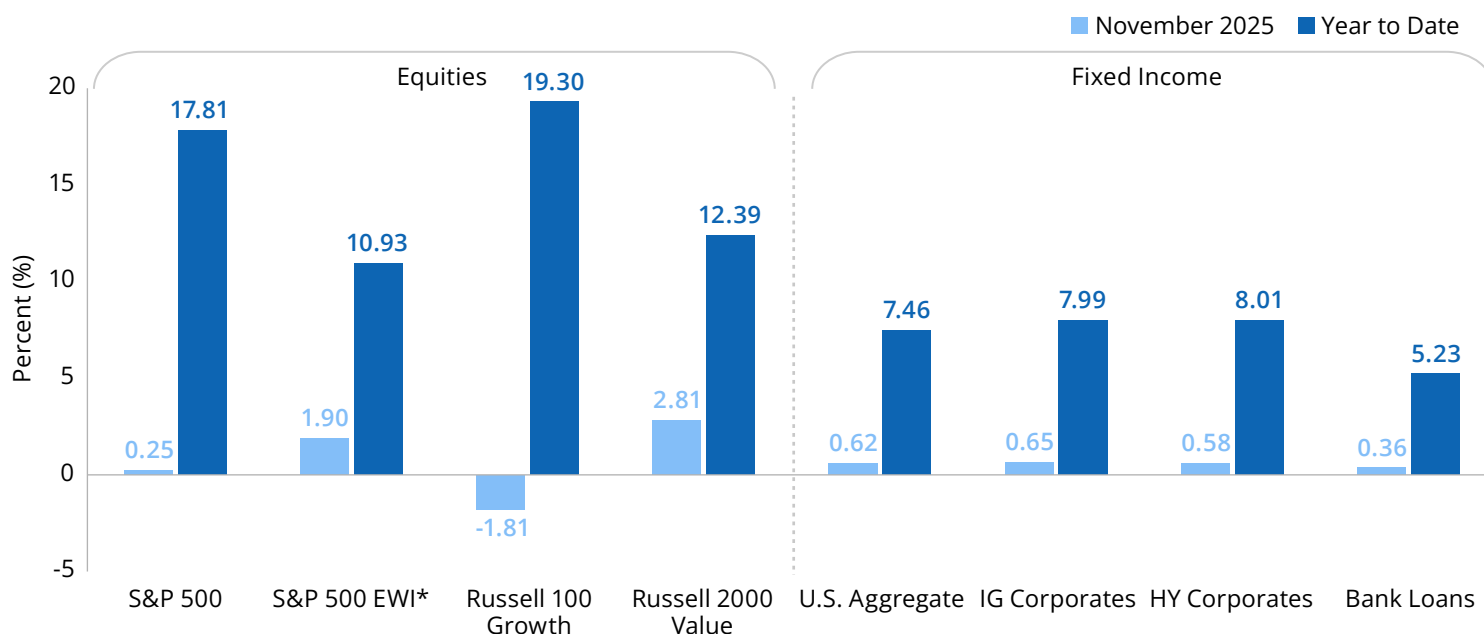


HOMES FOR THE HOLIDAYS

Plus, Aristotle Pacific CEO Dominic Nolan discusses opportunities in fixed income, the Fed's next moves, market analysis, and economic trends.

We recently sat down with Dominic Nolan, CEO of Aristotle Pacific Capital, to get his insights on credit markets, the outlook for rate cuts and the economy, and opportunities in fixed income. We conclude with a speed round of questions and answers, and a personal reflection.

Market Performance: Total Return



Past performance does not guarantee future results. Source: Morningstar as of 11/30/25. *Equal Weight Index HY Corporates represented by Bloomberg US Corporate High Yield Index, Bank Loans represented by J.P. Morgan Leveraged Loan Index, IG Corporates represented by Bloomberg US Corporate Index, U.S. Aggregate represented by Bloomberg US Aggregate Bond Index.

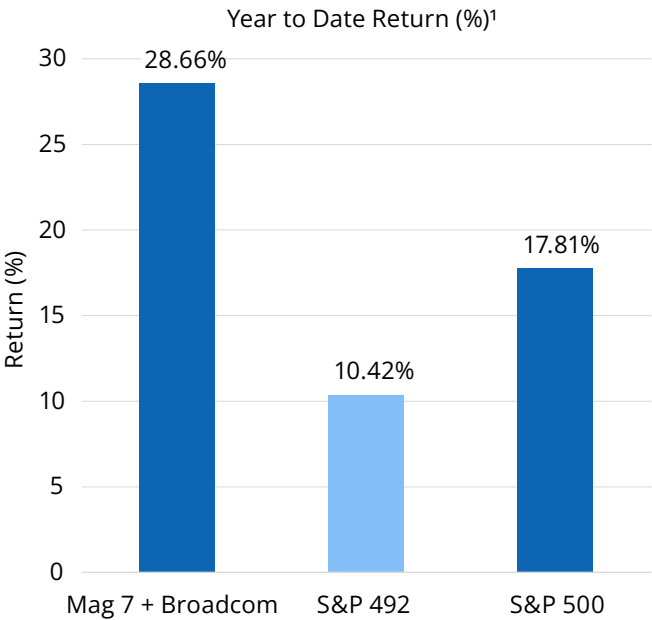
November was largely positive for stock and bond performance. What happened?

There were a few key tailwinds. The government shutdown ended. New York Federal Reserve President John Williams stated that monetary policy is modestly restrictive and there is room to move the federal funds rate closer to neutral, contributing to market optimism for a rate cut in December. Most importantly, companies continued to report strong earnings, with those in the S&P 500 Index growing earnings on average roughly 13% in the third

quarter versus a year earlier, and 83% of them exceeding earnings per share estimates.

With that said, the gains were modest in November, with more of a value tilt than earlier in the year. The S&P 500 rose just 25 basis points (bps) in November, yet it is still up 17.8% year to date. By contrast, the S&P 500 Equal Weight Index rose 1.9% last month and is up 10.9% for the year. The Russell 1000 Growth Index declined 1.8% last month and is up 19.3% for the year. The Russell 2000 Value Index out shown them all last month, rising 2.8%, and is up 12.4% for the year.

