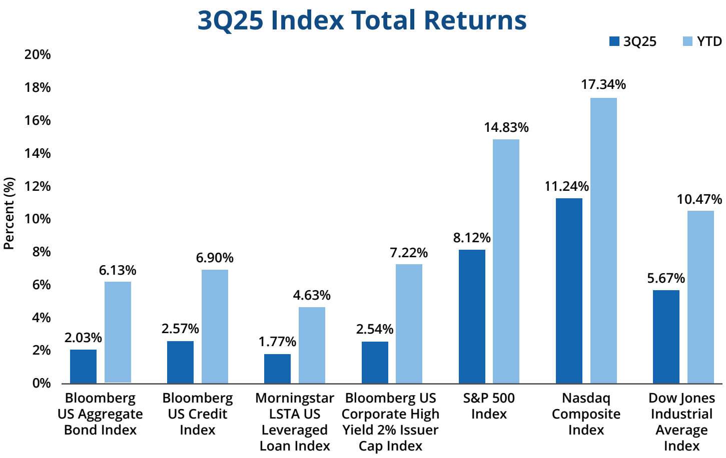
ARISTOTLE
FLOATING RATE INCOME FUND COMMENTARY

SEPTEMBER 30, 2025

SUB-ADVISED BY ARISTOTLE PACIFIC CAPITAL, LLC

Class A	Class C	Class I-2
PLFLX	**PLBCX**	**PLFDX**



Index	3Q25	YTD
Bloomberg US Aggregate Bond Index	2.03%	6.13%
Bloomberg US Credit Index	2.57%	6.90%
Morningstar LSTA US Leveraged Loan Index	1.77%	4.63%
Bloomberg US Corporate High Yield 2% Issuer Cap Index	2.54%	7.22%
S&P 500 Index	8.12%	14.83%
Nasdaq Composite Index	11.24%	17.34%
Dow Jones Industrial Average Index	5.67%	10.47%

Source: Bloomberg as of 9/30/25.

Market Review

U.S. equity and fixed-income markets generated positive total returns in the third quarter, but macro data indicated the economy was losing momentum. Domestic equity indices ended the period higher, while fixed-income performance favored longer maturities and both investment-grade and high-yield sectors.

- Market attention was largely concentrated on artificial intelligence (AI), with growing forecasts around datacenter investments, infrastructure spending, and the energy needed to power the AI revolution.
- In September, the Federal Reserve lowered the fed funds rate by 25 basis points (bps) to a target range of 4.0% to 4.25%. Federal Open Market Committee (FOMC) members signaled potentially two more cuts for the balance of 2025 as the statement noted that downside risks to employment increased during the previous two months.

Chair Jerome Powell spoke at the Jackson Hole Economic Symposium, noting that downside risks to employment and tighter immigration warranted policy adjustment, paving the way for September's 25-basis-point cut. The power struggle between the Fed and White House continued during the period, with the President making a small inroad in his efforts to change the composition of the FOMC committee. Newly appointed Fed Governor Stephen Miran was quick to assert a more aggressive rate-cutting approach and was the sole dissenter at September's FOMC meeting, advocating for a 50-basis-point cut. The president was less successful in his campaign to remove Governor Lisa Cook over mortgage fraud allegations as the Supreme Court refused to remove her until oral arguments in January 2026.

The employment outlook, which underpinned U.S. economic resilience over the last few years, softened during the third quarter. Non-farm payrolls delivered a one, two punch with below consensus prints in July and August, and the largest downward revision in the last 25 years, which ultimately led to the firing of the head of the Bureau of Labor Statistics. The unemployment rate inched up to 4.3% in August and may rise further as the Fed's August Beige Book noted that most of the 12 districts reported an increase in people looking for jobs. The University of Michigan Consumer Sentiment Survey, which measures confidence and future expectations, reflected the weakening job outlook and business conditions. The September reading was the weakest since the trade war volatility in April and also noted an uptick in long-run inflation expectations. This aligned with the Consumer Price Index, which increased to 2.9% in August, the highest reading since January, as immigration and tariff policies likely affected the areas with the highest price increases, such as food and vehicles.

Fixed-rate bonds rallied during the quarter as spread compression and lower yields were tailwinds for performance. The U.S. Treasury curve flattened as front-end yields declined with the growing rate-cut drumbeat leading up to September's FOMC meeting. Year to date, the belly of the curve has experienced the largest decline in yields, with maturities between two and five years falling by 64 to 66 bps.

Credit markets generated positive total returns, with investment-grade securities outpacing high-yield corporates and loans largely due to interest rate exposure. Credit spreads compressed during the risk-on environment, with J.P. Morgan noting that investment-grade spreads hit all-time tights following the Fed cut in mid-September.

Despite equity markets near all-time highs and tight credit spreads, there was cause for pause during the quarter due to the swift bankruptcy filings of subprime auto lender Tricolor and aftermarket auto parts supplier First Brands. Caution was further warranted by the increase of payment in kind (PIK) interest by cash-strapped private-credit borrowers, which valuation firm Lincoln International noted had increased from 6.8% at year-end 2021 to 10.7% in the first quarter of 2025.

