. Such investments may be unsecured and structurally or contractually subordinated to substantial amounts of senior indebtedness, all or significant portion of which may be secured. Moreover, such investments may not be protected by financial covenants or limitations upon additional indebtedness.

6.3.21. Lender liability considerations

In certain jurisdictions, borrowers may assert claims against lending institutions on the basis of various evolving legal theories, including equitable subordination (collectively termed "lender liability"). Generally, lender liability is founded upon the premise that the institutional lender has violated a duty (whether implied or contractual) of good faith and fair dealing owed to the borrower or has assumed a degree of control over the borrower resulting in the creation of a fiduciary duty owed to the borrower. The Fund, as a creditor, may be subject to allegations of lender liability. Furthermore, the Fund may be unable to control the conduct of the lenders under a loan syndication agreement requiring less than a unanimous vote, yet the Fund may be subject to lender liability for such conduct.

6.3.22. Counterparties

Some institutions (including brokerage firms and banks) with which the Fund will operate or to which securities will be entrusted for custodial and/or prime brokerage purposes, may encounter financial difficulties, fail or otherwise become unable to meet their obligations. In conditions of market turmoil, such financial institutions' financial condition (as well as that of the Fund) may be adversely affected and they may become subject to legal, regulatory, reputational and other unforeseen risks that could have a material adverse effect on the activities and operations of the Fund. In the event of a bankruptcy or insolvency of such a counterparty, the Fund could experience delays in liquidating an investment and significant losses, including the loss of that portion of the Fund's portfolio held by such a counterparty, which may arise as a result of a decline in the value of an investment during the period in which the Fund seeks to enforce its rights, the inability to realize any gains on an investment during such period and significant fees and expenses incurred in enforcing its rights. The Fund is subject to the risk that such counterparties may or may not have access to finance and/or assets at the relevant time and may fail to comply with their obligations under the relevant arrangements.

6.3.23. Participation interests and synthetic securities

The Fund may purchase participation interests in loans or debt instruments, or synthetic securities such as swaps (including total return swaps), over-the-counter transactions and other derivative instruments, which do not entitle the holder thereof to direct rights against the obligor. In such situations, the Fund will typically have a contractual relationship only with the relevant seller or counterparty (as the case may be) and not with the underlying obligor. As such, in respect of a participation, the Fund will only have the right to receive payments of principal, interest and any fees to which it is entitled only from the seller and only upon receipt by such seller of such payments from the obligor, and in respect of participations and synthetic securities, the Fund generally will have no right directly to enforce compliance by the underlying obligor with the terms of the related loan agreement or underlying obligation (as the case may be) nor any rights of set-off against the underlying obligor, nor have any voting or other consensual rights of ownership with respect to the related loan agreement or underlying obligation (as the case may be). In such circumstances, the Fund may not directly benefit from the collateral supporting the loan or debt instrument in which it has purchased the participation or underlying obligation. As a result, the Fund will assume the credit risk of both the obligor and the seller or counterparty. In the event of the insolvency of such seller or counterparty, the Fund may be treated as a general creditor of such seller or counterparty, and may

not benefit from any set-off between such seller and the obligor, or have any claim of title with respect to the underlying obligation. As a result, concentrations of synthetic securities entered into with any one counterparty will subject the Fund to an additional degree of risk with respect to defaults by such counterparty as well as by the underlying obligor. When the Fund holds a participation in a loan or debt instrument it may not have the right to vote to waive enforcement of any restrictive covenant breached by an obligor or, if the Fund does not vote as requested by the seller, it may be subject to repurchase of the participation at par. Sellers voting in connection with a potential waiver of a restrictive covenant may have interests different from those of the Fund, and such selling institutions may not consider the interests of the Fund in connection with their votes.

6.3.24. Liability following the disposal of investments

While the Fund intends to hold the majority of its loan investments to maturity, it may dispose of investments in some circumstances prior to termination and, in connection therewith, may be required to pay damages to the extent that any representations or warranties given in connection with such investments turn out to be inaccurate. The Fund may become involved in disputes or litigation concerning such representations and warranties and may be required to make payments to third parties as a result of such disputes or litigation. Any such payments could adversely impact the Fund's ability to make distributions. The Fund may be forced to sell investments to obtain funds. Such sales may be effected on unsatisfactory terms.

6.3.25. Valuation

The market value of the Fund's investments will generally fluctuate with, among other things, general economic conditions, world political events, developments or trends in any particular industry, the conditions of financial markets and the financial condition of the companies in which investments are made. In addition, certain investments may have interest rates that remain constant until their maturity. Accordingly, their market value will generally fluctuate with changes in market rates of interest. Certain of the Fund's investments will be investments for which there is no, or a limited, liquid market. As a result, the fair value of such investments may not be readily determinable.

Because such valuations, and particularly valuations with respect to loans, instruments, securities, debentures, warrants and other assets or participations of private companies, are inherently uncertain, they may fluctuate over short periods of time and may be based on estimates. As a result, the AIFM's determinations of fair value may differ materially from the actual values obtainable in an arm's-length sale of such investments to a third party. The Fund's financial condition and results of operations could be adversely affected if the Fund's fair value determinations were materially higher than the values that the Fund ultimately realizes upon the realization of such investments.

6.4 Risks related to the Fund's investments: general

6.4.1. European economic risks

EU member states and European businesses and financial institutions and counterparties are currently being affected, some adversely, by severe political and economic difficulties and concerns, including in relation to sovereign and non-sovereign funding and debt. European, IMF and bilateral emergency funding arrangements have already been extended and/or are contemplated in respect of EU member states and European based financial institutions. Additionally, certain EU member states (including the United Kingdom, as described below) are going so far as to consider leaving the European Union entirely.

These developments have had a negative effect in political terms and also in economic terms. Financial markets, investor sentiment and credit ratings of institutions and EU member states have already been adversely affected and may continue to be so. In addition, investment activity has reduced, as has the willingness of financial institutions to extend credit and to obtain funding.

EU member states within the Eurozone, and certain other EU member states, are in ongoing discussions with a view to agreeing stricter financial controls. However, it remains unclear whether agreement on these matters will be reached, and even if reached, whether adequate measures will be adopted in the short to medium term.

There are concerns that one or more EU member states within the Eurozone may not be able to meet their debt obligations or funding requirements. The depressed economic environment and cost of funding may cause short and medium term budget deficits to expand in these economies, further increasing the risk of default. A sovereign default is likely to have adverse consequences for the economy of the EU member state and that of Europe and the wider world economy. The effect on creditors of a sovereign default is likely to be adverse.

The possibility of EU member states that have adopted the euro abandoning or being forced to withdraw from the euro remains. It is difficult to predict the precise nature of the consequences of an EU member state leaving the euro as there has been no well-defined legal framework put in place in preparation for such an event. However, it is likely that any euro-denominated assets or obligations that the Fund acquired that are converted into a new national currency would suffer a significant reduction in value if the new national currency falls in value against the euro or other currencies.

These economic developments and their consequences both in Europe and the wider world economy, have significantly increased the risk of market disruption and governmental intervention in markets. Such disruption and intervention may result in unfavorable currency exchange rate fluctuations, restrictions on foreign investment, imposition of exchange control regulation by governments, trade balances and imbalances and social, economic or political instability.

Predicting the consequences of developments of this kind is difficult. Events affecting the euro could result in either separate new national currencies, or a new single European currency, and consequently the redenomination of assets and liabilities currently denominated in euro. In such circumstances, there would be a definite risk of the Fund's euro-denominated investments becoming difficult to value, which could potentially result in negative consequences for the Fund. If the redenomination of accounts, contracts and obligations becomes litigious, difficult conflict of laws questions are likely to arise.

Adverse developments of this nature may significantly affect the value of the Fund's investments. They may also affect the ability of the Fund to transact operations including with financial counterparties, to manage investment risk and to hedge currency and other risks affecting the Fund's portfolio. Fluctuations in the exchange rate between the euro and US dollar or other currencies could have a negative effect upon the performance of investments.