Mag 7+1: The Eighth Wonder — Broadcom



	Year-to-Date Average Weight (%)	November 2025 1-Month Return (%)	Year-to-Date Total Return (%)
Nvidia Corporation	7.01	-12.59	31.83
Microsoft Corporation	6.57	-4.80	17.59
Apple Inc.	6.54	3.24	11.85
Alphabet Inc.	4.03	13.74	69.23
Amazon.com, Inc.	3.93	-4.50	6.30
Meta Platforms, Inc.	2.79	-0.06	10.92
Broadcom Inc.	2.36	9.02	75.06
Tesla, Inc.	1.85	-5.78	6.52
Contribution to S&P 500 Index Year-to-Date 2025 Performance ¹			
Magnificent 7 + Broadcom			9.14%
Rest of the Companies in S&P 500 Index			8.67%

Past performance does not guarantee future results. Source: FactSet 1/1/2025 - 11/30/2025, MAG 7 Companies Sorted By Average Weight
¹Mag 7+1 and S&P 492 return reflects average return while the S&P500 is the weighted average return. A full list of each fund's holdings can be found at www.aristotlefunds.com/resources/prospectuses-reports and are subject to change at anytime. Any discussion of individual companies in this presentation is not intended as a recommendation to buy, hold or sell securities issued by those companies.

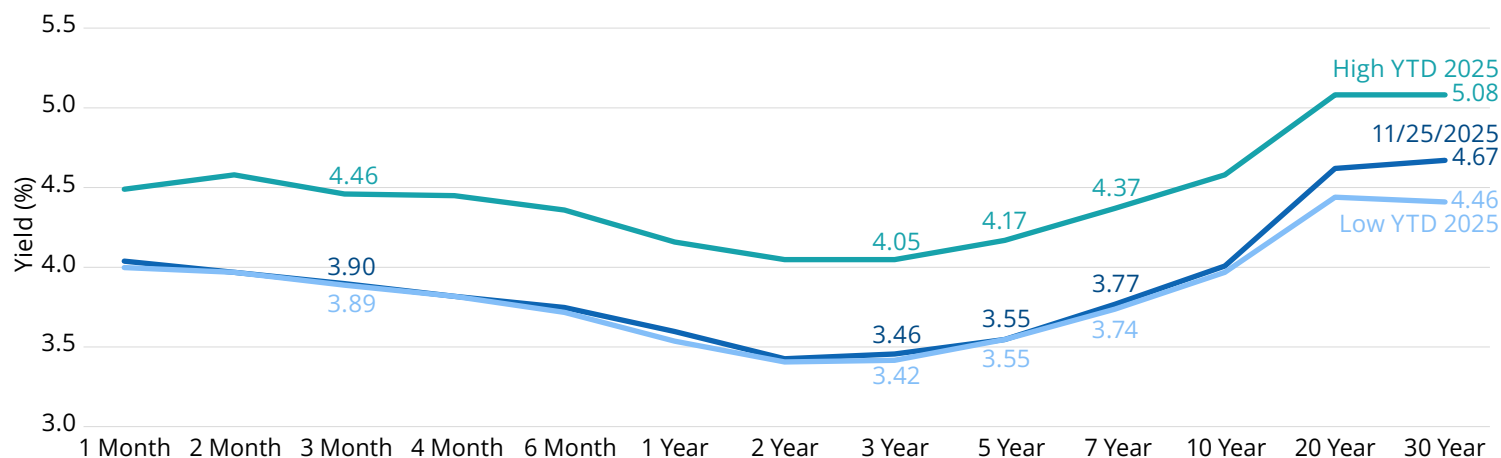
Fixed income also performed modestly well last month. The Bloomberg US Aggregate Bond Index, as well as investment-grade and high-yield corporates all returned close to 60 bps in November, now in the 7.5% to 8% return range for the year. Banks loans returned 36 bps in November and are up 5.2% for the year.

Anything notable about the Magnificent 7?

Performance was mixed for the Mag 7, plus Broadcom, with Alphabet on the high end, returning

13.7% in November, and Nvidia on the low end, declining 12.6%. Still, these eight companies have returned 28.7% year to date, far outpacing the S&P 500. One highlight: We added Broadcom a few months ago to this watch list and it has returned the most this year, 75.1%, and last I checked its market cap was about \$1.8 trillion, higher than Meta’s roughly \$1.7 trillion market cap. Conventional wisdom has not included Broadcom in the Mag 7, but we definitely will continue including the company in this group.

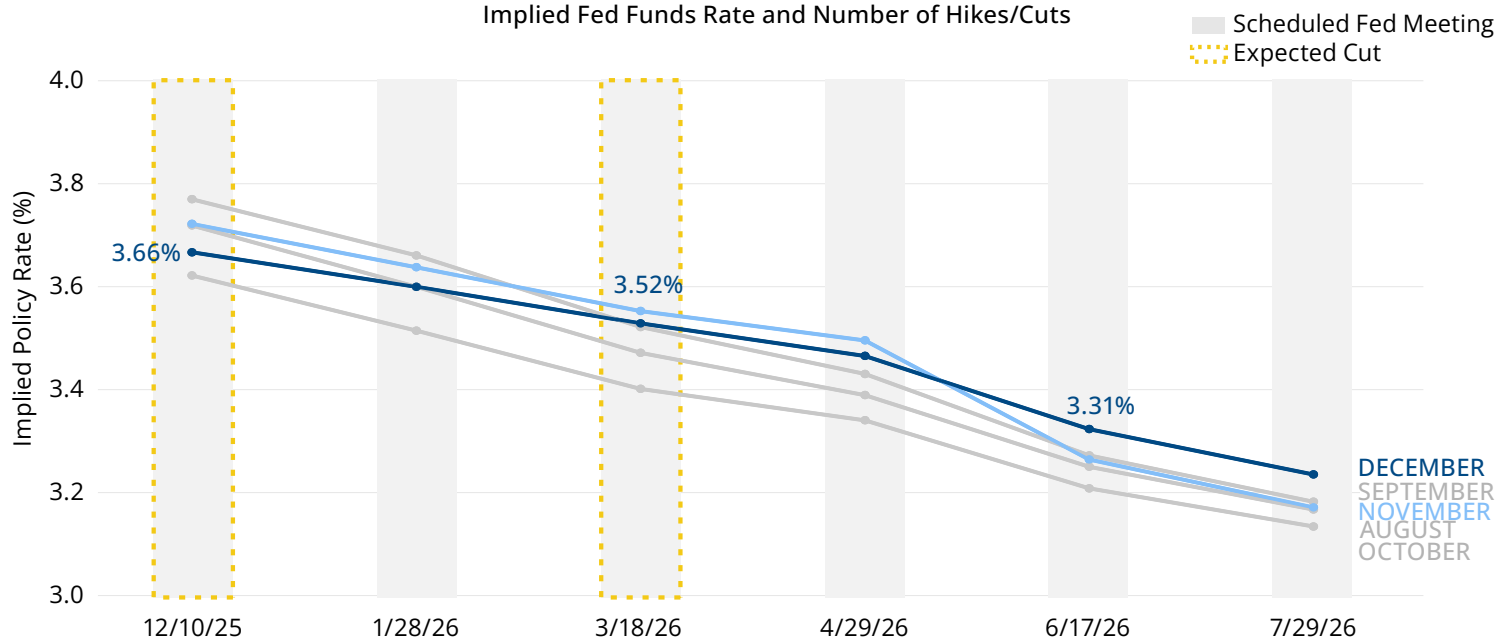
10-year Treasury Yield Curve: 2025 Range



Past performance does not guarantee future results. U.S. Treasury Daily Par Yield Curve Rates, as of 11/25/2025.