Asset Class Overview

The floating-rate loan market generated a positive total return in the third quarter, though the outlook for fed-funds-rate cuts and issuer-specific dynamics weighed on performance. The Morningstar LSTA Leveraged Loan Index returned 1.77%, with carry the primary driver of returns. The four-year discounted spread for the index fell five bps to end at 402 bps, while the effective yield declined 36 bps to 8.00%. The average secondary price for the Morningstar Leveraged Loan Index was largely unchanged quarter over quarter at $97.06 but would have been 19 bps higher at $97.25 were it not for the late September bankruptcy filing by auto parts supplier First Brands. Market conditions favored issuers in the third quarter as modest net new supply and strong CLO demand lead to tighter spreads. Of the $404.2 billion of third quarter loan activity, repricings accounted for $227 billion of the total and generated savings of 50 bps on average in interest expense. Positive risk sentiment was also evident in the number of loans that traded above par, with single B loans grinding higher from 43% above par at the end of the second quarter to 46% at September month-end. Retail loan mutual fund flows were sluggish at -$50 million, as the prospect of Fed rate cuts weighed on future yields. CLOs remained active buyers of loans, with $53.1 billion of new tranche issuance during the period.

	3Q25 Return	3Yr DM	3Yr DM to Start Year	3Yr Life Yield	3Yr Life Yield to Start Year
Morningstar LSTA US Leveraged Loan Index	1.77%	418	424	8.53%	8.93%
BB	1.59%	264	254	6.99%	7.23%
B	1.85%	410	426	8.44%	8.95%
CCC	1.70%	1501	1379	19.36%	18.48%

Source: Bloomberg and PitchBook as of 9/30/25.

Fund Performance

The Aristotle Floating Rate Income Fund (Class I-2) returned 2.03% versus the Morningstar LSTA Leveraged loan Index return of 1.77%.

Portfolio Review

For the quarter, the fund outperformed the benchmark primarily due to security selection and sector allocations. Underweights to the automobiles/components and materials and an overweight to commercial and professional Services benefited performance. An underweight to media & entertainment and an overweight to insurance detracted from performance.

Fund Allocation

The fund did not have any material changes during the quarter.

Contributors/Detractors

Across credit qualities, the fund benefited from an underweight to BB rated issuers and an overweight to CCC rated loans. Our CCC rated loan exposure is almost all in performing second-lien issuers. Security selection in B rated loans detracted from performance. The fund's focus on performing credits and those above $90 benefited performance. During the quarter, distressed issuers underperformed given increasing political and economic uncertainty.

Manager Outlook

After a slow start to the year driven by tariff concerns, the loan asset class reverted back to generating coupon-like returns in the third quarter of 2025. The Morningstar LSTA Leveraged Loan

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 7/31/28. Please see the current prospectus for detailed information.*

Ratings are measured on a scale that generally ranges from AAA (highest) to D (lowest).

index returned 1.77% during the quarter, resulting in a 4.63% return year-to-date. In the third quarter of 2025, single B-rated loans led the way returning 1.85%, with BBs and CCCs returning 1.59% and 1.70%, respectively. The average loan price of the index ended the quarter at $97.06, basically unchanged on the quarter.

Although on the surface the asset class was uneventful, there were several notable items. The big news in the quarter was the rapid demise of auto parts supplier First Brands' debt, which was the largest detractor in the loan index. The company's ~$5 billion of first-lien debt spiraled from trading in the $90s earlier in the year to as low as the $30s. The company's ~$500 million second lien tumbled to less than 10 cents on the dollar, as concerns grew about the company's liquidity and complicated off-balance-sheet financing arrangements, much of it done in the opaque private-credit markets. The company has since filed for bankruptcy. We often say you win in this asset class by not losing. Our investment process and philosophy of investing in simple to understand businesses and avoiding low enterprise multiple valuation businesses or sectors made this an easy investment for us to pass on.

The other big news in the quarter is that M&A activity appears to be picking up with two large LBOs announced. First, Thoma Bravo agree to acquire Dayforce for $12 billion. Second, Electronic Arts agreed to be acquired by PIF, Silver Lake and Affinity Partners for $55 billion, which marks the largest LBO announced on record. Both of these deals will bring new paper to the loan market. The previous record for an LBO was the take private of Energy Future Holdings (TXU) for $55 billion in 2007.

In a sign of how far the market has come since the great financial crisis, the loan-to-value in Dayforce and Electronics Arts is less than 50% – TXU had a loan-to-value at launch at around 80%.

The other notable theme in the quarter is the heightened focused on AI and the potential negative impacts it could have on borrowers through disintermediation. We have reviewed our portfolio for credits that may have AI risk, while at the same time we have entered new positions where we feel the AI risk is overblown. AI is neither all bad nor all good and differentiating between the two should drive opportunity in the years ahead.

Looking ahead, despite the recent murky job numbers and the Fed in easing mode, we remain constructive on the asset class for several reasons. First, valuations still appear compelling with a yield north of 7% and with the average loan price of the index at $97.06. Second, corporate fundamentals appear adequate as earnings generally continue to be healthy. In addition, interest coverage ratios should improve for leveraged-loan borrowers as interest rates decline.

