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This brochure provides information about the qualifications and business practices of Muzinich & Company, Inc. ("Muzinich" or the "Firm"). There have been no material changes since the Firm's last annual amendment. If you have any questions about this brochure please contact us at (212) 888 3413 or info@muzinich.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or any state securities authorities. Additional information about *Muzinich* is also available on the SEC's website at www.adviserinfo.sec.gov.

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I. ADVISORY BUSINESS

a) Background

Muzinich & Company, Inc. is a global institutional asset manager specializing in corporate credit investment portfolios and other credit-based investment strategies. The Firm has been offering investment advisory services since 1988. George M. Muzinich is the Firm's founder, president and principal owner. As of December 31, 2010, the Firm had \$9.94 billion under management.

b) Principal Investment Strategies

Within all of our corporate credit strategies, we stress the importance of generating attractive returns within the context of preserving client capital. Disciplined fundamental credit research and active risk control are the cornerstones on which we build successful longer term investment results. We aim to generate solid and durable returns while keeping volatility low and assuring liquidity under all market circumstances.

We respect capital and have a powerful commitment to risk control. We invest in companies based on our intensive fundamental credit research incorporating both quantitative and qualitative valuation metrics. We do not engage in speculative investing.

We conduct extensive primary company research in order to best understand industry dynamics, company strengths and weaknesses, and asset values. We place great importance on the quality of management. Careful analysis of bond and loan covenants is paramount. We stress test holdings to determine the strength of our credits during periods of industry or economic difficulty.

Our portfolio investment holdings reflect the most attractive risk/return alternatives as identified by our disciplined credit research. We believe this thorough investment process, coupled with our attention to portfolio diversification, enables us to control risk while maximizing return over full market cycles.

Our investment advisory services focus on the delivering strong, risk-adjusted returns over full market cycles. The Firm pursues each client's investment objective by investing generally in high yield bonds, short duration credit instruments, bank loans, investment grade corporate debt instruments and other credit based securities. The Firm offers a variety of credit-based investment strategies. See page 6 for a brief discussion of each strategy. Each investment strategy targets income generation and long term capital growth with limited volatility and can be tailored to meet each client's specific investment objectives, risk guidelines, and legal constraints.

The Firm can structure products across a wide variety of jurisdictions and in multiple currencies. We create portfolios with individualized ratings and duration guidelines, geographic mixes, and socially-responsible screens. All our investment strategies are available as managed (separate) accounts or in fund format.

c) Management Team

The following is a brief background of each member of the Firm's management team:

George M. Muzinich - President

George founded the firm in 1988. He started his investment career in 1971 with Brown Brothers Harriman & Co., where he worked in that firm's New York and Zurich offices and later opened and managed its Paris office. From mid-1984 through mid-1988, George was President of Hoguet, Muzinich, Keller & Co., a securities firm that was subsequently sold to a major European institution. He has a B.A. from Wesleyan University and an M.B.A. from New York University's Graduate School of Business.

Justin Muzinich - Vice Chairman

Prior to joining Muzinich, Justin worked in the hedge fund industry and at Morgan Stanley, in the mergers and acquisitions group. Justin holds a Juris Doctor degree from Yale Law School and an M.B.A. from Harvard Business School, where he graduated with highest honors as a Baker Scholar. He also graduated Phi Beta Kappa from Harvard College with a high honors degree.

Michael Ludwig - Director

Prior to joining Muzinich, Michael worked for Sal. Oppenheim Jr. & Cie. in Cologne, Germany where he was an account officer heading the handling of European government and multinational organizations. Prior to 1991, Michael worked for Manufacturers Hoover Trust and for Deutsche Bank where he completed Deutsche Bank's professional training program. Michael is a graduate of the German Banking Academy.

Mark W. Clark, CPA - Chief Financial Officer

Prior to joining Muzinich, Mark was a partner with Weiser LLP, a public accounting firm, where he focused on the financial services area. Mark, when he was with Weiser, was involved in auditing our firm for more than 15 years. Mark is a certified Public Accountant and a graduate of Saint John's University with a B.S. degree in Accounting.