Fed Futures: One More Cut Expected in 2025 and More Coming

Implied Fed Funds Rate and Number of Hikes/Cuts



Source: Bloomberg, as of 12/1/25.

U.S. Treasury yields declined in November. What pulled them lower?

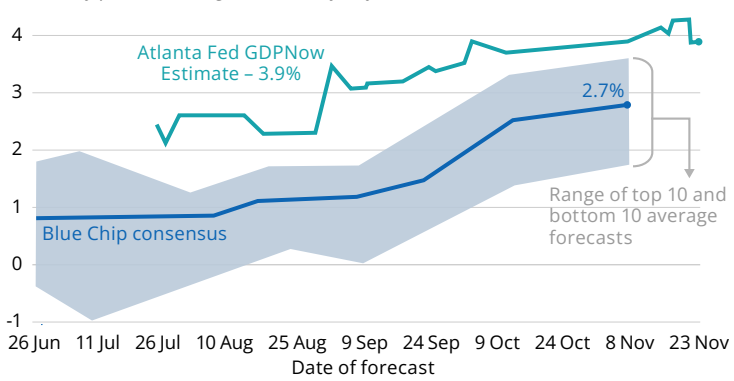
Yields have declined about 60 basis across maturities from the highs. The main drivers of that decline have been expectations of further Federal Reserve rate cuts, softening economic data, and

conventional wisdom viewing risk premiums as somewhat rich.

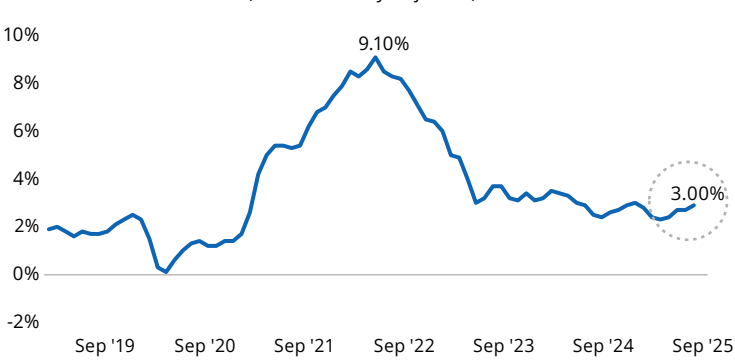
The curve is normalizing. The 10-year Treasury yield remains above 4% and the shorter maturities are below 4%, which is the inverse of their relationship just two years ago.

Aristotle Funds' Economic Dashboard: Pockets of Strengths and Weaknesses

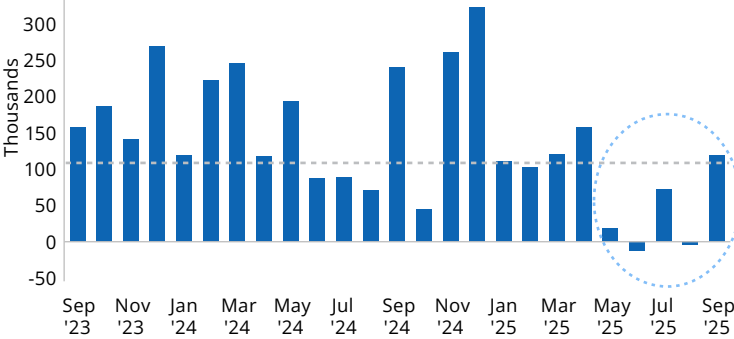
Evolution of Atlanta Fed's GDPNow Real GDP Estimate for 3Q 2025
Quarterly percent change (Seasonally Adjusted Annualized Rate)



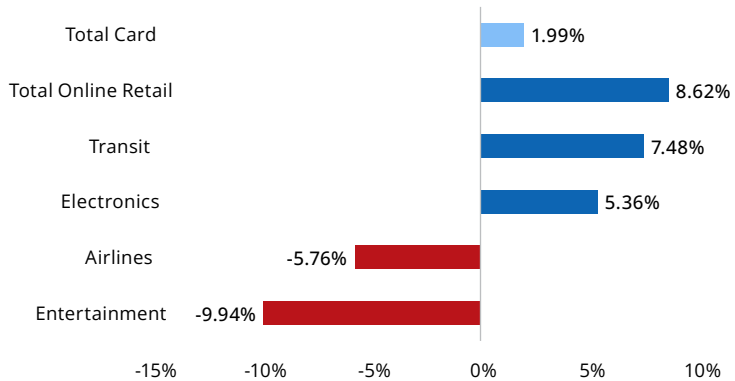
Consumer Price Index: 12-Month Percent Change
(Not Seasonally Adjusted)



Monthly Change in Nonfarm Payrolls
Average: 137
12-Month Average: 109



Consumer Spending



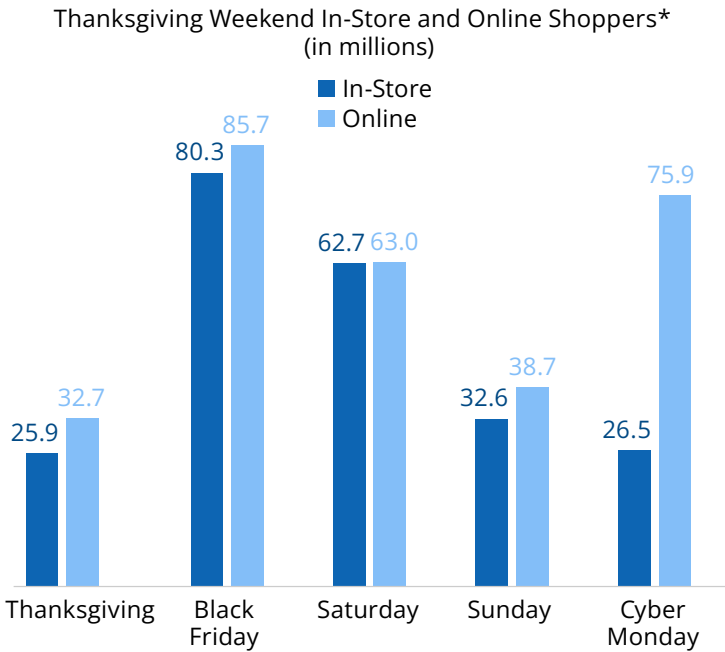
Sources: GDP – Blue Chip Economic Indicators and Blue Chip Financial Forecasts as of 12/1/25; CPI – U.S. Bureau of Labor Statistics as of 9/30/25, most recent data available as of 12/1/2025; Payrolls – U.S. Bureau of Labor Statistics as of 9/30/25, most recent data available as of 12/1/25; Consumer Spending, Bank of American Consumer Spend as of 10/25/2025-11/22/2025.

