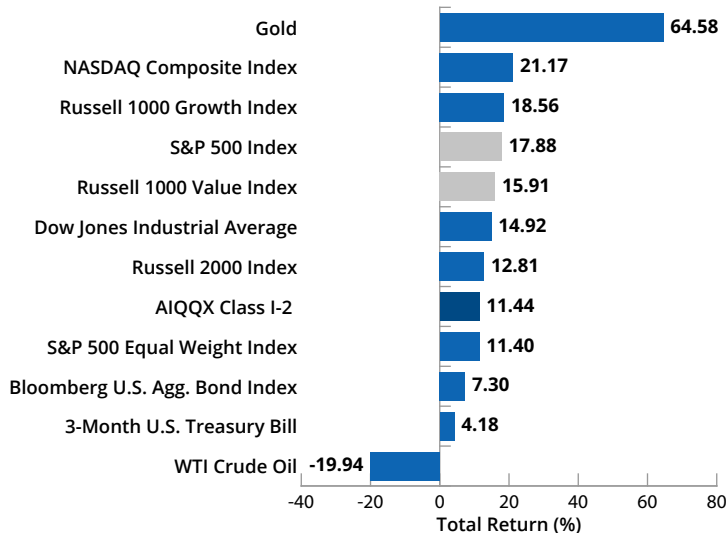




Class A  
ARAQX

Class I-2  
AIQXQ

### Year-to-Date Returns



Sources: U.S. Bank, Bloomberg as of 12/31/25.

Performance data quoted here represent past performance. Past performance is no guarantee of future results. 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 information quoted. To obtain performance information current to the most recent month-end, please call (844) 274-7885.

## Market Review

U.S. equity markets reached new all-time highs in the fourth quarter of 2025. The S&P 500 Index rose 2.66%, while fixed income markets also finished higher, with the Bloomberg U.S. Aggregate Bond Index up 1.10% for the quarter. Value stocks handily outperformed growth stocks—the Russell 1000 Value Index outperformed its growth counterpart by 2.69%. Within the Russell 1000 Value Index, eight out of the 11 sectors posted positive returns. The best-performing sectors were information technology, communication services, and healthcare, whereas real estate, utilities and consumer discretionary were the weakest segments.

The U.S. economy continued to demonstrate resilience. Data released during the period showed that real gross domestic product (GDP) surged at a 4.3% annualized rate in the third quarter—the fastest quarterly growth in two years—driven primarily by robust consumer spending, with additional contributions from rising exports and increased government outlays. Despite this strength, consumer confidence deteriorated

toward year-end, economists projected a moderation in spending, and concerns about the labor market persisted. The unemployment rate ticked up to 4.6% in November (a four-year high), though this level remains low by historical standards and is still consistent with an economy operating near full employment. Meanwhile, inflation moderated—the Consumer Price Index (CPI) was up just 2.7% year-over-year in December, on par with November, which was the lowest level since July. Economists cautioned that recent unemployment and inflation figures were likely skewed by technical factors related to the 43-day government shutdown, which disrupted data reporting. This shutdown—the longest in U.S. history—forced approximately 1.4 million federal employees to go without pay and even led to temporary layoffs at some agencies before Congress passed a continuing resolution to reopen on November 12.

Given the mixed economic signals and uncertainty around the data, the Federal Reserve (the Fed) took a cautious stance. The Fed implemented two 0.25% interest rate cuts during the quarter, lowering the federal funds target range to 3.50%-3.75%. Fed Chair Jerome Powell emphasized a data-dependent approach, acknowledging risks to both sides of the Fed's dual mandate. He noted the need to carefully assess incoming information, highlighting that policy would remain cautious and measured going into 2026.

Trade relations between the U.S. and China remained a key focus for markets. Early in the fourth quarter, tensions flared with tariff escalations and export controls. (China had dramatically expanded export controls on rare earth minerals, and the U.S. threatened 100% tariffs in retaliation.) Ultimately, President Donald Trump and President Xi Jinping met at the Asia-Pacific Economic Cooperation (APEC) summit in South Korea and reached a one-year trade truce.

Corporate earnings remained robust. S&P 500 companies reported earnings growth of 8.2%. Of the 11 sectors within the S&P 500 Index, Information Technology recorded the strongest earnings growth of 29%. Artificial intelligence continued to be a major theme—more than 300 S&P 500 companies mentioned "AI" on their earnings calls during the fall. This enthusiasm helped propel mega-cap tech stocks higher and drive the market's gains. However, as the quarter progressed, scrutiny increased around

AI-related revenue circularity (companies buying AI services from each other boosting sales), the massive scale of AI-related capital spending, and the durability of longer-term returns on investment.