Cheryl Rivkin - Chief Compliance Officer

Before joining Muzinich, Cheryl worked at GSC Partners where she was Vice President for marketing and client service. Prior to that, Cheryl served as Director of Marketing for investment adviser, Morgens, Waterfall, Vintiadis & Co., Inc. Cheryl holds a B.A., *magna cum laude* and Phi Beta Kappa, from Mount Holyoke College where she was a Sarah Williston Scholar, and an M. Phil. in Modern Middle Eastern Studies from Oxford University where she was a Marshall Scholar focusing on development economics and oil policy.

II. FEES AND COMPENSATION

a) Management Fee

The Firm charges each client a management fee based on the market value of the securities and cash in the portfolio on the appraisal date of the account. The management fee generally ranges from 0.23% to 1.0% of assets under management and is generally payable after the end of each quarter. The Firm generally also charges a performance based fee. Performance fees are generally based on a percent increase of asset value over and above a target percentage rate. This fee, which varies by strategy and client, generally consists of from 10-20% of the client's realized and unrealized investment returns over any agreed hurdle rate where applicable.

All fees are negotiable. Fees may differ based on account size, strategy and complexity among other factors. Adjustment to fees can be effected by a rebate of a percentage of the fee if agreed to by Muzinich.

In the event the management contract is terminated, clients will receive a refund of the management fee paid. The refund will be based on a calculation of the number of days for which services are provided for the quarter in which the contract terminates.

b) Other Expenses

Clients are responsible for and do incur other expenses separate and apart from the Firm's management and performance based fees. These expenses typically include custody fees, brokerage services and other transaction fees, and/or expenses associated with the investment vehicle in which their assets are invested (such as mutual fund expenses).

c) Other Compensation

Neither the Firm nor any of its employees accept compensation for the sale of securities or other services or other investment services or products.

d) Performance Based Fees and Side-by-Side Management

As stated above, the Firm charges *some* clients fees based on a share of capital gains on or capital appreciation of the client's assets under management. This fee, which varies by strategy and client, generally consists of 10-20% of the client's realized and unrealized investment returns over any agreed hurdle rate where applicable.

Performance-based compensation may create an incentive for the Firm to make investments that are riskier or more speculative than would be the case in the absence of the performance-based compensation. In addition, the performance on which performance-based compensation is calculated will include unrealized appreciation and depreciation of investments that may not ultimately be realized.

III. TYPES OF CLIENTS

Muzinich provides investment advisory services to certain private investment funds organized as limited partnerships, limited liability companies, or other legal entities. These private funds are not registered under federal securities laws and typically utilize sophisticated investment strategies and proprietary investment research. Investors in the funds are generally required to qualify as “accredited investors” under Rule 501(a) of Regulation D under the Securities Act of 1933 and/or as a “qualified purchasers” as defined under Section 2(a) (51) of the Investment Company Act of 1940. The Firm also provides investment advisory services to offshore public funds registered on foreign exchanges and with foreign Regulatory Authorities.

The Firm provides investment advice to separate accounts for institutions and high-net-worth individuals. Such clients include banks or thrift institutions, insurance companies, corporation or business entities, asset managers, trusts, family offices, endowments, charitable institutions, pension funds and profit sharing plans and other institutions.

The minimum dollar amount of assets ordinarily required for the establishment of an investment advisor account is \$30,000,000. Smaller accounts may be accepted on an accommodation basis or when it is deemed likely that the minimum dollar size will be achieved within a reasonable period of time.

IV. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

a) Methods of Analysis

Muzinich utilizes proprietary fundamental research to identify investment opportunities meeting our strict investment criteria. We evaluate each security based on the issuing company's overall credit risk and asset coverage measures such as cash flow coverage ratios, corporate asset values, the issue's seniority in the issuer's capital structure, the expected volatility of corporate cash flows and asset values, and the issue's particular credit covenants.