How is the Economy Doing?

We continue to see a mix of strengths and weaknesses. The Atlanta Fed's GDPNow indicator recently logged an estimated 3.5% growth rate for the third quarter, which suggests a healthy economy, though it has been trending down from above 4% in November. Keep in mind that at the beginning of year consensus pointed to a slowdown in the economy and a growth rate of 2%.

Meanwhile, due to the recently ended government shutdown we are missing the October CPI data, but before then inflation had been sticky at 3% for months. I believe tariffs are contributing to that stickiness, as is the decline in immigration, since it lowers the supply of labor. The labor market has been in an odd equilibrium as the decline in immigration offsets the decline in hiring. Bottom line: I'd say the economy is doing fine but has slowed.

Shopping By The Numbers: 2025 Better Than Expected



Source: NRF's 2025 Thanksgiving Weekend Consumer Survey, conducted by Proper Insights & Analytics.
*Results cannot be summed to determine the number of unique shoppers because some consumers may have shopped both in-store and online.

Are consumers demonstrating confidence this holiday season?

So far, the answer is yes. A record 202.9 million consumers shopped over the five-day Thanksgiving Weekend, according to the National Retail Federation, which had expected 186.9 million. Online shoppers outpaced in-store, but not by much, except for Cyber Monday, where nearly three times as many people bought goods online. Cyber

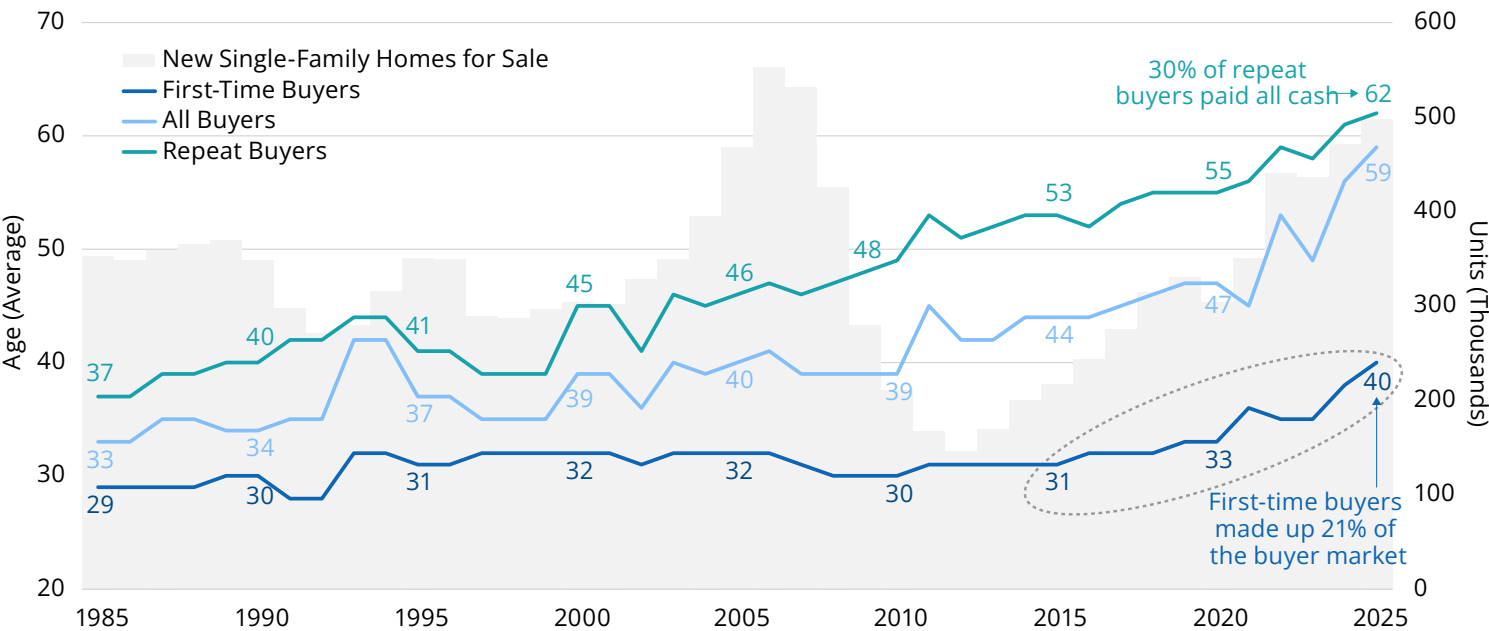
Monday's online shoppers totaled 75.9 million versus 85.7 million online shoppers active on Black Friday. Mostly for fun I looked at the NRF's top 10 sellers for girls and boys. The boys list was the same as last year with Legos in the No. 1 slot once again. On the girls list, clothes and Squish Meows dropped off, and Labubus and KPop Demon Hunters joined the top 10, and, man, I feel old saying those names.

Let's shift to our special topic. The American dream of home ownership today seems out of reach for many people. To begin the discussion, is that statement true?

There's truth to it. The median age of first-time homebuyers recently reached an all-time high of 40 years old, and first-time buyers overall accounted for a record low 21% of all homebuyers, according to the National Association of Realtors. The median age of repeat buyers also has been trending up and recently reached 62 years old.

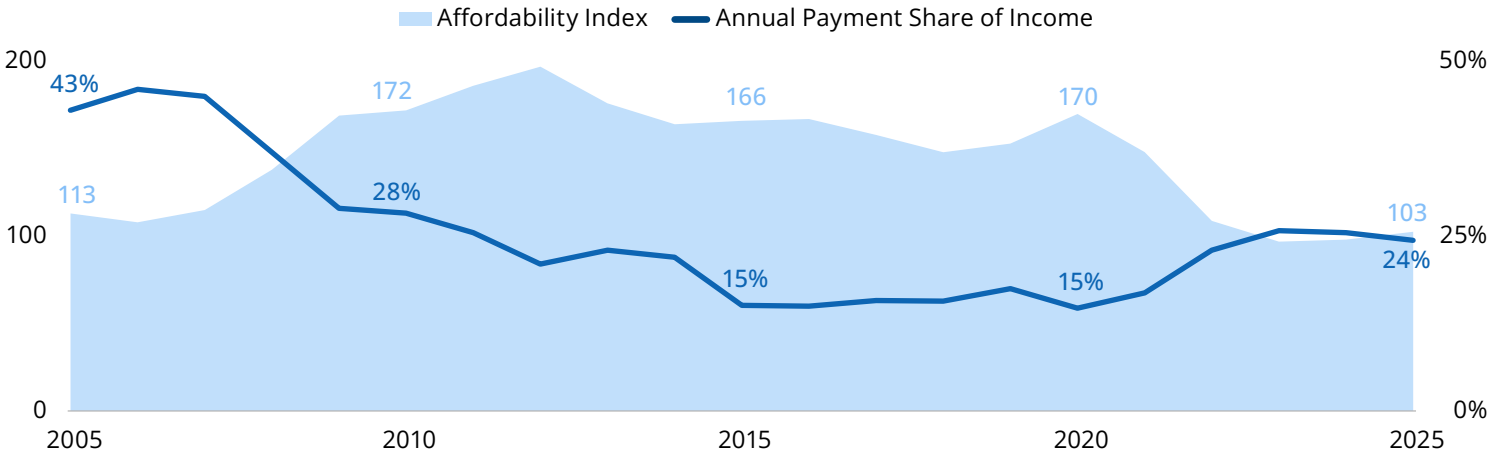
I see these rising ages as driven by a combination of lower affordability and evolving demographics. Certainly, first-time homebuyers are finding it harder to afford their first home; there's no question in my mind. Also, younger generations are tending to marry later and have children later, so that suggests they also are delaying their first home purchase. AS it relates to repeat buyers being older, that is driven by demographics rather than affordability, with aging baby boomers moving to smaller homes or buying a second home.

