Appendix A – Multi-layer Neural Network Combination

The AI engine is based a multi-model framework combining three primary components:

1.Fundamental Model, *(Multi-layer Neural Network mainly based on Fundamental Analysis, ANN_{FA})*

Captures company-level fundamental characteristics, including profitability metrics, leverage and capital structure, coverage ratios, earnings quality indicators, etc.

2.Technical Model, *(Multi-layer Neural Network mainly based on Technical Analysis, ANN_{TA})*

Captures market behaviour and trading dynamics, including price momentum, volatility measures, trading patterns and liquidity signals, etc.

3.Fair Value & Risk Model, *(Multi-layer Neural Network mainly based on Muzinich Risk and Fair Value Metrics, ANN_{FVR})*

Captures valuation and downside risk characteristics, including valuation ratios, credit-derived metrics, measures of financial resilience and downside protection

Each component is implemented using non-linear machine learning models, primarily based on Artificial Neural Networks (ANNs), trained on historical datasets.

The AI Score Construction

Let:

$I \in U$ index companies in the investment universe

$X_i \in \mathrm{R}^d$ denote the vector of observable features for company I

$X_i = (X_i^F, X_i^T, X_i^R)$, where:

- X_i^F: fundamental variables
- X_i^T: technical/market variables
- X_i^R: risk and valuation variables

Let V_i^* denote the (unobserved) economic value of company I, and M_i its market capitalization, the objective of M^2 framework is to estimate:

$$P\,(V_i^* > M_i \mid X_i)$$

meaning the estimated probability that economic value exceeds market capitalization.

The intermediate signals are combined via a non-linear aggregation function:

$$S_i = g\,(\,ANN_{FA}\,(X_i^F),\, ANN_{TA}\,(X_i^T),\, ANN_{FVR}\,\,(X_i^R\,))$$

The final M^2 score is obtained through a monotonic transformation:

$$M^2{}_i = \sigma(S_i)$$

where:

σ (·) is a sigmoid-like function ensuring:

$$M^2{}_i \in (0,1)$$

Thus:

$$M^2{}_i \approx P\,(V_i^* > M_i \mid X_i)$$

IMPORTANT INFORMATION

FOR PROFESSIONAL CLIENTS ONLY

PRIVATE & CONFIDENTIAL NOT FOR ONWARD DISTRIBUTION

Muzinich & Co.", "Muzinich" and/or the "Firm" referenced herein is defined as Muzinich & Co. Inc. and its affiliates. This material has been produced for information purposes only and as such the views contained herein are not to be taken as investment advice. Opinions are as of date of publication and are subject to change without reference or notification to you. Past performance is not a reliable indicator of current or future results and should not be the sole factor of consideration when selecting a product or strategy. The value of investments and the income from them may fall as well as rise and is not guaranteed and investors may not get back the full amount invested. Rates of exchange may cause the value of investments to rise or fall. Emerging Markets may be more risky than more developed markets for a variety of reasons, including but not limited to, increased political, social and economic instability, heightened pricing volatility and reduced market liquidity.

This document contains forward-looking statements, which give current expectations of future activities and future performance. Any or all forward-looking statements in this document may turn out to be incorrect. They can be affected by inaccurate assumptions or by known or unknown risks and uncertainties. Although the assumptions underlying the forward-looking statements contained herein are believed to be reasonable, any of the assumptions could be inaccurate and, therefore, there can be no assurances that the forward-looking statements included in this discussion material will prove to be accurate. Considering the significant uncertainties inherent in the forward-looking statements included herein, the inclusion of such information should not be regarded as a representation that the objectives and plans discussed herein will be achieved. Further, no person undertakes any obligation to revise such forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

Nothing contained herein constitutes investment, legal, tax or other professional advice. Recipients should make their own independent assessment where appropriate.

Issued in the European Union by Muzinich & Co. (Ireland) Limited, which is authorized and regulated by the Central Bank of Ireland. Registered in Ireland, Company Registration No. 307511. Registered address: 32 Molesworth Street, Dublin 2, D02 Y512, Ireland. Issued in Switzerland by Muzinich & Co. (Switzerland) AG. Registered in Switzerland No. CHE-389.422.108. Registered address: Tödistrasse 5, 8002 Zurich, Switzerland. Issued in Singapore and Hong Kong by Muzinich & Co. (Singapore) Pte. Limited, which is licensed and regulated by the Monetary Authority of Singapore. Registered in Singapore No. 201624477K. Registered address: 6 Battery Road, #26-05, Singapore, 049909. Issued in all other jurisdictions
(excluding the U.S.) by Muzinich & Co. Limited. which is authorized and regulated by the Financial Conduct Authority. Registered in England and Wales No. 3852444. Registered address: 8 Hanover Street, London W1S 1YQ, United Kingdom. REF: 2026-07-21-19036