The Firm's security analysis methods include: (1) Fundamental (2) Charting (3) Cyclical) and (4) Technical. The Firm commits to rigorous credit analysis. Credit research, rather than credit engineering, is the long-term driver of attractive risk-adjusted returns.

b) Investment Strategies

Each of the Firm's investment strategies targets income generation and long term capital growth with limited volatility. Clients' assets are generally invested in a diversified portfolio of U.S. and/or foreign corporate bonds and other credit-based instruments within different rating categories depending on the specific strategy. Our strategies include:

U.S. High Yield. The Muzinich high yield strategy focuses on dollar denominated credits issued by North American corporations, often with a minimum rating of BB/B or higher. Portfolios are prudently diversified over more than 100 issuers and 20 industries with duration of approximately 4 years.

European High Yield. The Muzinich European high yield strategy focuses on Euro denominated credits issued by European corporations, primarily with a rating of BB/B. Portfolios are prudently diversified over more than 50 credits and 15 industries with durations of approximately 4 years.

Global High Yield. The Muzinich Global high yield strategy focuses on a combination of Euro, Dollar and Sterling denominated credits issued mostly by both North American and European corporations with a rating of BB/B. The Global High Yield portfolios are prudently diversified over more than 100 issuers and 20 industries with duration of approximately 4 years.

Investment Grade-Plus. The Muzinich investment grade short duration strategy has an average investment grade rating and offers investors an attractive spread over two year government securities with duration of less than two years. The strategy stresses safety of principal in both nominal and inflation adjusted terms. The strategy is available with a focus on US or European credits.

Short Duration High Yield. The short duration high yield strategy seeks to benefit from attractive yields in corporate high yield while helping investors largely protect themselves from the potential danger of rising long term interest rates. Average duration of the portfolio is maximum 2 years. The fund tends to focus on U.S credits.

Short Duration Investment Grade-Plus. The Muzinich Short Duration Investment Grade-Plus strategy consists of a diversified portfolio of largely investment grade U. S. and European corporate credits coupled with some allocation to select high yield corporate credits. The strategy combines an investment grade core, enhanced by an allocation to BB-B bonds, maintaining an average investment grade rating at all times.

Bank Loans. This strategy consists of diversified portfolios of bank loans extended to corporate issuers rated BB/B, with or without the application of leverage. The funds seek to generate attractive, inflation-adjusted returns through a research-driven investment process, focusing primarily on bank loans and floating rate debt instruments.

Hedge Fund Strategy. We offer a credit hedge fund strategy designed to extend Muzinich's successful long-only high yield corporate bond track record through the application of modest leverage and opportunistic shorting. The strategy focuses on U.S. corporate high yield bonds. Muzinich employs a variety of credit arbitrage strategies to create additional return opportunities and dampen volatility. We stress liquidity and do not invest in deeply distressed credits.

Sustainable Investments. The following credit strategies focus on companies that best manage their economic, social and environmental performance for long term sustainability:

High Yield Investment strategy with Environmental Social Governance (ESG) overlay.

We offer an investment program that targets long-term, low-volatility returns from investments in high yield corporate credit by investing selectively in creditworthy companies additionally screened for their adherence to improving standards of environmental sustainability, social responsibility, and good governance.

Investment Grade credit strategy that integrates Environmental Social Governance (ESG) Factors in the portfolio. This investment program integrates sustainability research into a rigorous traditional bottom up investment process in order to target the delivery of attractive risk-adjusted results. The fund focuses on quality securities with enhanced return potential and has an average investment grade rating.

