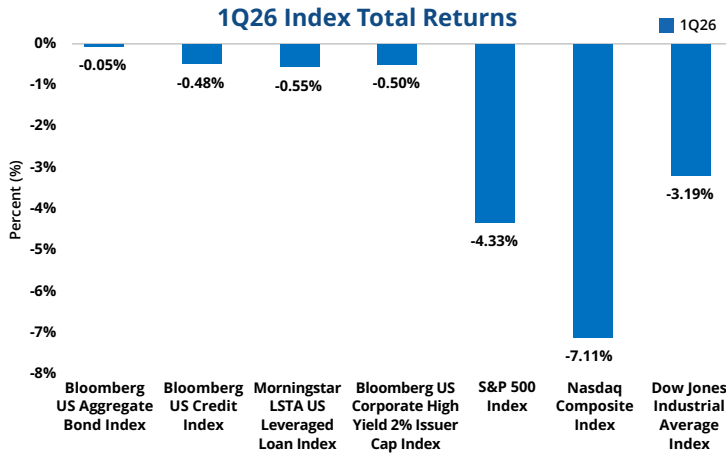




Class A
PLFLX

Class C
PLBCX

Class I-2
PLFDX



Index	1Q26
Bloomberg US Aggregate Bond Index	-0.05%
Bloomberg US Credit Index	-0.48%
Morningstar LSTA US Leveraged Loan Index	-0.55%
Bloomberg US Corporate High Yield 2% Issuer Cap Index	-0.50%
S&P 500 Index	-4.33%
Nasdaq Composite Index	-7.11%
Dow Jones Industrial Average Index	-3.19%

Source: Bloomberg as of 3/31/26.

Market Review

U.S. equity and fixed-income markets generated largely negative total returns in the first quarter of 2026 as software-related credit concerns, rising yields, and the Iran conflict weighed on markets. Domestic equity indices were weaker, with small caps and value the exceptions, while fixed-income performance favored short maturities and higher credit quality as rates and spreads moved higher.

- Artificial intelligence (AI) developments played an outsized role in the first quarter as advancing functionality posed a potential threat to software-company business models and adjacent service industries. Leveraged loan prices in the software sector fell in January and February in the wake of the developments with the selling cascading to private credit vehicles, many of whom gated redemptions.

- The first three months of 2026 were bookended by conflict, starting with Operation Absolute Resolve in early January, which swiftly removed Venezuelan leader Nicolás Maduro from power. Then, in Operation Epic Fury, which began on February 28, the United States, in partnership with Israel, launched an air and naval campaign that resulted in the killing of Iran's supreme leader and senior leadership, as well as widespread damage across the region and the closure of the Strait of Hormuz to seaborne traffic.
- Energy and precious metals prices moved notably higher as the Iran conflict exposed the global economy to potentially the largest supply chain shock since COVID. Faced with heightened uncertainty, the Federal Reserve (Fed) opted to keep the fed funds rate unchanged at the March meeting as market expectations shifted from two cuts at the start of the year to zero for the balance of 2026.

Both "risk-free" and risk assets were negatively impacted due to the events mentioned above. The U.S. Treasury curve flattened as yields rose across the curve, with the two-year note rising 32 basis points and the 30-year bond nearly touching 5% at the end of March. Credit generated negative total returns, with investment-grade corporates, high yield bonds, and leveraged loans in close proximity and down roughly a half percentage point. Spreads widened with fixed-rate corporates responding to the impact of Iran, while loans were largely influenced by the selloff in software and services companies. The largest level-two GICS industry in the Morningstar LSTA Leveraged Loan Index at the start of the year, secondary loan prices in software and services fell over seven points during the quarter to end March at \$87.97. AI advancements caused a revaluation of this segment within the loan market that had previously been viewed as sturdy due to recurring revenue and high switching costs. Software stress also manifested in the private credit space, where several leading alternative asset managers had to gate non-publicly traded business development companies as redemption requests outpaced quarterly share repurchase caps. The U.S. dollar gained 1.67% during the quarter as an expected pivot in Fed easing policy and investor shift to risk-free assets

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supported performance. Gold started the year on a strong footing, rising over 25% by late January, but largely gave back gains as the Iran conflict escalated and ended the quarter up 7.99%. Oil was the standout asset during the quarter, with West Texas Intermediate rising over 76% as the Strait of Hormuz closure by Iran cut the world off from 14 million barrels of oil per day and set in motion a worldwide scramble for refined products, liquid natural gas, and fertilizer.