For our portfolios, we maintain a bias for performing credits, as evidenced by the higher average-dollar price of our holdings. By sector, we remain overweight insurance and capital goods, while being underweight consumer services, healthcare, and telecommunication services. We are underweight distressed loans, with our CCC exposure largely concentrated in performing second-lien loans.

Performance as of 9/30/25

	Total Returns (%)			Annualized Total Returns (%)			
	3-Month	YTD	1-Year	3-Year	5-Year	10-Year	Since Fund Inception
Class A–NAV	1.86	4.52	6.53	9.57	6.34	4.97	4.71
Class A–MOP	-1.19	1.42	3.37	8.46	5.70	4.66	4.48
Class I–2	2.03	4.72	6.80	9.87	6.63	5.24	4.97
Morningstar LSTA US Leveraged Loan Index	1.77	4.63	7.00	9.85	6.96	5.47	5.01

Top 10 Issuers	Weight (%)
Alliant Holdings Intermediate, LLC	3.69
Weber, Inc.	3.49
CommScope	3.41
TransDigm Group Incorporated	3.29
CRC Insurance Group LLC	2.63
Allied Universal Manager LLC	2.57
Proofpoint, Inc.	2.50
CoreLogic, Inc.	2.39
Ellucian Support Inc.	2.05
RealPage, Inc.	2.04
Total	**28.07**

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 7/31/28. Please see the current prospectus for detailed information.*

Gross/Net annual operating expenses for Class A are 1.05%/1.05%, inception date 12/30/11. Gross/Net annual operating expenses for Class I-2 are 0.80%/0.80%, inception date 6/29/12.

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.

Definitions

One **basis point** equals 0.01%.

The **Bloomberg 1–3 Year US Government/Credit Bond Index** is a performance benchmark of U.S. investment-grade government and corporate bonds with maturities of one to three years.

The **Bloomberg Asset-Backed Securities (ABS) Index** is the ABS component of the Bloomberg U.S. Aggregate Index that measures the performance of ABS with the following collateral types: credit and charge card, auto and utility loans. All securities have an average life of at least one year.

The **Bloomberg Short Treasury Total Return Index** is a performance benchmark of all U.S. Treasuries that have a remaining maturity between one and twelve months.

The **Bloomberg US Aggregate Bond Index** is composed of investment-grade U.S. government bonds, investment-grade 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 **Bloomberg US Corporate Bond Index** includes publicly issued U.S. corporate and specified foreign debentures and secured notes that meet the specified maturity, liquidity, and quality requirements.

The **Bloomberg US Corporate High Yield Bond Index** measures the USD-denominated, high yield, fixed-rate corporate bond market.

The **Bloomberg US Credit Index** measures the investment grade, US dollar-denominated, fixed-rate, taxable corporate and government-related bond markets. It is composed of the US Corporate Index and a non-corporate component that includes non-US agencies, sovereigns, supranationals and local authorities.

The **Bloomberg US High-Yield 2% Issuer Capped Bond Index** measures the performance of high-yield bonds with a 2% maximum allocation to any one issuer.

The **Dow Jones Industrial Average index (DJIA)** tracks the share price of the top 30 large, publicly owned U.S. companies which is often used as an indicator of the overall condition of the U.S. stock market.

Duration is often used to measure a bond’s or fund’s sensitivity to interest rates. The longer a fund’s duration, the more sensitive it is to interest-rate risk. The shorter a fund’s duration, the less sensitive it is to interest-rate risk.

Morningstar LSTA US Leveraged Loan Index is a market-value weighted index designed to measure the performance of the US leveraged loan market.

The **Nasdaq Composite** is a stock market index that consists of the stocks that are listed on the Nasdaq stock exchange.

Option adjusted spread (OAS) is the measurement of the spread of a fixed-income security rate and the risk-free rate of return.

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.

Yield to worst is the lowest potential yield that can be received on a bond without the issuer actually defaulting.

Investing involves risk. Principal loss is possible. The Fund is subject to liquidity risk (the risk that an investment may be difficult to purchase, value, and sell particularly during adverse market conditions, because there is a limited market for the investment, or there are restrictions on resale) and credit risk (the risk an issuer may be unable or unwilling to meet its financial obligations, risking default). High-yield/high-risk bonds ("junk bonds") and floating-rate loans (usually rated below investment grade) have greater risk of default than higher-rated securities/higher-quality bonds that may have a lower yield. The Fund is also subject to foreign-markets risk.

This commentary represents the views of the portfolio managers at Aristotle Pacific Capital, LLC as of the publication date and are presented for informational purposes only. These views should not be construed as investment advice, an endorsement of any security, mutual fund, sector or index, or to predict performance of any investment. Any forward-looking statements are not guaranteed. All material is compiled from sources believed to be reliable, but accuracy cannot be guaranteed. The opinions expressed herein are subject to change without notice as market and other conditions warrant. Sector names in this commentary are provided by the Fund's portfolio managers and could be different if provided by a third party.

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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Diversification does not assure a profit, nor does it protect against a loss in a declining market.