## Annual Markets Review

The U.S. equity markets extended their momentum in 2025, with the S&P 500 Index posting a full-year return of 17.88%. Similar to recent years, communication services and information technology were the strongest-performing sectors, rising 33.65% and 24.04%, respectively, as enthusiasm around artificial intelligence (AI) remained a dominant market theme. Reflecting this leadership, the Russell 1000 Growth Index outperformed the Russell 1000 Value Index by 2.65% for the year.

Fixed income markets also delivered strong performance, with the Bloomberg U.S. Aggregate Bond Index advancing 7.30% over the period.

While trends such as AI continued to propel markets forward, 2025 was not without challenges, both new and existing. Tariffs, ongoing geopolitical conflicts, mixed economic data, and a government shutdown all contributed to heightened uncertainty.

Factors such as momentum and volatility outperformed quality, and while the economic and earnings backdrop was generally supportive, both the Fed and corporate management teams adopted a more cautious tone heading into 2026.

Given the risks and uncertainties surrounding macroeconomic conditions and market narratives, we believe it remains prudent to focus on individual businesses and their long-term fundamentals. By concentrating on what is analyzable, we believe our approach is well suited to navigating a range of market environments while remaining disciplined through full market cycles.

## Fund Performance

For the fourth quarter of 2025, the Aristotle Value Equity Fund (Class I-2) posted a total return of 1.35%, underperforming the 3.81% return of the Russell 1000 Value Index and the 2.66% return of the S&P 500 Index.

The Fund's underperformance relative to the Russell 1000 Value Index in the fourth quarter can be attributed to security selection,

while allocation effects contributed. Security selection in information technology, consumer discretionary and materials detracted the most from relative performance. Conversely, security selection in financials, healthcare and energy contributed. (Relative weights are the result of bottom-up security selection.).

## Contributors/Detractors

Relative Contributors	Relative Detractors
Parker Hannifin	Lennar
Capital One Financial	Uber
Amgen	Sony Group
Merck	Microsoft
Danaher	Teledyne Technologies

### Contributors

#### Parker Hannifin

Parker Hannifin, the manufacturer of motion and control technologies, was the top contributor during the quarter. The company continues to benefit from strength in its aerospace business, where demand for original equipment and aftermarket services has driven organic growth and margin expansion. The ongoing integration of Meggitt, which Parker Hannifin acquired in 2022, has further expanded the company's aerospace and defense capabilities while increasing exposure to higher-margin aftermarket revenue—a catalyst we previously identified. Alongside this progress, management has continued to strengthen the company's balance sheet following a period of elevated acquisition activity, with net debt-to-EBITDA trending lower. In addition, Parker Hannifin's broad portfolio of motion and control technologies positions the company to benefit from secular trends such as factory automation, electrification of industrial equipment, digitization, and increased complexity and modernization across commercial and defense aerospace platforms. The company continues to execute its Win Strategy, driving operational excellence, pricing discipline and strong cash flow generation. We believe these catalysts support a more resilient earnings profile and will allow Parker Hannifin to continue improving profitability and FREE cash flow generation over time.

**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](http://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.

### Capital One Financial

Capital One Financial was a primary contributor during the quarter. Following the completion of its all-stock acquisition of Discover, the company reported strong results in its first full quarter post-transaction, including net interest margin expansion driven primarily by the addition of Discover's credit card portfolio. The acquisition positions Capital One as one of the largest U.S. credit card issuers and adds ownership of the Discover payment network, which we believe has the potential to improve payment economics and enhance operating leverage over time. During the quarter, the company also announced increased capital returns through a new share buyback program and a higher quarterly dividend, reflecting confidence in its balance sheet and earnings power. In addition, resilient consumer spending, stable credit quality and a strengthening deposit base contributed to performance. We believe Capital One's scale and integrated payments capabilities support a more resilient earnings profile and position the company to continue generating attractive returns over time.

### Detractors

#### Uber

Uber, a leading rideshare, delivery and shipping technology platform, was one of the largest detractors during the period. Trip volumes reached record levels, and gross bookings grew significantly year-over-year, yet the stock underperformed as investor focus shifted from growth to margin trajectory, regulatory risk and autonomous vehicle (AV) uncertainty. The primary near-term concern among market participants was management's guidance around profitability. While results exceeded expectations on bookings and FREE cash flow, Uber signaled a deliberate moderation in margin expansion, as incremental profits are reinvested into affordability, cross-platform engagement and early AV initiatives. Regulatory concerns also resurfaced, particularly in Europe, where ongoing debates around driver classification and data protection continue to pose potential cost (and therefore margin) headwinds. At the same time, competitive anxiety around AVs intensified following Lyft's expanded partnership with Waymo and continued investor focus on Tesla's long-term robotaxi ambitions. Management acknowledged that autonomous initiatives will pressure near-term margins, as Uber invests to build supply and data infrastructure, even as utilization in early AV markets has been encouraging. Over the long term, however, our thesis remains intact. Uber's global scale, deepening network effects, growing

FREE cash flow, and expanding cross-platform ecosystem position the company to compound value as profitability improves and new mobility technologies mature.