Homes For The Holidays: Age of First-Time Buyers Spikes to 40



Source: National Association of Realtors, Realtor.com, Zillow, and AEI Housing Center as of 9/30/2025.

Homes For The Holidays: Affordability On The Edge



HOUSING AFFORDABILITY

	Median Price Existing Single-Family Home	Mortgage Rate	Monthly P & I Payment	Payment as a % of Income	Median Family Income	Qualifying Income	Composite Affordability Index
2020	300,200	3.17	1,035	14.7	84,394	49,680	169.9
2025	402,300	6.90	2,120	24.4	104,281	101,743	102.5
Percent Change	34%	118%	105%	66%	24%	105%	-40%

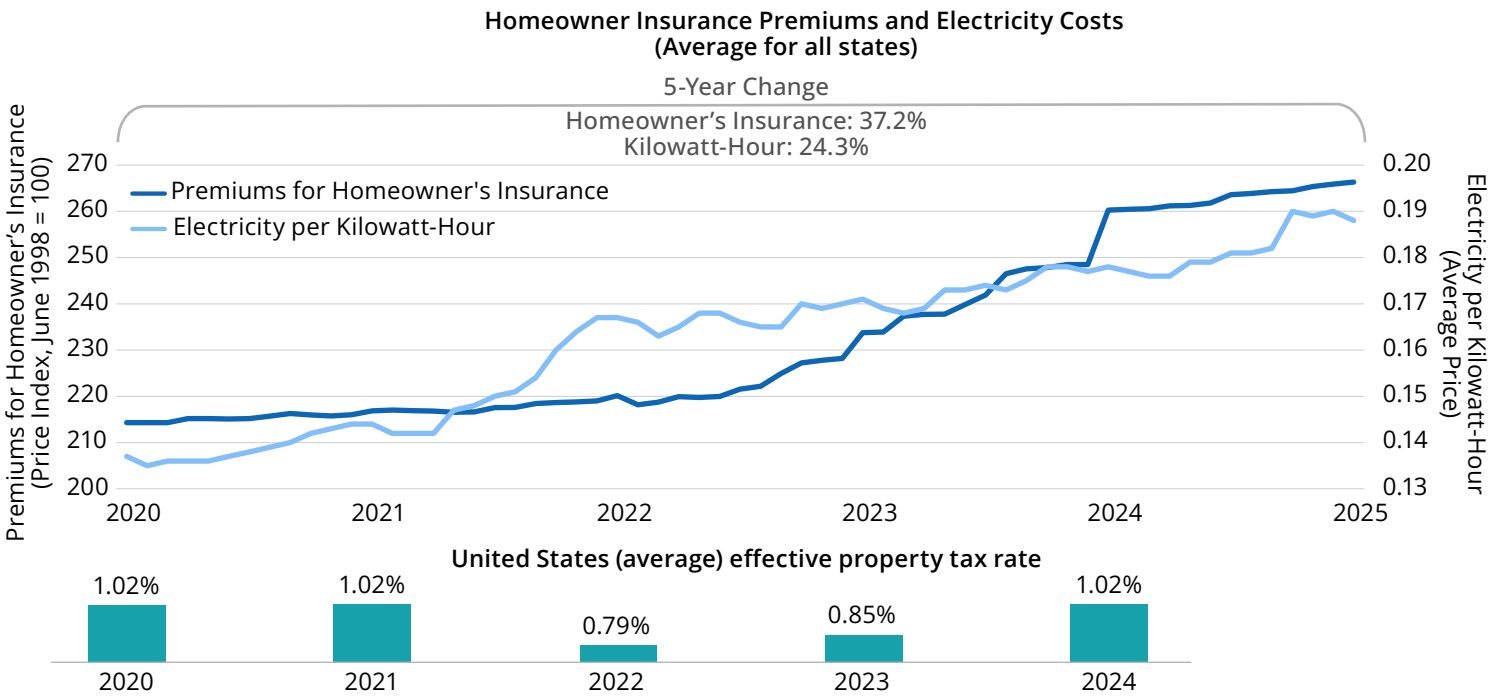
Source: National Association of Realtors as of 10/31/2025.

How did home ownership become so unaffordable?

In a nutshell, costs have risen more quickly than income over the past five years. The median price of a home is up about 34% from 2020 at more than \$400,000, while the median family income rose about 24% over the same period. In addition, mortgage rates have more than doubled over five years, and the median monthly mortgage payment