6.4.2. Brexit

On 30 March 2017, the United Kingdom triggered Article 50 under the Lisbon Treaty which requires the United Kingdom to withdraw from the European Union within two years (unless the European Council, in agreement with the United Kingdom, unanimously decides to extend this time period). The United Kingdom's withdrawal from the European Union is commonly known as "Brexit". While the long-term economic effects of Brexit on the United Kingdom may or may not be positive, it is nevertheless likely that a period of significant political, regulatory and commercial uncertainty will result. Brexit may also result in other member states of the European Union re-evaluating their membership, thus resulting in further political, regulatory and commercial instability throughout the European Union. Among other things, uncertainty in relation to Brexit may affect borrowers' ability to service loans and the price, volatility and/or liquidity of the Fund's other investments, particularly in the United Kingdom but also throughout the European Union and wider global markets. It is possible that service providers based in the United Kingdom may relocate to other jurisdictions. The cost of entering into hedging transaction with respect to currency may increase. Regulatory mismatch between the United Kingdom and the rest of Europe may lead to a period of regulatory uncertainty and increase the regulatory expenses of the Fund and/or the Fund Managers. All or any of the circumstances described above, as well as any other consequences of Brexit, may impair the Fund's profitability, result in losses and/or materially affect the ability of the Fund to carry out its investment approach and achieve its investment objective. The full effect of Brexit on the Fund is impossible to predict.

6.5 Risks related to the Fund Managers

6.5.1. Dependence on key personnel

The success of the Fund will be highly dependent on the expertise and performance of the Fund Managers and their teams and investment professionals. There can be no assurance that these individuals will continue to be associated with the Fund Managers throughout the life of the Fund. The loss of the services of one or more of these individuals could have a material adverse effect on the performance of the Fund. In addition, although members of the Muzinich team will commit a significant amount of their business efforts to the Fund, they are not required to devote all of their business time to the Fund's affairs. They will continue to be involved with the Fund Managers' other activities, which may include advising on or managing investments for other funds and managed accounts sponsored, managed and/or advised by members of the Management Group.

6.5.2. Muzinich's ability to source investments

In addition to the possibility that investment opportunities may be allocated among various Muzinich Products, a number of other entities will compete with the Fund to make investments of the type that the Fund intends to make, and Muzinich believes that competition for investments targeted by the Fund will increase over time. The Fund will compete with public and private funds, commercial and investment banks and commercial financing companies. Additionally, competition for investment opportunities generally has increased among alternative investment vehicles, such as hedge funds, including with respect to investments in which the Fund intends to invest. As a result of these new entrants, competition for investment opportunities has intensified, and Muzinich expects this trend to continue.

Many of the Fund's existing and potential competitors are substantially larger and have considerably greater financial, technical and marketing resources than those available to the Fund Managers. Some competitors, such as commercial banks, may have a lower cost of funds and access to funding sources that are not available to the Fund. In addition, some of the Fund's competitors may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and establish more relationships than the Fund. Accordingly, Muzinich may be unable to find a sufficient number of attractive opportunities to meet the Fund's investment objectives.

6.5.3. Staff retention

In common with most investment managers, the compensation of the Fund Managers' personnel contains significant performance-related elements. Poor investment performance for a Fund Manager's balance sheet capital or any Muzinich Products may reduce the amount available to pay performance-related compensation to those personnel, which may result in those persons obtaining other employment. In that case, poor performance of the Fund may be further compounded by staff departures.

6.6 Potential conflicts of interest

Various potential and actual conflicts of interest may arise from the overall advisory, investment and other activities of the Management Group and their respective clients. The following briefly summarizes some of these conflicts; it is not intended to be an exhaustive list of all such conflicts. By making an investment in the Fund, each investor agrees that it will be deemed (a) to have acknowledged the existence of actual and potential conflicts of interest relating to the Management Group and (b) to have acknowledged that these actual and potential conflicts of interest may affect the operations of the Fund and other Muzinich Products. By making an investment in the Fund, each investor agrees that, notwithstanding these conflicts, it will be deemed to have waived any claims with respect to the existence of such conflicts.

6.6.1. Conflicting interests regarding other Muzinich Products

Members of the Management Group and their respective clients may invest in loans, securities and/or other instruments that would be appropriate for the Fund. Such investments may be different from those made in respect of the Fund. Members of the Management Group have ongoing relationships

with, render services to and engage in transactions with other Muzinich Products. Such other Muzinich Products may have strategies, investments and/or positions that are different from or even opposed to the strategies, investments and positions of the Fund. Members of the Management Group may, in the future, serve as manager, investment manager, advisor or sub-advisor (or in a similar role) for other Muzinich Products. Members of the Management Group may at certain times be simultaneously seeking to purchase or dispose of investments for their own accounts, the Fund, any similar entity for which they serve as investment advisor or for their clients or affiliates. In addition, members of the Management Group may advise other Muzinich Products with respect to different parts of the capital structure of the same borrower or issuer, or classes of securities that are subordinate, *pari passu*, and/or senior to securities, loans or other instruments, in which the Fund invests. As a result, members of the Management Group may pursue or enforce rights or activities, or refrain from pursuing or enforcing rights or activities, on behalf of other Muzinich Products with respect to a particular borrower or issuer in which the Fund has invested. The Fund could sustain losses during periods in which member of the Management Group and/or other Muzinich Products achieve profits.

Although the members of the Management Group will devote as much time to the Fund as they deem appropriate to perform their duties in accordance with the alternative investment fund management agreement appointing the AIFM and the portfolio management agreement appointing Muzinich and in accordance with reasonable commercial standards, such principals, employees and professional staff may have conflicts in allocating their time and services among the Fund and other Muzinich Products. The Management Group may conduct any other operations, including any operations within the securities industry, whether or not such operations is in competition with the Fund, and, without limiting the generality of the foregoing, may act as manager, investment advisor or investment manager for others, may manage funds, separate accounts or capital for others, may have, make and maintain investments in their own name or through other entities and may serve as an officer, director, consultant, partner or stockholder of one or more investment funds, partnerships, securities firms or advisory firms. Such other entities or accounts may have investment objectives or may implement investment strategies similar to or different from, or even opposed to, those of the Fund.

6.6.2. Affiliated transactions

The Fund may purchase loans, securities, or other instruments from or sell loans, securities, or other instruments to other Muzinich Products; or may advance loans to or invest in the securities of companies with which the Fund Managers or other Muzinich Products have a professional relationship or in which the Fund Managers or other Muzinich Products have an equity or other interest. The purchase, holding and sale of such investments by the Fund may enhance the profitability of the Management Group's and/or other Muzinich Products' investments in or other relationships with such companies. The Fund Managers will make any such investment decisions where such conflicts of interest may exist in a manner consistent with its fiduciary responsibilities to the Fund.

As a result of the foregoing, members of the Management Group and their affiliates may have conflicts of interest in allocating their time and activity between, allocating investments among and effecting transactions for the Fund, other Muzinich Products and other entities, including ones in which the members of the Management Group and/or their respective directors, members, partners, shareholders, officers, employees, agents and affiliates may have a financial interest that is greater than their interest in the Fund (if any).

6.6.3. Material non-public information

The Fund Managers, in the course of their investment management and other activities (e.g., board or creditor committee service), may come into possession of confidential or material non-public information about issuers, including issuers in which the Fund and the Fund Managers or their related persons have invested or seek to invest on behalf of the Fund. The Fund Managers are prohibited from improperly disclosing or using such information for their own benefit or for the benefit of any other person, regardless of whether such other person is a client. The Fund Managers maintain and enforce written policies and procedures that prohibit the communication of such information to persons who do not have a legitimate need to know such information and to assure that the Fund Managers are meeting their obligations to clients and remains in compliance with applicable law. In

certain circumstances, the Fund Managers may possess certain confidential or material, non-public information that, if disclosed, might be material to a decision to buy, sell, or hold a security, but the Fund Managers will be prohibited from communicating such information to the Fund or using such information for the Fund's benefit. In such circumstances, the Fund Managers will have no responsibility or liability to the Fund for not disclosing such information to the Fund (or the fact that the Fund Managers possess such information), or not using such information for the Fund's benefit, as a result of following the Fund Managers' policies and procedures designed to provide reasonable assurances that it is complying with applicable law.