#### Sony Group

Sony Group, the global leader in video games, image sensors, music and movies, was a primary detractor for the period. Shares declined following the recognition of a one-time, non-cash charge of approximately ¥50 billion in the Game & Network Services segment related to an impairment and accounting correction of previously capitalized development costs. Importantly, this charge was not recurring and did not reflect a deterioration in underlying operating performance. Excluding this item, operating income would have increased approximately 23% year-over-year, supported by healthy gaming engagement, continued growth in network services and software sales, and strong results in the Music segment driven by streaming growth and recent theatrical releases. The company's image sensor business also benefited from a favorable product mix and steady end-market demand. Looking ahead, we continue to see opportunity for Sony to capitalize on its unique position as both a content creator and platform owner. The company's ability to integrate gaming, music, anime and film—and to leverage IP across its ecosystem—supports sustained engagement and recurring revenue. In addition, the recent spinoff of Sony's Financial Services segment further sharpens management's focus on its core content, technology and entertainment operations. We believe Sony's industry leadership and continued focus on operational execution position the company well for long-term value creation.

### Recent Fund Activity

Buys	Sells
None	Commerce Bancshares
	Constellation Brands
	Sony Financial

During the quarter, we sold our positions in Commerce Bancshares, Constellation Brands and Sony Financial.

We first invested in Commerce Bancshares, the Kansas City-based bank, in the fourth quarter of 2019. We were attracted to the bank's conservatively run franchise, disciplined approach to credit, well-diversified revenue mix with a meaningful contribution from fee-based businesses, and long-tenured management team that has historically operated with a "private

company” mindset. At the time of purchase, we identified several catalysts, including continued loan growth—particularly in core Kansas markets—prudent expense management, sustained strong credit underwriting, and the accretive deployment of excess capital through dividends and share repurchases. Over our holding period, Commerce executed consistently against these objectives, demonstrating resilience through multiple operating environments while maintaining strong credit quality, disciplined cost control and steady capital returns, including a long history of dividend increases. As these catalysts played out, we chose to sell our position and redeployed the proceeds into what we view as a more attractive investment opportunity in Wells Fargo, which we purchased in the third quarter of 2025.

We first invested in Constellation Brands, the premium beer, wine and spirits company, in the fourth quarter of 2021. At the time, we believed the company was well positioned to benefit from its dominant share of the fast-growing Mexican imports segment of U.S. beer, supported by iconic brands such as Modelo, Corona and Pacifico, hard-to-replicate production assets in Mexico, and a management team with a strong track record of building brands and marketing imported brands to mainstream U.S. consumers and expanding distribution. Over our holding period, Constellation continued to benefit from the growing popularity of Mexican beer in the U.S., and its core beer segment remained a clear source of strength. However, the timing and magnitude of several key catalysts evolved. Expansion of shelf space and overall distribution progressed more slowly than expected, while improvement in the Wine & Spirits segment proved more challenging, pushing meaningful margin recovery

further into the future. As a result, while the long-term strategic rationale for the business remains intact, we determined that Constellation was the most appropriate candidate for sale to fund a new investment in the first quarter of 2026, to be discussed in greater detail next quarter.

We received shares of Sony Financial following its spinoff from our long-term holding Sony Group in October 2025. Sony Financial is a Japan-based financial services company with operations in life insurance, banking and digital payments. While we view Sony Financial as an attractive, well-managed business, its operations are focused primarily on the Japanese market. Given this focus, we elected to sell the shares received in the spinoff.

## Market Outlook

Markets and economic conditions will continue to evolve, often in ways that are difficult to anticipate. While we remain attentive to these developments, our work is ultimately centered on understanding individual businesses—how they compete, how they allocate capital, and how their economics change over time. We recognize that progress in business fundamentals and investment outcomes do not always align over shorter periods. Thus, we approach our investment process with patience and a willingness to reassess our views as circumstances change. Rather than react impulsively to every macro headline or try to time short-term market moves, we focus on what is analyzable and enduring: the long-term fundamentals of the companies we own. We believe this careful, fundamental approach remains the most reliable way to add value for our clients over the long run, across a wide range of market environments.