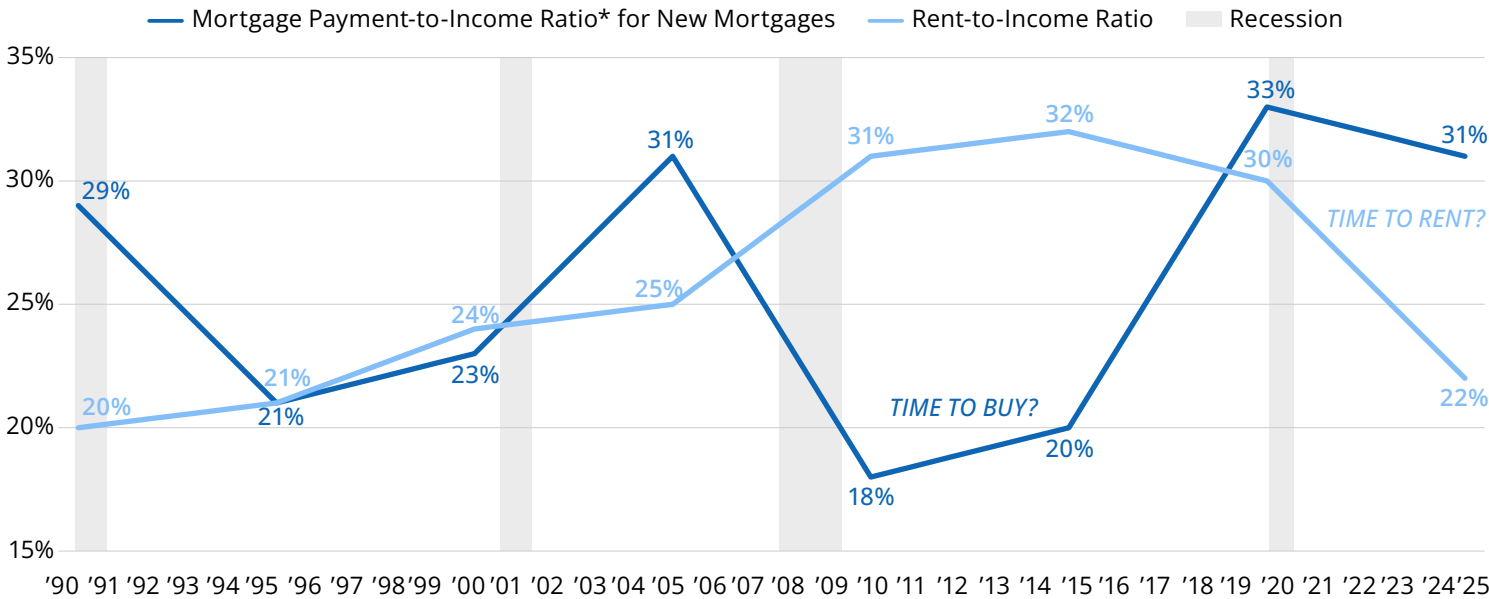
has also more than doubled over that period. Combining home appreciation and mortgage rates, the average payment has doubled since 2020. Unfortunately, it doesn't stop there. Homeowner's insurance has also increased faster than income, rising 37.2% over five years. Property taxes also have increased more than income, and energy costs have roughly kept pace with rising income. There simply is no relief for would be homebuyers.

Homes For The Holidays: Beyond The Mortgage



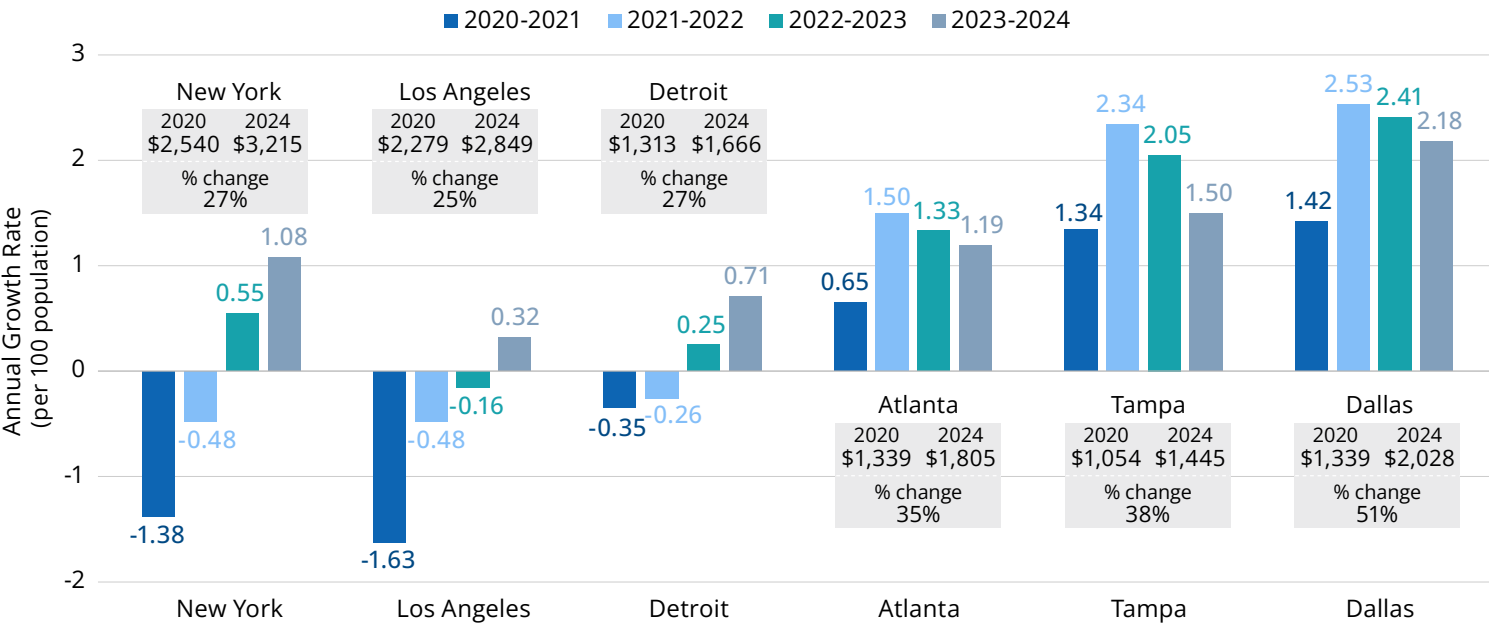
Source: FRED, Average Price: Electricity per Kilowatt-Hour in U.S. City Average (APU000072610) | FRED | St. Louis Fed, FRED Producer Price Index by Industry: Premiums for Property and Casualty Insurance: Premiums for Homeowner's Insurance (PCU9241269241262) | FRED | St. Louis Fed, and US Census Bureau as of 1/31/2025.

Homes For The Holidays: Who Wins The Affordability Battle?