6.6.4. Creation of other entities

Except as expressly prohibited under any contractual restriction, members of the Management Group are permitted (subject to applicable regulation) to market, organize, sponsor and/or act as general partner, manager, advisor of, or as the primary source for transactions for, third party accounts and other pooled investment vehicles. Members of the Management Group may also engage in other investment or other activities. Such activities may raise conflicts of interest for which the resolution may not be currently determinable.

6.6.5. Co-investments

Certain investments made by the Fund may take the form of arrangements in which the Fund provides funds together with one or more co-investors, or otherwise pools financial and resources with third parties. Such co-investors may include, without limitation, other investment vehicles in respect of which members of the Management Group act as manager or advisor. These transactions potentially raise conflicts of interest. For example, the Fund may co-invest with current or former clients of the Management Group or other market participants with which members of the Management Group have important professional relationships. Such relationships could influence the decisions made by Muzinich with respect to the making or divestment of such investments. Furthermore, such third parties could have interests that may be contrary to Fund's objective or which may conflict with the Fund's interests. In pooling resources with third parties, Muzinich may come into the possession of material, non-public information that could restrict or limit the ability of the Fund to make or dispose of certain investments. There can be no assurance that the foregoing will not have an adverse impact on the Fund's ability to source, acquire and/or divest itself of investments.

6.6.6. No separate counsel

The Fund, as well as Muzinich and/or other members of the Management Group, may engage one or more counsel to represent them in connection with the organization of the Fund and the offer and sale of Shares, and not for any investor or the investors as a group. In connection with such representation, including the preparation of this Prospectus, counsel has relied upon certain information furnished to them by the AIFM, Muzinich and the other members of the Management Group, and has not investigated or verified the accuracy or completeness of such information. In connection with this offering and subsequent advice, such counsels' engagement is limited to the specific matters as to which they are consulted and, therefore, there may exist facts or circumstances that could have a bearing on the Fund's or Muzinich's financial condition or operations with respect to which counsel has not been consulted and for which they expressly disclaim any responsibility. Counsel has not represented and will not be representing investors in the Fund. No independent counsel has been retained (or is expected to be retained) to represent investors. No attorney-client relationship exists between any counsel representing the Fund, Muzinich and/or other members of the Management Group and any other person solely by virtue of such person making an investment in the Fund. Accordingly, prospective investors are urged to retain their own counsel.

7 CERTAIN TAX CONSIDERATIONS

7.1 Introduction

The Board has been advised that, under current law and practice, the principal features of the tax treatment of the Fund and the investors should be as set out in this section. Investors should, however, seek their own advice on the taxation consequences of an investment in the Fund as the guidance set out below is of a general nature and may not apply to certain categories of investor. As a general rule, the guidance below assumes that investors are not financial traders and are the absolute beneficial owners of their investments in the Fund. None of the Management Group or any of their officers, employees, agents or advisors can take any responsibility in this regard. The guidance in this section is based on Luxembourg taxation law and practice current at the date of this Prospectus and is subject to changes in taxation law or its interpretation or application after such date, possibly with retroactive effect. Prospective investors should consult their own tax advisors regarding the tax consequences to them of an investment in the Fund in light of their particular circumstances including under laws of their citizenship, residence or domicile and any other Luxembourg laws (including non-income tax laws).

7.2 Certain Luxembourg tax considerations

THIS SUMMARY IS OF A GENERAL NATURE AND IS NOT INTENDED TO BE LEGAL OR TAX ADVICE TO ANY PARTICULAR INVESTOR IN THE FUND. EACH INVESTOR SHOULD CONSULT ITS OWN TAX ADVISOR FOR INFORMATION REGARDING THE TAX CONSEQUENCES OF OBTAINING, HOLDING, REDEEMING, CONVERTING OR ALIENATING THE SHARES IN THE FUND IN THE PARTICULAR CIRCUMSTANCES APPLICABLE TO SUCH INVESTOR.

This section gives a summary of certain Luxembourg tax considerations that may be or become relevant with respect to the Fund and the investors in the Fund and is presented by way of guidance only. This summary is based on the tax and published case law of Luxembourg as it stands on the date of this Prospectus. The tax and case law upon which this summary is based is subject to change, and such change may have retroactive effect. Any such change may invalidate the contents of this summary, which will not be updated to reflect such change. The Fund reserves the right to disclose the names of its investors or any other relevant information relating to its investors, to any authority where required by law or where the Fund believes such disclosure is in the best interests of the Fund or its investors. If it does so, it will advise the relevant investors unless prevented from doing so by law. Each investor will be required to provide from time to time such information to the Fund as may be reasonably requested for the purpose of determining the direct or indirect ownership of Shares. The Fund will provide such assistance as any of its investors may reasonably request in connection with such determination.

EACH PROSPECTIVE INVESTOR SHOULD CONSULT WITH AND MUST RELY UPON ITS OWN TAX ADVISORS REGARDING THE LUXEMBOURG TAX CONSEQUENCES OF INVESTING IN THE FUND. THIS DISCUSSION IS PROVIDED ONLY TO ASSIST THE PROSPECTIVE INVESTOR IN EVALUATING THE EXPECTED TAX CONSEQUENCES AND LIABILITIES RELATED TO AN INVESTMENT IN THE FUND. A COMPLETE DISCUSSION OF ALL TAX ASPECTS OF AN INVESTMENT IN THE FUND IS BEYOND THE SCOPE OF THIS PROSPECTUS. NO REPRESENTATIONS ARE MADE REGARDING THE PARTICULAR TAX CONSEQUENCES OR LIABILITIES RELATED TO AN INVESTMENT IN THE FUND BY ANY PROSPECTIVE INVESTOR. MOREOVER, THIS DISCUSSION IS NOT INTENDED TO PROVIDE TAX OR OTHER LEGAL ADVICE TO ANY PROSPECTIVE INVESTOR.

7.2.1. Taxation of the Fund

Under current law and practice, the Fund is not liable to any Luxembourg income tax, municipal business tax or net wealth tax. The fund is, however, liable in Luxembourg to a subscription tax (*taxe d'abonnement*) at a rate of 0.05% per annum of its net assets, such tax being payable quarterly and calculated on the basis of the total net assets of the Fund at the end of the relevant quarter. Where a class of Shares only includes institutional investors, as defined in the applicable legislation, the Fund may benefit from a reduced tax rate of 0.01% per annum for such class of Shares. However, no

guarantee can be given that the Fund will be able to benefit from such reduced tax rate. No stamp duty or other tax is levied on the assets of the Fund invested in other Luxembourg undertakings for collective investment. No stamp or other tax will be payable in Luxembourg on the issue of the Shares of the Fund. Under current law and practice, no other tax is payable in Luxembourg on realized or unrealized capital appreciation of the assets of the Fund.

7.2.2. Taxation of non-resident investors in the Fund

Income and gains, if any, received or realized by the Fund from investments may be liable to taxation in the country where the source of such income and gains is located at varying rates, which normally cannot be recovered.

Investors who are not domiciled, resident or who do not have a permanent establishment in Luxembourg for taxation purposes are not liable to any income, transfer, capital gains, estate, inheritance or other taxes on holding, transferring, purchasing or repurchasing of Shares or on any dividends, distributions or other payments made to such investors.

7.2.3. Taxation of resident investors in the Fund

Investors that are Luxembourg residents or that have a Luxembourg permanent establishment may be subject to Luxembourg (corporate) income tax, municipal business tax and/or net worth tax in relation to their Shares.