# ARISTOTLE VALUE EQUITY FUND COMMENTARY

DECEMBER 31, 2025

## Performance as of 12/31/25

	Total Returns (%)			Annualized Total Returns (%)		
	3-Month	YTD	1-Year	3-Year	5-Year	Since Fund Inception (8/31/16)
Class A-NAV	1.22	11.08	11.08	12.44	8.46	10.77
Class A-MOP	-3.04	6.37	6.37	10.83	7.52	10.26
Class I-2	1.35	11.44	11.44	12.75	8.75	11.06
Russell 1000 Value Index	3.81	15.91	15.91	13.90	11.33	10.17
S&P 500 Index	2.66	17.88	17.88	23.01	14.42	15.03

Top-10 Holdings (%)	
Parker-Hannifin Corporation	5.71
Microsoft Corporation	4.01
Capital One Financial Corporation	3.96
Alphabet Inc.	3.90
Corteva, Inc.	3.20
Martin Marietta Materials, Inc.	2.93
Sony Group Corporation	2.79
Ameriprise Financial, Inc.	2.72
U.S. Bancorp	2.51
Amgen Inc.	2.51
<b>Total</b>	<b>34.24</b>

**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](http://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.

Class A shares at maximum offering price (MOP) reflect the deduction of the up-front 4.25% sales load. Performance reflects any applicable fee waivers and expense reimbursements. If a sales charge had been deducted, the results would have been lower.

Gross/Net annual operating expenses for Class A are 0.95%/0.95%. Inception date 12/28/23. Gross/Net annual operating expenses for Class I-2 are 0.70%/0.69%. Inception date 8/31/16.

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

The **3-Month U.S. Treasury Bill** is a short-term debt obligation backed by the U.S. Treasury Department with a maturity of three months.

The **Bloomberg U.S. Aggregate Bond Index** is an unmanaged index of domestic investment grade bonds, including corporate, government and mortgage-backed securities.

The **Consumer Price Index (CPI)** is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services.

The **Dow Jones Industrial Average®** is a price-weighted measure of 30 U.S. blue-chip companies. The Index covers all industries except transportation and utilities.

The **NASDAQ Composite Index** measures all NASDAQ domestic and international based common type stocks listed on The NASDAQ Stock Market. The NASDAQ Composite includes over 3,000 companies, more than most other stock market indexes.

The **Russell 1000® Growth Index** measures the performance of the large cap growth segment of the U.S. equity universe. It includes those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values. Effective March 24, 2025, FTSE Russell applies a capped methodology: all companies that have a weight greater than 4.5% in aggregate are no more than 45% of the Index, and no individual company in the Index has a weight greater than 22.5% of the Index. The Index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true large capitalization opportunity set and that the represented companies continue to reflect growth characteristics.

The **Russell 1000 Value® Index** measures the performance of the large cap value segment of the U.S. equity universe. It includes those Russell 1000 Index companies with lower price-to-book ratios and lower expected growth values. Effective March 24, 2025, FTSE Russell applies a capped methodology: all companies that have a weight greater than 4.5% in aggregate are no more than 45% of the Index, and no individual company in the Index has a weight greater than 22.5% of the Index. The Index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true large capitalization opportunity set and that the represented companies continue to reflect value characteristics.

The **Russell 2000® Index** is a subset of the Russell 3000® Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership.

The **S&P 500® Index** is the Standard & Poor's Composite Index of 500 stocks and is a widely recognized, unmanaged index of common stock prices. This index has been selected as the benchmark and is used for comparison purposes only.

The **S&P 500 Equal Weight Index** is designed to be the size-neutral version of the S&P 500. It includes the same constituents as the cap-weighted S&P 500, but each company in the S&P 500 Equal Weight Index is allocated the same weight at each quarterly rebalance.

The **WTI Crude Oil Index** is a major trading classification of sweet light crude oil that serves as a major benchmark price for oil consumed in the United States.



Investing involves risk. Principal loss is possible.

The principal risks of investing in the Fund include, but are not limited to, equity securities risk, value companies risk, large-capitalization companies risk, small-capitalization companies risk, mid-capitalization companies risk, foreign investment risk, sector focus risk, liquidity risk, active management risk, ETF risk, underlying fund risk and securities lending risk. For more information on risk, refer to the prospectus.

This commentary represents the views of those at Aristotle Capital Management, 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 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/funds/value-equity-fund](http://www.AristotleFunds.com/funds/value-equity-fund). It should be read carefully before investing.***

Forside Financial Services, LLC, distributor.

All third party trademarks belong to their respective owners.

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