



JUNE 30, 2025

MANAGED BY PACIFIC LIFE FUND ADVISORS, LLC

Class A
POBAX

Class C
POBCX

Class I-2
PMCDX

Market Review

After President Trump delayed the implementation of reciprocal tariffs, equity markets shot sharply higher, with the S&P 500 Index up 10.94% for the second quarter. Large and mid-growth stocks led the domestic equity group, while real-estate and small-value stocks lagged the broader market. The weakening U.S. dollar was a tailwind for foreign stocks, which also returned double-digit gains. Foreign small-cap stocks performed particularly well over the quarter as the threat of tariffs was temporarily sidelined.

Within fixed income, long-duration bonds underperformed their shorter-duration counterparts, as the yield on the 10-year Treasury fluctuated higher over the quarter. Optimism also spread throughout the credit space with bank loans, emerging-market debt and high yield delivering positive gains for the quarter.

Fund Performance

The fund returned 5.62% during the second quarter of 2025 and 9.82% for the trailing 12-month period (Class A at NAV).

Performance Review

Despite the wild market volatility, the fund ranked in the 34th percentile versus peers over the trailing 12-month period as of June 30, 2025, according to Morningstar.

Among the domestic equity group, our modest overweight to equities contributed to performance over the second quarter and the trailing 12-month period. The exposure to large-growth companies contributed to performance as tech stocks regained their footing after plunging in the first quarter amid rising global tensions. On the other hand, the overweight to small value detracted from performance. From the underlying fund perspective, the Aristotle Core Equity Fund outperformed its benchmark and contributed to performance for the quarter. However, the Aristotle Growth Equity Fund underperformed its benchmark for the trailing 12-month period, which detracted from performance.

Within the international equity group, our strategic allocation to international equities shifted to an overweight, which was additive to performance. Our overweight to international value also contributed to performance throughout the trailing 12-month period.

Among the fixed-income group, the exposure to high-yield bonds and bank loans contributed to performance for the second quarter and the trailing 12-month period. While the Aristotle Core Income and Aristotle Short Duration Income funds outperformed their respective benchmarks for the quarter and the trailing 12-month period, the Aristotle High Yield Bond Fund modestly detracted from performance over the trailing 12-month period.

Outlook

Valuations and fundamentals seem to have had minimal influence over the market throughout the first half of 2025. Geopolitics typically have transitory market impacts; however, the recent situation calls for closer examination due to the spontaneity of Trump's policy efforts. For instance, Trump's announcement of the reciprocal tariffs surprised the market, as the S&P 500 Index tumbled roughly 12% in just a week. Nonetheless, this drop became temporary when Trump postponed the implementation of the reciprocal tariffs for 90 days. Since then, the market quickly recovered those losses, ending the second quarter with double-digit gains.

Further adding to the positive momentum, Trump's "The One, Big, Beautiful Bill" squeezed through Congress and is expected to provide some stimulus for the economy—although much of the tax cuts involved extending some of the key provisions that were set to expire soon. As long as the labor market remains stable, consumption should continue to support the U.S. economy with the additional tax-relief boost. Also contributing to healthy consumption, inflation has calmed down and continues to gradually ease toward normalcy.

Past Performance is not indicative of future results. Returns reflect reinvestment of dividends/distribution. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance quoted. Performance current to the most recent month end may be found at www.AristotleFunds.com/ performance or by calling 1-844-274-7885. The investment advisor has contractually agreed to limit certain expenses through 7/31/25. Please see the current prospectus for detailed information.

Although the economic outlook has some positive aspects, risk continues to loom over the global economy and markets. The markets may have bounced back from the first round of the trade war; however, that recovery may be based on the idea that Trump will always retract his threats. We believe the risk of a highly damaging trade war remains a serious threat, which merits some caution throughout the remaining half of 2025. Reciprocal tariffs could eventually fade, but Trump and his administration can put up other trade barriers. Since the S&P 500 Index has recovered and has reached new highs, Trump may feel emboldened to commit to more stringent policies to achieve his goal of winning favorable trade terms.

Amid the trade war confusion, inflation remains a key theme that touches many areas. Some argue that tariffs are inflationary, while others point out they are only one-time price increases. Both sides make valid points, and the actual impact would likely depend on the longevity of a trade war as well as how each trading partner handles the conflict. Prolonged tit-for-tat responses would likely have inflationary effects. These are considerations the Federal Reserve (Fed) is likely pondering over as the central bank plans and executes its monetary policies. Before the start of 2025, many had anticipated several interest-rate cuts from the Fed. However,

Fed Chair Jerome Powell and other voting members have yet to cut rates since December 2024.

While inflation has come down, the pace has leveled off. Core inflation settled in 2024, but it continues to run at a pace above the Fed's target level of 2% inflation. Under these circumstances (assuming a healthy economy and consumer base), the Fed may have little or no reason to cut rates, which has been demanded by Trump. We believe tariffs would only increase prices, not reduce them. However, if the labor market begins to deteriorate materially, the Fed may be forced to cut rates.