7.2.4. Withholding tax on distributions by the Fund

Any distributions made by the Fund should not be subject to withholding tax.

7.2.5. VAT

For the purposes of the below paragraphs, “**VAT**” means, within the European Union, the Value Added Tax that may be levied in accordance with Directive 2006/112/EC, notably (but not limited to) Luxembourg Value Added Tax levied in accordance with the Luxembourg law of 12 February 1979 on value added tax (as amended), and, outside the European Union, any taxation levied by reference to added value or sales value-added tax.

By virtue of being an alternative investment fund, the Fund should qualify as VAT taxable person in Luxembourg. Nevertheless, it is expected that its activities will be VAT exempt, and will not grant the right to deduct input VAT. It should therefore only be required to register for VAT to the extent it would receive non-exempt services from non-Luxembourg suppliers, on which it would be liable to self-assess Luxembourg VAT.

The management services supplied to (and for) the Fund itself should fall under the scope of a VAT exemption in Luxembourg, and such services should therefore not trigger the application of Luxembourg VAT.

Other services supplied to the Fund will generally be subject to Luxembourg VAT (17%); this entails that expenses (such as operating costs) reimbursed by the Fund will generally trigger the application of Luxembourg VAT. Input VAT is expected to be non-recoverable for the Fund, and should therefore constitute a final cost.

7.3 Luxembourg and automatic exchange of information

7.3.1. Foreign Account Tax Compliance Act

The Foreign Account Tax Compliance Act (“**FATCA**”) was enacted into US law in March 2010 as part of the Hiring Incentives to Restore Employment Act. FATCA aims to reduce tax evasion by US citizens and requires foreign financial institutions outside the US (“**FFIs**”) to spontaneously provide information about financial accounts held, directly or indirectly, by specified US persons to the US Internal Revenue Service on an annual basis. A 30% withholding tax is imposed on certain US sources of income of any FFI that fails to comply with this requirement (“**FATCA Withholding**”).

To implement FATCA in Luxembourg, Luxembourg entered into a so-called Model 1 Intergovernmental Agreement (the “**Luxembourg IGA**”) with the United States, and a memorandum of understanding in respect thereof, on 28 March 2014. The Luxembourg IGA was implemented in Luxembourg domestic law by Law of 24 July 2015 (the “**Luxembourg FATCA Law**”). Luxembourg FFIs which comply with the requirements of the Luxembourg IGA, will not be subject to FATCA Withholding.

Under the Luxembourg IGA, Luxembourg FFIs are required to perform certain necessary due diligence and monitoring of investors, and to report to the Luxembourg tax authorities on an annual basis information about financial accounts held by (a) specified US investors, (b) certain US controlled entity investors and (c) non-US financial institution investors that do not comply with FATCA. Under the Luxembourg IGA, such information will subsequently be remitted by the Luxembourg tax authorities to the IRS.

It is the intention of the Fund to procure that it is treated as complying with the requirements that FATCA and the Luxembourg IGA impose upon it. However, no assurance can be provided that the Fund will be able to comply with such requirements and, in the event that it is not able to do so, the Fund could be exposed to fines which may reduce the amounts available to it to make payments to the investors. The investors may be required to provide information to the Fund to comply with its reporting obligations under the Luxembourg IGA. To ensure the Fund's compliance with the IGA and the Luxembourg FATCA Law in accordance with the foregoing, the Fund may:

- request information or documentation, including self-certification forms, a global intermediary identification number, if applicable, or any other valid evidence of an investor's FATCA registration with the IRS or a corresponding exemption, in order to ascertain such investor's FATCA status;
- report information concerning an investor and its Shares to the Luxembourg tax authorities if such account is deemed a US reportable account under the Luxembourg IGA; and
- report information to the Luxembourg tax authorities concerning payments to investors with the FATCA status of non-participating foreign financial institution.

Investors should contact their own tax advisors regarding the application of FATCA to their particular circumstances and their investment in the Fund.

FATCA Definitions

Controlling Persons: the natural persons who exercise control over an Entity. In the case of a trust, such term means the settlor, the trustees, the protector (if any), the beneficiaries or class of beneficiaries, and any other natural person exercising ultimate effective control over the trust, and in the case of a legal arrangement other than a trust, such term means persons in equivalent or similar positions. The term “Controlling Persons” will be interpreted in a manner consistent with the Financial Action Task Force Recommendations.

Entity: a legal person or a legal arrangement such as a trust.

FATCA: the Foreign Account Tax Compliance Act, as codified in sections 1471-1474 of the Code and any US Treasury Regulations, rules or other guidance issued thereunder (including after the date hereof) and the terms of any intergovernmental agreement, and any implementing legislation or rules and any similar laws, including similar laws passed by a foreign government.

Financial Institution: a custodial institution, a depository institution, an investment entity or a specified insurance company, as defined by the IGA.

IRS: the US Internal Revenue Service.

Luxembourg Financial Institution: (i) any Financial Institution resident in Luxembourg, but excluding any branch of such Financial Institution that is located outside Luxembourg and (ii) any branch of a Financial Institution not resident in Luxembourg, if such branch is located in Luxembourg.

Non-US Entity: an Entity that is not a US Person.

Specified US Person: a US Person, other than: (i) a corporation the stock of which is regularly traded on one or more established securities market; (ii) any corporation that is a member of the same expanded affiliated group, as defined in section 1471(e)(2) of the Code, as a corporation described in section (i); (iii) the United States or any wholly owned agency or instrumentality thereof ; (iv) any State of the United States, any US Territory, any political subdivision of any of the foregoing, or any wholly owned agency or instrumentality of any one or more of the foregoing; (v) any organization exempt from taxation under section 501(a) of the Code or an individual retirement plan as defined in section 7701(a)(37) of the Code; (vi) any bank as defined in section 581 of the Code; (vii) any real estate investment trust as defined in section 856 of the Code; (viii) any regulated investment company as defined in section 851 of the Code or any entity registered with the US Securities and Exchange Commission under the Investment Company Act (15 USC. 80a-64); (ix) any common trust fund as defined in section 584(a) of the Code; (x) any trust that is exempt from tax under section 664(c) of the Code or that is described in section 4947(a)(1) of the Code; (xi) a dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any State; (xii) a broker as defined in section 6045(c) of the Code; or (xiii) any tax-exempt trust under a plan that is described in section 403(b) or section 457(g) of the Code.

US Person: a US citizen or resident individual, a partnership or corporation organized in the United States or under the laws of the United States or any State thereof, a trust if (i) a court within the United States would have authority under applicable law to render orders or judgments concerning substantially all issues regarding administration of the trust, and (ii) one or more US persons have the authority to control all substantial decisions of the trust, or an estate of a decedent that is a citizen or resident of the United States. This definition is to be interpreted in accordance with the US Internal Revenue Code.

7.3.2. Common Reporting Standard

The OECD has developed the Common Reporting Standard (“CRS”) which aims to implement automatic exchange of financial account information among participating countries.

On 9 December 2014, Council Directive 2014/107/EU amending Directive 2011/16/EU (“**DAC 2**”) was adopted in order to implement CRS among the EU member states. DAC 2 was transposed into Luxembourg law by the law of 18 December 2015 (“**CRS Law**”). The CRS Law requires Luxembourg financial institutions to identify financial account holders and to determine whether they are tax resident in an EU member state and/or a country with which Luxembourg has an exchange of information agreement. Luxembourg financial institutions will need to report financial account information of such account holders to the Luxembourg tax authorities which will remit such information to the competent foreign tax authorities of the other country.

It is the intention of the Fund to procure that it is treated as complying with the requirements that the CRS Law places upon it. However, no assurance can be provided that the Fund will be able to comply with the CRS Law and, in the event that it is not able to do so, it could be exposed to fines which may reduce the amounts available to it to make payments to the investors. The investors will be required to provide certain information to the Fund to comply with the reporting obligations under the CRS Law. To ensure compliance with the CRS Law in accordance with the foregoing, the Fund may:

- request information or documentation, including self-certification forms, a tax identification number (if applicable), or any other relevant information in order to ascertain an investor’s status under the CRS Law; and
- report information concerning an investor and its account holding in the Fund to the Luxembourg tax authorities if such investor is a reportable accountholder under the CRS Law.