Individualized Corporate Credit Accounts. Muzinich regularly customizes separate account management for clients seeking higher position concentration, specialized ratings, currencies, or geographic mixes, investment instruments, or other unique factors.

c) Risks of Investing Through Muzinich

Investing in securities in general involves risk of loss that clients should be prepared to bear. Our principal investment strategies and the type of investments we make for our clients present the following material risks:

Credit Risk. Credit risk represents the possibility of losses in the event that a bond issuer might be unable to pay its interest and principal obligations in a timely manner. Credit risk is significant for high-yield bond investments. Even if there is no actual default, it is probable that a bond will decline in price if its credit quality declines and its bond rating is downgraded to a lower category.

The Firm attempts to reduce portfolio credit risk by diversifying its holdings and doing careful credit research.

Interest Rate Risk. Rising interest rates will cause the prices of existing bonds in the market to fall. Longer maturity bonds will typically decline more than those with shorter maturities. If the Firm clients hold longer maturity bonds and interest rates rise unexpectedly, their price could decline. Falling interest rates will cause a client's portfolio income to decline, as maturing bonds are reinvested at lower yields. Clients should expect their monthly income to fluctuate with changes in its portfolio and changes in the level of interest rates.

Liquidity Risk. The high-yield bond market and the high yield bank loan markets may be much less liquid than the investment grade bond market. This creates a risk that client may not be able to buy or sell optimal quantities of high-yield bonds or loans at desired prices and that large purchases or sales of certain high-yield bonds may cause substantial price swings.

High Yield Security Risk. Investments in high yield securities can involve a substantial risk of loss. These securities, which are rated below investment grade, are considered to be speculative with respect to the issuer's ability to pay interest and principal and they are susceptible to default or decline in market value due to adverse economic and business developments.

Market Risk. The high-yield bond market can experience sharp and sudden price swings due to a variety of factors, including changes in securities regulations, swings in market psychology, volatility in the stock market, changing economic conditions, a highly publicized default, or changes in asset allocations by major institutional investors.

Foreign Investment Risk. To the extent Firm clients hold foreign bonds, whether or not such bonds are denominated in U.S. Dollars, those bonds will be subject to additional risks. These risks may include greater volatility, less liquidity than similar U.S. bonds, and adverse developments resulting from political, international or military crises, and currency exchange risks.

Prepayment Risk. Most high-yield bonds may be called by the issuer prior to final maturity. Clients may experience reduced income when an issuer calls a bond held by the client earlier than expected. This may happen during a period of declining interest rates.

V. DISCIPLINARY INFORMATION

The Firm and its supervised persons have not been involved in any legal or disciplinary events that are material to a client's or potential client's evaluation of our advisory business or the integrity of the Firm's management.

VI. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Muzinich controls a wholly owned subsidiary based in London, Muzinich & Co., Ltd. (the “London Adviser”), an Investment Adviser. The London Adviser manages the Firm's Euro denominated portfolio holdings. The London Adviser is regulated by the FSA. Muzinich also controls a wholly owned subsidiary based in Ireland, Muzinich & Co. (Ireland) Limited, an Investment Adviser. The Ireland Adviser is regulated by the IFSRA. The Firm also controls Muzinich Fund Manager US, LLC which is and whose sole function is the managing member of the ESG fund.

Muzinich controls a wholly owned subsidiary of the London Adviser based in Cologne Germany, Muzinich (Deutschland) GmbH, and a customer service provider. Muzinich owns a 90% interest in ParkBrook Capital LLC, a FINRA registered Broker-Dealer authorized to engage in the business of private placement transactions.

Muzinich owns a 90% interest in Crosswater Realty Advisors LLC that offers real estate investment corporate workout consulting services to pension funds and other similarly situated entities.

VII. CODE OF ETHICS, PARTICIPATION OR INTERESTS IN CLIENT TRANSACTIONS, AND PERSONAL TRADING

a) Code of Ethics

The Firm has adopted a Code of Ethics imposing on each supervised person a duty to place the interests of clients first. The Code requires officers, owners, and employees, among other things, to report to the Firm any actual or potential conflict of interest.