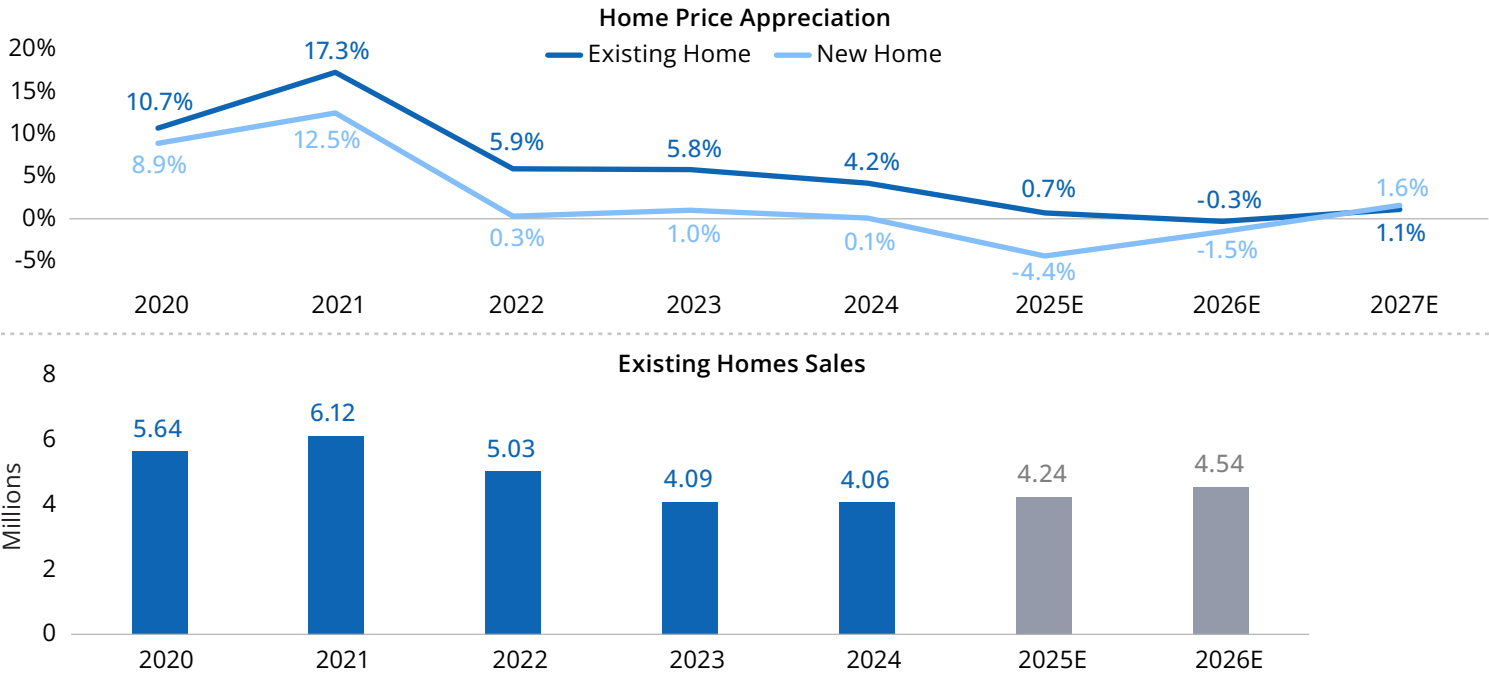
Source: Department of Commerce, Goldman Sachs Research.
*Estimated using prevailing 30-year fixed mortgage rates, loan-to-value ratio, and median home prices for first-time home buyers.

Homes For The Holidays: Denser Populations That Declined in Covid Have Started to Rebound



Source: William H. Frey analysis of Census Bureau vintage 2024 estimates, released March 13, 2025. Zillow Research as of 12/2/2025.

Homes For The Holidays: Forecast Dashboard



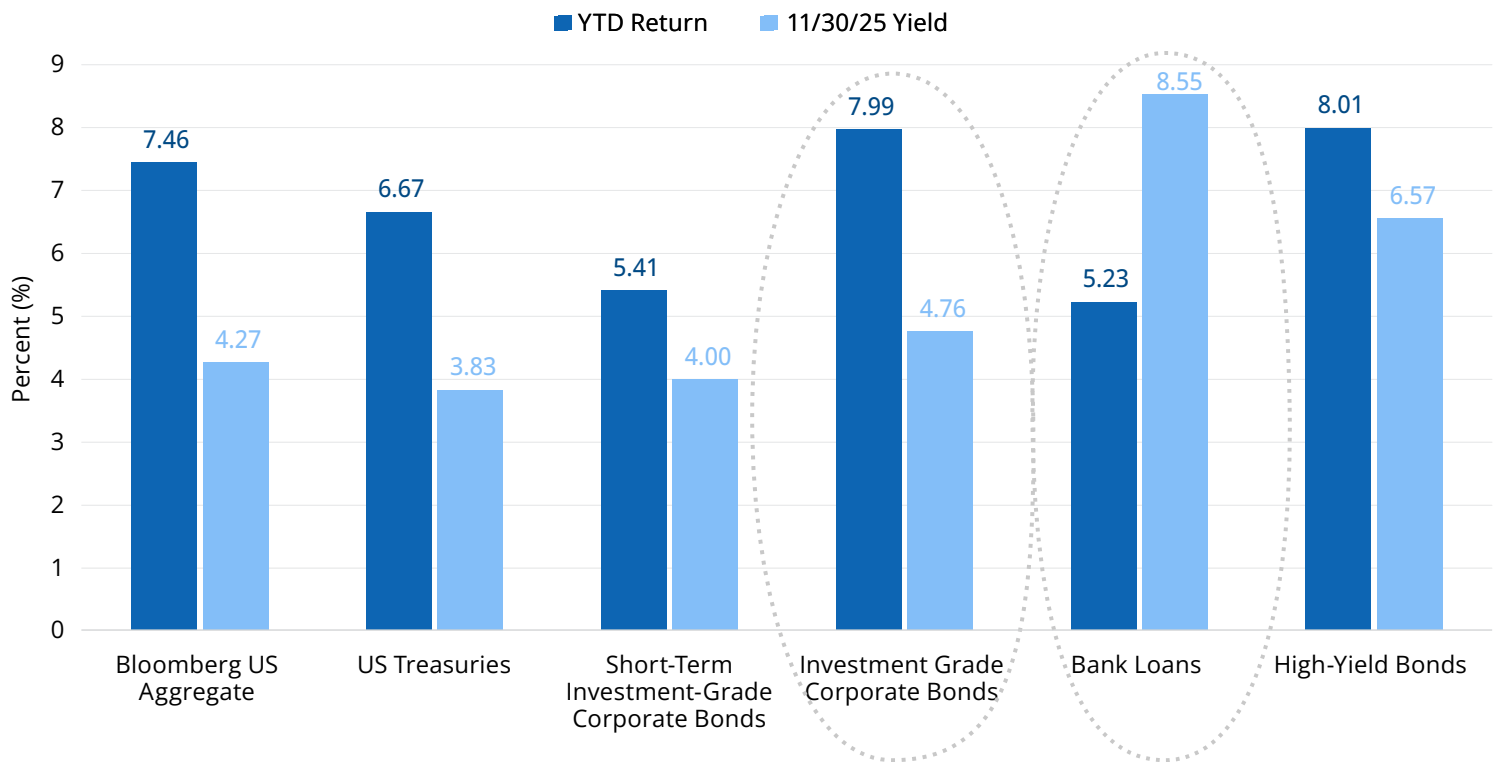
Estimates depict the year end forecast. Source: Zelman Associates Research, as of 11/1/2025. National Association of Realtors, as of 10/31/2025.

What do you anticipate for home prices and sales in 2026?