Investors should contact their own tax advisors regarding the application of the CRS Law to their particular circumstances and their investment in the Fund.

8 DATA PROTECTION

The Fund and the Fund Managers are committed to maintaining the privacy and integrity of all personal data provided by any Shareholder or prospective investor or collected in the course of the activities of the Fund. The Fund and each Fund Manager will process personal data in compliance with applicable data protection laws, including, but not limited to, Regulation (EU) 2016/679 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, as implemented or complemented by applicable national law (together, the “**Data Protection Laws**”). In particular, the Fund and the Fund Managers will implement appropriate technical and organizational measures to ensure an appropriate level of security for personal data. The Fund and the Fund Managers are controllers for purposes of the Data Protection Laws with respect to personal data collected from Shareholders or prospective investors. The terms “personal data”, “controllers”, “processing” and other data protection terms in this clause have the meanings given in the Data Protection Laws.

Information about the processing of personal data by the Fund and the Fund and the Fund Managers may be found in the Privacy and Cookies Policy available at www.muzinich.com.

9 SELLING RESTRICTIONS

9.1 European Economic Area

The AIFM is authorized as a full-scope alternative investment fund manager by the Central Bank of Ireland and the Fund is an alternative investment fund for the purpose of the AIFMD. The Fund further qualifies as an ELTIF under the ELTIF Regulation. In accordance with Article 31(2) of the ELTIF Regulation and Article 32 of the AIFMD, the AIFM has applied for and received a marketing passport under the AIFMD to market the Shares to both professional investors and retail investors in the European Economic Area. Accordingly, when the Fund is marketed in the European Economic Area, Shares are available for purchase only by (i) professional investors, being investors that are considered to be a professional client or may, on request, be treated as a professional client, within the meaning of Annex II to Directive 2014/65/EU (MiFID II), and (ii) retail investors fulfilling the eligibility requirements of the ELTIF Regulation.

9.2 United States

The Fund is not and will not be registered as an investment company under the Investment Company Act. In order to ensure that the Fund will not be subject to the registration requirements of the Investment Company Act, the Fund will ensure that Shares will be offered and sold to US persons who consist only of “qualified purchasers” pursuant to the exception contained in Section 3(c)(7) of the Investment Company Act. The Fund will obtain appropriate representations and undertakings from US investors to ensure that the conditions of the applicable exemption are met. “qualified purchasers” generally include individuals with \$5 million in qualifying investments and entities with \$25 million in qualifying investments. Details regarding the eligibility criteria for US persons are contained in the Fund’s subscription documents.

Offers and sales of Shares, and the Shares themselves, will not be registered under the laws of any jurisdiction, including the US Securities Act of 1933, as amended (the “**Securities Act**”) or the laws of any state. Shares will be offered in the United States for investment only to certain “accredited investors” (as such term is defined in Rule 501 of Regulation D promulgated under the Securities Act) pursuant to the exemption from the registration requirements of the Securities Act provided by section 4(a) (2) and in compliance with any applicable state securities laws and outside the United States pursuant to Regulation S promulgated under the Securities Act. Each prospective investor will be required to represent, among other things, that (i) it is an “accredited investor”, (ii) it is acquiring the Shares for its own account and not with a view to, or for resale in connection with, any distribution of such Shares, (iii) it received or had access to all information it deemed relevant to evaluate the merits and risks of an investment in the Fund, and (iv) it has the ability to bear the economic risk of an investment in the Fund. The Shares may not be transferred or resold except in compliance with applicable US federal and state and non-US securities laws, pursuant to registration or an exemption therefrom. Investors should be aware that they may be required to bear the financial risks of an investment in the Fund for an indefinite period of time. None of the US Securities and Exchange Commission or any other agency of any other jurisdiction has reviewed or passed upon this Prospectus or the merits of this offering. Any representation to the contrary is a criminal offence.

The AIFM and the Portfolio Manager expect to qualify for the exemption under CFTC Rule 4.13(a)(3) with respect to each vehicle comprising the Fund on the basis that, at all times, interests in the pools: (i) are exempt from registration under the Securities Act; (ii) are not marketed to the public in the United States; (iii) are offered only to “accredited investors” as defined in Rule 501(a) of Regulation D under the Securities Act, “knowledgeable employees” as defined in Rule 3c-5 under the Investment Company Act, and members of certain categories of “qualified eligible persons” as defined in CFTC Rule 4.7, and (iv) the pools meets one or the other of the following tests with respect to their commodity interest positions, including positions in security futures products, whether entered into for bona fide hedging purposes or otherwise: (a) the aggregate initial margin, premiums, and required minimum security deposit for retail forex transactions, will not exceed 5% of the liquidation value of each pool’s portfolio, after taking into account unrealized profits and unrealized losses on any such positions it has entered into; or (b) the aggregate net notional value of such positions does not exceed 100 percent of the liquidation value of each pool’s portfolio, after taking into account unrealized profits and unrealized losses on any such positions it has entered into.

Neither the SEC nor the securities commission or other agency of any other jurisdiction has reviewed or passed upon this Prospectus or the merits of this offering, or approved the Shares. Any representation to the contrary is a criminal offence.

In making an investment decision, prospective investors must rely on their own examination of the Fund and the terms of the placing, including the merits and risks involved. Prospective investors should not construe the contents of this Prospectus as legal, investment, tax or other advice. Each prospective investor must rely upon his or her own representatives, including his or her own legal counsel and accountants, as to legal, economic, tax and related aspects of the investment described herein and as to its suitability for such investor.

10 DIRECTORY

Fund

Muzinich Firstlight Middle Market ELTIF SICAV, S.A.
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Grand Duchy of Luxembourg

Directors of the Fund

Paul Fehre
Fenton Tom
Alex McKenna
Adam Kaufman
John Alldis
Justin Egan

AIFM

Muzinich & Co. (Ireland) Limited
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Dublin 2
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Directors of the AIFM

Brian O'Loughlin
Frank O'Brien
Mark W. Clark
Michael Ludwig
Ersilia Tagliavini
William Slattery

Portfolio Manager

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Grand Duchy of Luxembourg

Depository

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United Kingdom

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Auditors

Deloitte Luxembourg
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Grand Duchy of Luxembourg

Facilities agents

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C.P. 28109 Alcobendas
Madrid
Spain
Operating from its branch offices in Milan, Italy

APPENDIX A: AIFMD INVESTOR DISCLOSURES

AIFMD REFERENCE	INFORMATION TO BE PROVIDED UNDER AIFMD	RESPONSE
Article 23 (1)(a)	A description of the investment strategy and objectives of the AIF.	The Fund's investment strategy is set out in the section headed "Investment Program".
	A description of the types of assets in which the AIF may invest and the investment techniques that the AIF may employ and all associated risks.	<p>The types of assets in which the Fund may invest and the investment techniques that the Fund may employ are set out in "Investment Program".</p> <p>Risks associated with the Fund are described in the section headed "Certain Risk Factors and Potential Conflicts of Interest".</p>
	A description of any applicable investment restrictions.	<p>Investments made by the Fund must comply with the investment policy as set out in "Investment Program".</p> <p>The Fund is also subject to diversification requirements as set out in "Investment Program".</p>
Article 23 (1)(b)	A description of the procedures by which the AIF may change its investment strategy, investment policy or both	<p>If the Fund wishes to change its investment strategy or investment policy set out in this Prospectus, it will inform the CSSF of its intention to do so. If the CSSF considers the change to be a material change, the Fund will grant Shareholders a period of one month to redeem their Shares free of charge.</p> <p>If the CSSF considers the change not material, a simple notification to the Shareholders will be sufficient.</p>
Article 23 (1)(a)	A description of the circumstances in which the AIF may use leverage and the types and sources of leverage permitted and the associated risks.	<p>The circumstances in which the Fund may make borrowings are set out in "Investment Program" under the heading "Borrowing".</p> <p>The risks associated with borrowing are set out in "Certain Risk Factors and Potential Conflicts of Interest" under the heading "Financing arrangements".</p>
	A description of any restrictions on the use of leverage.	The circumstances in which the Fund may make borrowings are set out in "Investment Program" under the heading "Borrowing".
	A description of any collateral and asset reuse arrangements.	The Fund has no collateral and asset reuse arrangements.
	A description of the maximum level of	The maximum level of leverage which