Securities industry regulations require that advisory firms provide their clients with a general description of the advisory firm's Code of Ethics. The Company has adopted a Code of Ethics in compliance with 204A-1 in reference to the firm's controls over personal trading that sets forth the governing ethical standards and principals of the Company. It also describes the Company's policies regarding the protection of confidential information, including the review of the personal securities accounts of certain personnel of the Company for evidence of manipulative trading, trading ahead of clients, and insider trading, trading restrictions, training of personnel and record-keeping. A copy of the Company's Code of Ethics may be obtained by writing to the Company

The Code of Ethics requires each officer and employee of the Firm with access to client's investments or portfolio information (each an "Access Person") to report quarterly and annually theirs and their immediate family members' securities holdings and transaction to the Firm's Chief Compliance Officer. In addition, each Access Person is required by SEC Rule to pre-clear any trades in initial public offerings or private placements with the Firm's Chief Compliance Officer. Muzinich requires all employees to report their personal trades on a quarterly basis.

The Code of Ethics also imposes restrictions and safeguards on the use of material nonpublic information. All Clients and prospective Clients may obtain a copy of the Firm's Code of Ethics by writing to the Firm or calling 212 888 3413.

b) Participation or Interests in Client Transactions

Neither the Firm nor any related person recommends to clients, or buys or sells for client accounts, securities in which the Firm or a related person has a material financial interest.

c) Personal Trading

Personnel of the Firm with access to portfolio or investment information must report securities transactions to the Firm's Chief Compliance Officer on a quarterly basis. Each person must also report securities holdings annually. The Chief Compliance Officer monitors the personal securities transactions and holdings of each Access Person to ensure compliance with securities laws and fiduciary duties. In other words, the Firm has a system in place to prevent Access Persons from taking advantage of their position with the Firm for personal gain.

VIII. BROKERAGE PRACTICES

a) Selection of Broker-Dealers

Muzinich has no obligation to deal with any particular broker-dealer in the execution of transactions in portfolio securities. In placing orders for purchase and sale of securities and selecting brokers to effect these transactions, Muzinich seeks prompt execution of orders at the most favorable prices reasonably obtainable and in doing so will consider a number of factors, including, without limitation, the overall direct net economic result to the client (including commissions or spreads which may not be the lowest available but which ordinarily will not be higher than the generally prevailing competitive range), the financial strength, reputation and stability of the broker, the efficiency with which the transaction is effected, the ability to effect the transaction at all where a large block is involved, the availability of the broker to stand ready to execute possibly difficult transactions in the future and other matters involved in the receipt of brokerage and research services.

b) Soft-Dollars Arrangement

As a matter of policy, Muzinich does not pay higher commission or mark-up prices or direct trades to a particular broker-dealer in order to receive research or other services. Such arrangements are normally known as “soft dollar arrangements.”

c) Brokerage for Client Referrals

Muzinich does not consider, in selecting or recommending a broker dealer, whether the Firm or a related person receives client referrals from that broker-dealer.

d) Directed Brokerage

The Firm does not accept clients who require us to execute transactions through a specified broker-dealer. Clients may recommend that we use their preferred broker-dealer(s). The Firm will use such broker-dealer(s) subject to our determination that said broker-dealer provides best execution of client transactions.

e) Aggregation (Bunching) of Trades

Securities transactions in investment advisory accounts are normally implemented on a consistent basis across accounts. In order to accomplish this, orders are aggregated (bunched) and allocated pro-rata to the nearest round lot, tempered by available cash. Where a limited supply of bonds may be available, opportunities may be allocated to accounts on a rotational basis. In addition to considerations of equity, bunching avoids placing competing orders, improves order management, and may, because of larger order size, permit some degree of price improvement relative to a

series of individually placed orders.