Much will depend on the execution of Trump's stimulative policies following the roundabout trade policy confusion throughout the first half of the year. Over the next half of the year, Trump can boost economic activity with tax cuts and deregulation. Nonetheless, geopolitical issues could continue to derail markets, which could have economic consequences. We continue to remain cautiously optimistic and will be prepared to weather the storm or ride the wave in favorable conditions. We will continue to monitor these quickly changing environments and adjust our allocations accordingly in a timely manner.

PORTFOLIO OPTIMIZATION MODERATE CONSERVATIVE FUND

COMMENTARY

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Total Returns

	Total Returns (%)			Annualized Total Returns (%)			
	3-Month	YTD	1-Year	3-Year	5-Year	10-Year	Since Fund Inception 12/31/03
Class A—NAV	5.62	5.62	9.82	8.36	5.12	4.78	4.90
Class A—MOP	-0.18	-0.18	3.77	6.34	3.95	4.19	4.63
Bloomberg US Aggregate Bond Index	1.21	4.02	6.08	2.55	-0.73	1.76	3.19
S&P 500® Index	10.94	6.20	15.16	19.71	16.64	13.65	10.44
MSCI EAFE Index	11.78	19.45	17.73	15.97	11.16	6.51	6.25
ICE BofA U.S. 3-Month Treasury Bill Index	1.04	2.07	4.68	4.56	2.76	1.98	1.70

Past Performance is not indicative of future results. Returns reflect reinvestment of dividends/distribution. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance quoted. Performance current to the most recent month end may be found at www.AristotleFunds.com/performance or by calling 1-844-274-7885. The investment advisor has contractually agreed to limit certain expenses and reevaluates them annually. Please see the current prospectus for detailed information. Net/Gross annual operating expenses for Class A are 1.12% and 1.12%.

Returns shown at net asset value (NAV) have all distributions reinvested. Returns shown at maximum offering price (MOP) for Class A shares reflect payment of the maximum sales charge of 5.50%. When a sales charge is illustrated, it is applied at the beginning of the period.

Indexes are unmanaged and cannot be invested in directly. Further, they hold no cash and incur no expenses.

All share classes may not be available at all firms, and not all investors may be eligible for all share classes.

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Definitions

The **Bloomberg US Aggregate Bond Index** is composed of investment-grade U.S. government and corporate bonds, mortgage pass-through securities, and asset-backed securities and is commonly used to track the performance of U.S. investment-grade bonds.

The **ICE BofA Merrill Lynch US 3-Month Treasury Bill Index** is comprised of a single issue with approximately three months to final maturity, purchased at the beginning of the month and held for a full month.

The **MSCI EAFE Index** is designed to measure the equity-market performance of developed markets in Europe, Australasia, and the Far East.

The **S&P 500 Index** is a market capitalization-weighted index of 500 widely held stocks often used as a proxy for the U.S. stock market.

Morningstar Category™ is a proprietary Morningstar data point. Percentile Rank in Category is the fund's total return percentile rank relative to all funds that have the same Morningstar Category. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) percentile rank is 100. The top performing fund in a category will always receive a rank of 1. Percentile Rank in Category is based on total returns which include reinvested dividends and capital gains. Morningstar calculates a Morningstar Rating™ based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance, placing more emphasis on downward variations and rewarding consistent performance. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. The top 10% of funds in each category receive five stars, the next 22.5% receive four stars, the next 35% receive three stars, the next 22.5% receive two stars, and the bottom 10% receive one star. Morningstar Ratings for other share classes may have different performance characteristics. The information contained herein: (1) is proprietary to Morningstar; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. © 2025 Morningstar Investment Management, LLC. All Rights Reserved. For Overall, three-, five-, and ten-year Morningstar Ratings for other share classes, visit [AristotleFunds.com/Performance](https://www.AristotleFunds.com/Performance). Morningstar Ratings are objective, based entirely on a mathematical evaluation of past performance. They're a useful tool for identifying investments worthy of further research but shouldn't be considered buy or sell recommendations.

Investing involves risk. Principal loss is possible. Asset allocation and diversification do not guarantee future results, ensure a profit or protect against loss. Although diversification among asset classes can help reduce volatility over the long term, this assumes that asset classes do not move in tandem and that positive returns in one or more asset classes will help offset negative returns in other asset classes. There is a risk that you could achieve better returns by investing in an individual fund or multiple funds representing a single asset class rather than using asset allocation. A fund-of-funds does not guarantee gains, may incur losses and/or experience volatility, particularly during periods of broad market declines, and is subject to its own expenses along with the expenses of the underlying funds. It is typically exposed to the same risks as the underlying funds in which it invests in proportion to their allocations.

Investors should consider a fund's investment goal, risk, charges and expenses carefully before investing. The prospectus contains this and other information about the fund and can be obtained at www.AristotleFunds.com. It should be read carefully before investing.

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