AIFMD REFERENCE	INFORMATION TO BE PROVIDED UNDER AIFMD	RESPONSE
	leverage which the AIFM is entitled to employ on behalf of the AIF.	<p>the Fund is entitled to employ is set out in “Investment Program” under the heading “Borrowing”.</p> <p>Notwithstanding the foregoing, under the AIFMD, the AIFM is required to disclose the maximum level of leverage that it is entitled to employ on behalf of the Fund using specific methods of calculation. The methods are the gross method (as such term is defined in Article 7 of the Commission Delegated Regulation (EU) No 231 or 2013 supplementing AIFMD (the “AIFMD Delegated Regulation”) and the commitment method (as such term is defined in Article 8 of the AIFMD Delegated Regulation). Under both the gross method and the commitment method, leverage is calculated as the ratio between the exposure of an AIF and its net asset value. “Exposure” means the absolute value of all investments and other positions of the AIF. This means that a fully-invested AIF with no borrowings would report a “leverage” of 100%, and not zero. Derivatives (which are defined to include FX forwards) must also be included in the calculation of leverage. Under the gross method, derivatives increase leverage irrespective of whether the derivative hedges risk, but under the commitment method derivatives that hedge risk are not deemed to increase leverage. In accordance with its risk management function and the investment objectives of the AIF, the AIFM has set a maximum of leverage of 250% according to the gross method and 200% according to the commitment method which the Portfolio Manager may employ on behalf of the AIF.</p>
Article 23 (1)(a)	Information on where any master AIF is established and where the underlying funds are established if the AIF is a fund of funds.	Not applicable.
Article 23 (1)(c)	A description of the main legal implications of the contractual relationship entered into for the purposes of investment, including information on:	This Prospectus and the Articles are governed by Luxembourg law. The courts of the Grand Duchy of Luxembourg will have exclusive jurisdiction to settle any disputes (whether contractual or non-contractual in nature) arising out of such

AIFMD REFERENCE	INFORMATION TO BE PROVIDED UNDER AIFMD	RESPONSE
	<ul style="list-style-type: none"> • jurisdiction; • applicable law; and • the existence or not of any legal instruments providing for the recognition and enforcement of judgments in the territory where the AIF is established. 	<p>documentation. This Prospectus and the Articles will be available for inspection upon request at the Fund's registered office.</p> <p>The Council Regulation (EC) 44/2001 of 22 December 2000 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters has force of law in Luxembourg. In accordance with its provisions, a judgment obtained in the courts of another EU jurisdiction will in general be recognized and enforced in Luxembourg without review as to its substance, save in certain exceptional circumstances.</p>
Article 23 (1)(d)	The identity of the AIFM	<p>The AIFM is Muzinich & Co. (Ireland) Limited, an Irish limited company. The AIFM is regulated by the Central Bank of Ireland.</p> <p>The AIFM will be responsible for all the activities required to be performed by an alternative investment fund manager pursuant to the AIFMD. It will delegate portfolio management duties to the Portfolio Manager.</p> <p>Investors will not have any direct contractual rights against the AIFM.</p>
Article 23 (1)(d)	The identity of the AIF's depositary	<p>The depositary for the Fund is State Street Bank Luxembourg S.C.A..</p> <p>The depositary's role is to ensure:</p> <ul style="list-style-type: none"> • the Fund's cash flows are properly monitored; • safe-keeping of those of the Fund's assets that are capable of being held in custody; • verification of the Fund having good title to those assets that are not capable of being held in custody; • the issue of Shares is carried out in accordance with applicable national law and this Prospectus; • the value of the Shares are calculated in accordance with applicable national law, this

AIFMD REFERENCE	INFORMATION TO BE PROVIDED UNDER AIFMD	RESPONSE
		<p>Prospectus and the AIFMD;</p> <ul style="list-style-type: none"> that when the Fund sells an Investment, the consideration for the sale is remitted to the Fund within the usual time limits; and that the Fund's income is applied in accordance with applicable national law and this Prospectus. <p>Investors will not have any direct contractual rights against the Depositary, but may establish the liability of the Depositary under Luxembourg law in accordance with article 19 (12) of the 2013 Law.</p>
Article 23 (1)(d)	The identity of the auditor	<p>The Auditor will be Deloitte Luxembourg.</p> <p>The Auditor is responsible for auditing the Fund's annual financial statements.</p> <p>Investors will not have any direct contractual rights against the auditor.</p>
Article 23 (1)(d)	The identity of any other service providers	<p>State Street Bank Luxembourg S.C.A. will act as the Administrator to the Fund. The services to be provided by the Administrator will include maintaining the Fund's financial books and records, preparing reports to investors and managing the payment of the Fund's expenses.</p> <p>Investors will not have any direct contractual rights against the Administrator.</p>
Article 23 (1)(e) & Article 9(7)	<p>A description of how the AIFM is complying with the requirements of Article 9(7).</p> <p>The requirements of Article 9(7) are for the AIFM either:</p> <ul style="list-style-type: none"> to have additional own funds which are appropriate to cover potential liability risks arising from professional negligence; or to hold a professional indemnity insurance against liability arising from professional negligence which is appropriate to the risks covered. 	<p>The AIFM holds a professional indemnity insurance policy against liability arising from professional negligence which is appropriate to the risks covered.</p>

AIFMD REFERENCE	INFORMATION TO BE PROVIDED UNDER AIFMD	RESPONSE
Article 23 (1)(f)	A description of any management functions (listed below) delegated by the AIFM. The management functions referred to above include: (i) portfolio management; (ii) risk management; (iii) administration functions; (iv) marketing functions; and (v) activities relating to the AIF's assets.	The AIFM will delegate portfolio management functions to the Portfolio Manager.
	A description of any safekeeping function delegated by the depositary.	Under the Depositary Agreement, the Depositary is entitled to appoint a third party to carry out the safekeeping duties but it is not envisaged that this will be required.
	A description of the identification of the delegate.	A description of the Portfolio Manager included in "Terms of the Fund" under the heading "Portfolio Manager" and a description of the Administrator is included in "Terms of the Fund" under the headings "Administrator" and "Depositary".
	A description of any conflicts of interest that may arise from such delegations.	Potential conflicts of interest are described in "Certain Risk Factors and Potential Conflicts of Interest" under the heading "Potential Conflicts of Interest".
Article 23 (1)(g)	A description of the AIF's valuation procedure and the pricing methodology for valuing assets, including the methods used in valuing hard-to-value assets in accordance with Article 19.	<p>All the financial statements of the Fund will be prepared in accordance with International Financial Reporting Standards.</p> <p>The AIFM is responsible for the valuation of the assets of the Fund. When valuing the assets of the Fund, the AIFM may be assisted by a service provider.</p> <p>The assets and liabilities of a Fund will be valued at each valuation point of the Fund, as follows:</p> <ul style="list-style-type: none"> the Fund's illiquid assets will be valued at fair value in accordance with the International Private Equity and Venture Capital Guidelines Edition December 2014 (as may be amended or reissued from time to time). The Fund's auditors will review and express an opinion on the fair value of the Fund's investments as at the end of each calendar