The home price forecast from Zelman — led by the excellent market analyst Ivy Zelman — over the next two years is close to flat. New home prices are expected to decline 1.5% in 2026 and rise 1.6% in 2027, while existing home prices should decline 0.3% next year and rise 1.1% in 2027. Sales activity should increase modestly next year as interest rates decline and increase in 2027.

Assuming forecasts are largely correct, those that do purchase a home are unlikely to see much appreciation in the near term in most markets, adding to an argument to rent given lower carrying costs. Hopefully, this price stability helps lead to increased affordability, assuming incomes rise and rates move lower.

Fixed Income Yields and Year-to-Date Returns



Past performance does not guarantee future results. Source: Bloomberg and J.P. Morgan, as of 11/30/2025. Yield quoted is yield-to-worst, except for Bank Loans which represents 4-year effective yield. US Treasury represented by the Bloomberg US Treasury Index. Investment-grade corporate bonds are represented by the Bloomberg US Corporate Index. Short term investment grade corporate bonds are the 1-3 year component of the Bloomberg US Credit Index. Bank loans are represented by the S&P UBS Leveraged Loan Index and index components. High yield is represented by the Bloomberg US Corporate High Yield Index.

Let's talk bonds. Where are you seeing opportunities in fixed income today?

We have been leaning into investment grade corporates for the past three to six months and continue to do so. They have returned close to 8% this year and yielded 4.8% at the end of November. As long as the 10-year Treasury yield remains above 4%, I see duration as a net

tailwind, and I believe investment grade corporates can weather a softening economy.

Bank loans have underperformed, but they offer diversification and are yielding about 8.6%. Even if the Fed cuts rates 50 basis points, bank loans will still yield about 8%, which is a healthy carry and hedge against rate volatility, in my view.

Time for the random round. I'll give you a word or phrase, and you tell me the first thing that comes to your mind.

First: Tether buying gold.

Tether has earned billions on their popular stablecoin and has a lot of money to play with.

Aggressive private credit marks.

With so much money flowing into private credit, we have seen some minor or idiosyncratic blowups. The aggressive marks are part of the backstory. For example, we might own a first lien trading in the mid-80s, and any second lien should trade significantly lower, perhaps in the 40s. Yet we have seen some private credit funds marking second liens above the first lien because they have the "regulatory freedom" to do that. There's wonkiness going on.

Google, TPU.

NVIDIA is still so dominant, but supplies are constrained, and it's a competitive world. It's inevitable that somebody is going to make a play, and if a company can produce a chip with 90% of what an NVIDIA GPU gives you for substantially lower costs, then it can find an audience.

10% of Meta's advertisements are suspected frauds.

I thought it was higher. Let's say at least 10%.

What are you watching?

Landman. Another Taylor Sherridan hit.

Favorite Christmas ornament?

Every year we place an ornament on our tree that we purchased while traveling.

Let's close with a personal reflection.

The holidays are a great time to be with people you want to spend time with and your family — hopefully those are the same people. Every holiday season is a blessing. Pause and remember that.

Definitions:

The **10-year Treasury note** is a debt obligation issued by the U.S. government with a maturity of 10 years upon initial issuance. It pays interest at a fixed rate every six months and pays the face value to the holder at maturity.

The **10-year Treasury yield** is the interest rate the U.S. government pays to borrow money for a decade.

The **Atlanta Fed's GDPNow** is a forecasting model that provides a "nowcast" of GDP growth.

Bank loans (or **floating-rate loans**) are financial instruments that pay a variable or floating interest rate. A floating rate fund invests in bonds and debt instruments whose interest payments fluctuate with an underlying interest rate level.

Basis points, otherwise known as bps or bips, are a unit of measure used in finance to describe the percentage change in the value or rate of a financial instrument. One basis point is equivalent to 0.01% (1/100th of a percent) or 0.0001 in decimal form.

A **bond** is a fixed-income instrument and investment product where individuals lend money to a government or company at a certain interest rate for an amount of time. The entity repays individuals with interest in addition to the original face value of the bond.

The **Consumer Confidence Index (CCI)** is a monthly report that measures how optimistic consumers are about the economy, labor market, and their finances.

The **Consumer Price Index (CPI)** is a measure that examines the weighted average of prices of a basket of consumer goods and services such as transportation, food, and medical care. It is calculated by taking price changes for each item in the predetermined basket of goods and averaging them. Changes in the CPI are used to assess price changes associated with the cost of living.

Consumer Sentiment is a statistical measurement of the overall health of the economy as determined by consumer opinion.

A **coupon** or **coupon payment** is the annual interest rate paid on a bond, expressed as a percentage of the face value and paid from issue date until maturity. **Clipping coupons** refers to the practice of earning income through interest payments from bonds.

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.

Effective tariff rate measures the actual protection afforded to domestic producers, considering tariffs on both the final product and imported inputs.

Fed funds futures is a tool used by traders and institutions to hedge or bet on changes in the federal funds rate, which is key to U.S. monetary policy.

The **federal funds rate** is the target interest rate set by the Fed at which commercial banks borrow and lend their extra reserves to one another overnight.

The **Federal Open Market Committee (FOMC)** is the branch of the Federal Reserve System that determines the direction of monetary policy and is responsible for raising or lowering interest rates.

Fixed income refers to assets and securities that pay a set level of income to investors, typically in the form of fixed interest or dividends.

Gross Domestic Product (GDP) is the total monetary or market value of all the finished goods and services produced within a country's borders in a specific time period. The **nominal GDP growth rate** compares the year-over-year (or quarterly) change in a country's economic output to measure how fast an economy is growing. **Real GDP** is GDP adjusted for inflation.

High-yield bonds are debt securities, also known as junk bonds, that are issued by corporations.

Investment grade refers to the quality of a company's credit. To be considered an investment grade issue, the company must be rated at 'BBB' or higher by Standard and Poor's or Moody's.

Definitions (continued):

The **Personal Consumption Expenditures Index (PCE)** is a measure of consumer spending and includes all goods and services bought by U.S. households. **Core PCE** excludes the prices of food and energy.

Risk is defined in financial terms as the chance that an outcome or investment's actual gains will differ from an expected outcome or return.

Spread is the measurement of the spread of a fixed-income security rate and the risk-free rate of return, represented by treasury bonds. Spread income refers to the additional income from this difference.

Volatility is a statistical measure of the dispersion of returns for a given security or market index. In most cases, the higher the volatility, the riskier the security.

Yield is the income returned on an investment, such as the interest received from holding a security.

A **yield curve** plots the interest rates of bonds that have equal credit quality but different maturity dates.

For more insights from Aristotle Funds,
visit **AristotleFunds.com**

Any performance data quoted represent past performance, which does not guarantee future results. Index performance is not indicative of any fund's performance. Indexes are unmanaged and it is not possible to invest directly in an index. For current standardized performance of the funds, please visit www.AristotleFunds.com.

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Investing involves risk. Principal loss is possible.

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