IX. REVIEW OF CLIENT ACCOUNTS

a) Client Account Reviews

Portfolio Managers have ready access to information on clients' objectives, restrictions & risk tolerances provided by the Portfolio Order Management System (POMS); The POMS system identifies transactions that are outside client mandates and alerts the Administrator to trades that are outside the portfolio objectives; There is regular, post-trade testing of portfolios for compliance with regulatory & client imposed restrictions by persons outside of portfolio management. The Portfolio Risk Analytics Group (PRAG) reviews portfolio mandates and trades occurring outside of those mandates on a monthly basis or more frequently.

b) Client Reports

Both separate account clients and investors in the Funds managed by the Firm receive regular monthly reports. These reports provide information on fund size or account balances, monthly performance, industry commentary, securities held, values and other information designed to provide clients with a complete assessment of their portfolios. Private Fund investors typically receive annual reports containing audited financial statements.

X. CLIENT REFERRALS AND OTHER COMPENSATION

The Firm may compensate third parties for client referrals. Before making payments for any US client referral, the Firm requires each “solicitor” to enter into a written referral agreement. Such agreement will comply with the requirements set out in Rule 206(4)-3 of the Investment Advisers Act of 1940, including the requirement that the relationship between the solicitor and the investment adviser be disclosed to the potential client at the time of the solicitation or referral.

Referral fees are generally a percentage of the annual management fees, structuring fees, incentive allocation, or a combination thereof, earned by the Firm on referred accounts. The referral fees represent no additional expenses to such accounts. Potential clients will be requested to acknowledge they have been informed of the referral arrangement, including the type and amount of compensation, prior to acceptance of the client’s account.

XI. CUSTODY OF CLIENTS' CASH & SECURITIES

The Firm does not retain custody of client assets. Clients and fund investors receive account statements directly from a qualified custodian and are encouraged to review those account statements received from the custodian. In addition funds for which Muzinich or an affiliate acts as Manager are (1) audited at least annually and (2) distribute their audited financial statements prepared in accordance with generally accepted accounting principles to all investors.

XII. INVESTMENT DISCRETION

Subject to each client's established guidelines, limitations or restrictions, Muzinich generally has the authority to determine for each client account: (a) Which securities are to be bought or sold; (b) The total amount of securities to be bought or sold; (c) Through which broker(s) or dealer(s) those securities are to be bought or sold; and (d) The commission rates or spreads to be paid for each transaction.

a) Privacy Policy

Muzinich is committed to maintaining the confidentiality, integrity and security of its clients' and Investors' personal information. It is the Firm's policy to collect only information necessary or relevant to its management business and use only legitimate means to collect such information. The Firm does not disclose any non-public personal information about our clients or Investors to anyone except for servicing and processing transactions and as required by law. The Firm restricts access to non-public personal information about its clients and Investors to those employees with a legitimate business need for the information. The Firm maintains security practices, physical, electronic, and procedural safeguards to guard each client's and Investor's non-public personal information. The Firm will provide a copy of its written privacy policy and procedures upon request.

XIII. VOTING CLIENT SECURITIES

From time to time companies in which the Firm invests may submit certain matters to a vote of its security holders. The right to vote is usually exercised through a document called a proxy where the security holder enters its vote.

The Firm has adopted Proxy Voting Policies and Procedures pursuant to Rule 206(4)-6 of the Advisers Act designed to ensure that proxies are voted prudently and solely in the best interest of our clients. According to our policy, the Firm will generally vote in accordance with management's recommendations in order to support the ability of management to run its business in a responsible and cost effective manner while staying focused on maximizing shareholder value. In the event that a conflict of interest exists between management's recommendation and the Firm or its clients, the Firm will vote in the manner which in its judgment and sole discretion is in the best interest of its clients.

Clients may obtain a free copy of our Proxy Voting Policies or a record of our proxy votes by calling (212) 288-3413 or by writing to us at the address listed above.

XIV. FINANCIAL INFORMATION OF THE ADVISER

No financial events have occurred to Muzinich that would negatively affect the financial viability of the Firm. There is no financial condition of the Firm that is reasonably likely to impair The Firm's ability to meet contractual commitments to clients.