AIFMD REFERENCE	INFORMATION TO BE PROVIDED UNDER AIFMD	RESPONSE
		<p>year; and</p> <ul style="list-style-type: none"> assets listed or traded on a recognised exchange for which market quotations are readily available will be valued at the latest mid-market price. Where a security is listed or dealt in on more than one recognised exchange, the relevant exchange or market will be the principal or main stock exchange or market on which the security is listed or dealt on or the exchange or market which the AIFM determines provides the fairest criteria in determining a value for the relevant investment. <p>The Fund's net asset value and net asset value per Share will be determined by the Administrator as of the last day of each calendar month.</p>
Article 23 (1)(h)	A description of the AIF's liquidity risk management, including the redemption rights both in normal circumstances and exceptional circumstances and a description of the existing redemption arrangements with investors.	In order to manage liquidity risk, aggregate redemptions will be limited at each Redemption Date to the Permissible Early Redemption Amount. Redemption rights are described in "Terms of the Fund" under the heading "Redemptions".
Article 23 (1)(i)	A description of all fees, charges and expenses and of the maximum amounts thereof which are directly or indirectly borne by investors.	See "Terms of the Fund".
Article 23 (1)(j)	A description of how the AIFM ensures a fair treatment of investors and, whenever an investor obtains preferential treatment (or the right to obtain it) (such as via a side letter), a description of that preferential treatment, the type of investor who obtains such preferential treatment and, where relevant, their legal or economic links with the AIF or AIFM.	All investors in each class of Shares benefit from equal treatment and no preferential treatment or specific economic benefits will be granted to individual investors or groups of investors.
Article 23 (1)(k)	The latest annual report.	The Fund's first annual report will be produced within six months after the end of its first financial year. The Fund's latest annual report will be available for inspection upon request at the Fund's registered office.

AIFMD REFERENCE	INFORMATION TO BE PROVIDED UNDER AIFMD	RESPONSE
		Without limitation, the Fund's annual reports will provide information on the jurisdictions in which the Fund has invested.
Article 23 (1)(l)	The procedure and conditions for the issue and sale of units or shares.	The procedure for subscription is described in the Subscription Agreement, in the section headed "Notes to Applicants". Subscriptions may be accepted or rejected in the sole discretion of the Fund.
Article 23 (1)(m)	The latest net asset value of the AIF or the latest market price of a unit or share of the AIF, in accordance with Article 19 of AIFMD.	<p>The initial price per share will be:</p> <p>For class H: €100;</p> <p>For class A: €100;</p> <p>For class R: €100; and</p> <p>For class P: €100.</p> <p>The latest net asset value of the Fund will be available upon request at the Fund's registered office.</p>
Article 23 (1)(n)	Where available, the historical performance of the AIF.	The Fund is newly-established and hence no historic performance information is available.
Article 23 (1)(o)	<p>The identity of the prime broker and a description of:</p> <ul style="list-style-type: none"> any material arrangements of the AIF with its prime brokers; the way the conflicts of interest in relation thereto are managed; the provision in the contract with the depositary on the possibility of transfer and reuse of AIF assets; and information about any transfer of liability to the prime broker that may exist. 	<p>The Fund has not appointed a prime broker.</p> <p>In accordance with Article 29 of the ELTIF Regulation, the assets held in custody by the Depositary are only allowed to be reused provided that:</p> <ul style="list-style-type: none"> the reuse of the assets is executed for the account of the Fund; the depositary is carrying out the instructions of the AIFM or the Portfolio Manager on behalf of the Fund; the reuse is for the benefit of the Fund and in the interests of the investors; and the transaction is covered by high quality and liquid collateral received by the ELTIF under a title transfer arrangement. <p>The market value of the collateral</p>

AIFMD REFERENCE	INFORMATION TO BE PROVIDED UNDER AIFMD	RESPONSE
		referred to in the fourth bullet above must at all times amount to at least the market value of the reused assets plus a premium.
Article 23 (1)(p)	A description of how and when the information required to be disclosed under Article 23(4) and Article 23(5) will be disclosed.	The percentage of the Fund's assets which are subject to special arrangements arising due to their illiquid nature, any material change to the risk profile of the Fund or the risk management systems employed by the Fund to manage those risks (including any new arrangements for managing liquidity of the Fund), together with any change to the borrowing provisions of the Fund and the total amount of leverage employed by the Fund will be disclosed to investors in the annual financial report and semi-annual unaudited financial reports provided to investors.
Article 23 (2)	Details of any arrangement made by the depositary to contractually discharge itself of liability on accordance with Article 21(13) of the Directive.	<p>The AIFM will inform investors of any changes with respect to the liability of the Depositary.</p> <p>The liability of the Depositary may not be excluded or limited by agreement, and the Depositary may not discharge itself from its liability in the event of a loss of financial instruments held in custody by a third party.</p>

APPENDIX B: ADDITIONAL PORTFOLIO COMPOSITION REQUIREMENTS

1. Portfolio composition requirements applicable to ELTIFs

Risk diversification

In accordance with the ELTIF Regulation, the Fund will invest only in assets referred to in Article 10 of the ELTIF Regulation (“**ELTIF Eligible Assets**”) and Liquidity Assets. Following the Ramp-up Period, at least 70% of the Fund’s capital² will be invested in ELTIF Eligible Assets. In addition, the following risk diversification rules apply.

- (i) The Fund will invest no more than:
 - (a) 10% of its capital in instruments issued by, or loans granted to, any single qualifying portfolio undertaking;
 - (b) 10% of its capital directly or indirectly in a single real asset³;
 - (c) 10% of its capital in units or shares of any single ELTIF, European venture capital fund (“**EuVECA**”) or European social entrepreneurship fund (“**EuSEF**”); and
 - (d) 5% of its capital in Liquidity Assets where those assets have been issued by any single body, and the concentration limits set out in Article 56(2) of Directive 2009/65/EC will also apply to investments in Liquidity Assets.
- (ii) The aggregate value of units or shares of ELTIFs, EuVECAs and EuSEFs in the Fund’s portfolio will not exceed 20% of the value of the Fund’s capital, and the Fund will acquire no more than 25% of the units or shares of a single ELTIF, EuVECA or EuSEF.
- (iii) The aggregate risk exposure to a counterparty of the Fund stemming from OTC derivative transactions, repurchase transactions⁴, or reverse repurchase transactions will not exceed 5% of the value of the Fund’s capital.
- (iv) By way of derogation from points (i)(a) and (i)(b) above, the Fund may raise the 10% limit to 20%, provided that the aggregate value of the assets held by the Fund in qualifying portfolio undertakings and in individual real assets in which the Fund invests more than 10% of its capital does not exceed 40% of the value of the Fund’s capital.
- (v) By way of derogation from point (i)(d) above, the Fund may raise the 5% limit to 25% where bonds are issued by a credit institution which has its registered office in an EU member state and is subject by law to special public supervision designed to protect bond-holders. In particular, sums deriving from the issue of those bonds will be invested in accordance with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in the event of failure of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest.

Companies which are included in the same group for the purposes of consolidated accounts, as regulated by Directive 2013/34/EU of the European Parliament and of the Council or in accordance

² In this Appendix B, “capital” means aggregate capital contributions and uncalled committed capital, calculated on the basis of amounts investible after deduction of all fees, charges and expenses that are directly or indirectly borne by investors.

³ In this Appendix B, “real asset” means an asset that has value due to its substance and properties and may provide returns, including infrastructure and other assets that give rise to economic or social benefit, such as education, counselling, research and development, and including commercial property or housing only where they are integral to, or an ancillary element of, a long-term investment project that contributes to the EU objective of smart, sustainable and inclusive growth.

⁴ In this Appendix B, “repurchase transaction” means a repurchase transaction as defined in point (83) of Article 4(1) of Regulation (EU) No 575/2013.

with recognised international accounting rules, will be regarded as a single qualifying portfolio undertaking or a single body for the purpose of the foregoing (including the requirement that, following the Ramp-up Period, at least 70% of the Fund's capital be invested in ELTIF Eligible Assets).

ELTIF Eligible Assets

The following types of assets qualify as ELTIF Eligible Assets.

- (i) Equity⁵ or quasi-equity⁶ instruments which have been:
 - (a) issued by a qualifying portfolio undertaking and acquired by the Fund from the qualifying portfolio undertaking or from a third party via the secondary market;
 - (b) issued by a qualifying portfolio undertaking in exchange for an equity or quasi-equity instrument previously acquired by the Fund from the qualifying portfolio undertaking or from a third party via the secondary market; or
 - (c) issued by an undertaking of which the qualifying portfolio undertaking is a majority owned subsidiary, in exchange for an equity or quasi-equity instrument acquired in accordance with points (a) or (b) above by the Fund from the qualifying portfolio undertaking or from a third party via the secondary market.
- (ii) Debt instruments issued by a qualifying portfolio undertaking.
- (iii) Loans granted by the Fund to a qualifying portfolio undertaking with a maturity no longer than the life of the Fund.
- (iv) Units or shares of one or several other ELTIFs, EuVECAs and EuSEFs, provided that those ELTIFs, EuVECAs and EuSEFs have not themselves invested more than 10% of their capital in ELTIFs.
- (v) Direct holdings or indirect holdings via qualifying portfolio undertakings of individual real assets with a value of at least €10,000,000 or its equivalent in the currency in which, and at the time when, the expenditure is incurred.

For the purpose of the foregoing, a **“qualifying portfolio undertaking”** has the meaning given in Article 11 of the ELTIF Regulation, which is, in summary, a portfolio undertaking other than a collective investment undertaking that fulfils the following requirements:

- (i) it is not a financial undertaking⁷, other than a financial undertaking that exclusively finances qualifying portfolio undertakings or real assets described in paragraph (v) of the description of ELTIF Eligible Assets set out above;
- (ii) it is an undertaking which:
 - (a) is not admitted to trading on a regulated market or on a multilateral trading facility⁸; or

⁵ In Appendix B, “equity” means ownership interest in a qualifying portfolio undertaking, represented by the shares or other forms of participation in the capital of the qualifying portfolio undertaking issued to its investors.

⁶ In this Appendix B, “quasi-equity” means any type of financing instrument where the return on the instrument is linked to the profit or loss of the qualifying portfolio undertaking and where the repayment of the instrument in the event of default is not fully secured.

⁷ In this Appendix B, “financial undertaking” means any of the following: (a) a credit institution as defined in point (1) of Article 4(1) of Regulation (EU) No 575/2013 of the European Parliament and of the Council; (b) an investment firm as defined in point (1) of Article 4(1) of Directive 2014/65/EU; (c) an insurance undertaking as defined in point (1) of Article 13 of Directive 2009/138/EC of the European Parliament and of the Council; (d) a financial holding company as defined in point (20) of Article 4(1) of Regulation (EU) No 575/2013; (e) a mixed-activity holding company as defined in point (22) of Article 4(1) of Regulation (EU) No 575/2013; (f) a management company as defined in point (b) of Article 2(1) of Directive 2009/65/EC; and (g) an AIFM as defined in point (b) of Article 4(1) of Directive 2011/61/EU.

- (b) is admitted to trading on a regulated market or on a multilateral trading facility and at the same time has a market capitalization of no more than €500,000,000;
- (iii) it is established in an Eligible Jurisdiction.

Investment restrictions

The Fund will not undertake any of the following activities:

- (i) short selling⁹ of assets;
- (ii) taking direct or indirect exposure to commodities, including via financial derivative instruments, certificates representing them, indices based on them or any other means or instrument that would give an exposure to them;
- (iii) entering into so-called securities financing transactions in the sense of Regulation (EU) 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, such as securities lending, securities borrowing¹⁰, repurchase transactions, total return swaps, or any other agreement which has an equivalent economic effect and poses similar risks; and
- (iv) using financial derivative instruments, except where the use of such instruments solely serves the purpose of hedging the risks inherent to other investments of the Fund.

The Fund may not invest in an ELTIF Eligible Asset in which the AIFM has or takes a direct or indirect interest, other than by holding units or shares of the Fund and any other ELTIFs, EuSEFs or EuVECAs managed by the AIFM.

2. Portfolio composition requirements applicable to funds authorized under Part II of the 2010 Law

In addition to the portfolio composition requirements applicable to ELTIFs, the following further risk diversification rules apply by virtue of the Fund's status as a fund authorized under Part II of the 2010 Law, in accordance with the provisions of the 2010 Law, CSSF Circular 02/80 and any other applicable CSSF circulars, as may be amended and/or supplemented from time to time.

Derivative financial instruments and certain other techniques

Subject to the limitation set out in "Portfolio composition requirements applicable to ELTIFs – Investment restrictions", the Fund may enter into contracts for forward settlement of foreign currencies through forward contracts, options agreements or other foreign currency hedging instruments. The Fund will enter into foreign currency transactions as a hedging tool and will not purchase or sell foreign currencies on a standalone basis. In addition, the Fund may use credit default swaps (both single-name and index) and interest rate futures for hedging purposes. Financial derivative instruments may be used only for the purpose of hedging risks inherent to other investments of the Fund. The derivative financial instruments must be dealt on an organized market or contracted by private agreement with first class professionals specialized in this type of transactions.

⁸ In this Appendix B, "regulated market" means a regulated market as defined in point (21) of Article 4(1) of Directive 2014/65/EU and "multilateral trading facility" means a multilateral trading facility as defined in point (22) of Article 4(1) of Directive 2014/65/EU.

⁹ In this Appendix B, "short selling" means an activity as defined in point (b) of Article 2(1) of Regulation (EU) No 236/2012 of the European Parliament and of the Council.

¹⁰ In this Appendix B, "securities lending" and "securities borrowing" mean any transaction in which a counterparty transfers securities subject to a commitment that the borrower will return equivalent securities at some future date or when requested to do so by the transferor, that transaction being considered as securities lending for the counterparty transferring the securities and being considered as securities borrowing for the counterparty to which they are transferred.

The aggregate commitments resulting from financial derivative instruments entered into by private agreement and, if applicable, the commitments resulting from financial derivative instruments dealt on a regulated market may not exceed at any time the value of the Fund's assets. Additionally, the following restrictions will apply to derivative financial instruments:

- (i) Margin deposits in relation to derivative financial instruments dealt on an organized market as well as the commitments arising from derivative financial instruments contracted by private agreement may not exceed 50% of the Fund's assets. The reserve of the Fund's liquid assets must represent at least an amount equal to the margin deposits made by the Fund. Liquid assets do not only comprise time deposits and regularly negotiated money market instruments the remaining maturity of which is less than 12 months, but also treasury bills and bonds issued by OECD member states or their local authorities or by supranational institutions and organizations with European, regional or worldwide scope as well as bonds listed on a stock exchange or dealt on a regulated market, which operates regularly and is open to the public, issued by first class issuers and being highly liquid.
- (ii) The premiums paid for the acquisition of options outstanding are included in the 50% limit referred to under item (i) above.
- (iii) The Fund must ensure an adequate spread of investment risks by sufficient diversification.
- (iv) The Fund may not hold an open position in any one single contract relating to a derivative financial instrument dealt on an organized market or a single contract relating to a derivative financial instrument entered into by private agreement for which the margin required or the commitment taken, respectively, represents 5% or more of the assets of the Fund.
- (v) The premiums paid to acquire options outstanding having identical characteristics may not exceed 5% of the assets of the Fund.
- (vi) The Fund may not hold an open position in derivative financial instruments relating to a single category of forward contracts on financial instruments for which the margin required (in relation to derivative financial instruments negotiated on an organized market) together with the commitment (in relation to derivative financial instruments entered into by private agreement) represent 20% or more of the Fund's assets.

For purposes of the foregoing, the "commitment" in relation to a transaction on a derivative financial instrument entered into by private agreement by the Fund means the non-realized loss resulting, at that time, from the relevant transaction.

APPENDIX C: ARTICLES OF INCORPORATION OF THE FUND

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