Economic data was resilient during the first quarter, but the outlook is complicated by the knock-on effects from the Iran conflict, which will likely factor into data in the months ahead. Non-farm payrolls gained in two of the three months, with March coming in well above consensus at 178,000 new jobs, and the unemployment rate modestly declined from 4.4% to 4.3% quarter over quarter. The University of Michigan Consumer Sentiment Survey, which measures confidence and future expectations, started off on a strong note but weakened in March as respondents processed the costs of the Iran conflict. One area of concern was a jump in short-term inflation expectations, which rose from 3.4% to 3.8% from February to March, although long-term expectations among respondents remained anchored at 3.2%. This aligned with the Consumer Price Index, which continued to drop from the recent high of 3.0% in September 2025 to a February reading of 2.4%. One data point that has the potential to be disinflationary is the future of tariffs, now one year on from liberation day. During the quarter, the U.S. Supreme Court ruled 6 to 3 against the president's use of emergency tariff powers under the International Emergency Economic Powers Act, although the White House signaled that it would rely on other authorities to continue tariffs.

Asset Class Overview

The floating-rate loan market was challenged during the first quarter as selling pressure in software issuers began in mid-January and intensified until late March as investors digested the implications of AI advancements on company business models. The Morningstar LSTA Leveraged Loan Index returned -0.55%, as carry was unable to offset declining secondary prices each month during the first quarter. The

four-year discounted spread for the index widened 57 bps to end at 461 bps, while the effective yield rose 60 bps to 8.29%. It was a tale of two loan markets as the average secondary price for the Morningstar LSTA US Leveraged Loan Index fell two dollars during the first quarter to end at \$94.63, while prices for software loans fell over seven dollars to end at \$87.97. Loan market activity started strong but largely dried up as volatility increased, with loan repricings falling from \$108 billion in January to zero in March. Of the loans that did come to market in March, 22% were priced at or wider than the expected range compared to 2% in January. Retail investors continued the trend from 2025, with \$7.5 billion of outflows during the first quarter, but CLOs remained active buyers of loans with \$47 billion of new tranche issuance during the period. One interesting aspect of technicals is that the supply of loans contracted by \$19 billion during the quarter as repayments outpaced new issuance, with acquisitions and takeouts by high yield corporate issuance accounting for roughly 40% of paydowns during the period.

Fund Performance

The Aristotle Floating Rate Income Fund (Class I-2) returned -0.53% versus the Morningstar LSTA US Leveraged Loan Index return of -0.55%.

	1Q26 Return	3Yr DM	3Yr DM to Start Year	3Yr Life Yield	3Yr Life Yield to Start Year
Morningstar LSTA US Leveraged Loan Index	-0.55%	505	428	8.73%	8.28%
BB	0.71%	275	262	6.43%	6.62%
B	-0.90%	513	414	8.81%	8.14%
CCC	-4.94%	2049	1690	24.16%	20.90%

Source: Bloomberg and PitchBook as of 3/31/26.

Portfolio Review

For the quarter, the Fund performed in line with the benchmark. Sector allocations through an overweight to capital goods benefited performance while an overweight to insurance (insurance brokers) detracted. Security selection in software and services was a meaningful contributor to relative performance. The software and services sector recorded a -5% return for the quarter as software names were heavily impacted by AI-related disruption fears.

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).

Fund Allocation

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

Contributors/Detractors

The Fund's underweight to BB's and overweight to B-rated issuers and 2nd lien CCC-rated issuers all detracted from performance. In addition, the Fund's overweight to larger, liquid loans detracted from performance. The fund's focus on performing credits and those above \$90 benefited performance.

Manager Outlook

So far in 2026, the loan market has experienced strong corporate earnings, steady demand facing limited supply and higher than expected yields. However, overriding those positives has been the development of two notable risks – the Iran War and concerns over potential disruption from artificial intelligence. Both will continue to be key factors in the short term, with the Iran War likely to diminish in importance later in the year, potentially removing one roadblock to tighter spreads. But AI is a long-term concern and must be integrated into our long-term analysis.

The impacts from the Iran War were just being felt as of the end of the first quarter. Gas prices rose in the United States, but that price rise also coincided with tax refunds from the tax bill passed in 2025. While consumer sentiment fell sharply, consumers kept spending. Our research is focused on getting past the noise of constant headlines to find underlying value. With employment strong and government spending remaining deeply in deficit, short-term war related impacts are likely to be manageable. In the event of a longer conflict, the secondary impacts across other commodities and industries will likely be significant and must be watched closely.

The impact of artificial intelligence, however, is just beginning to be felt. While our economy has been focused on rapid

technological innovation since the explosion of computers in the 1980s, recent innovations have dramatically increased the potential disruption from future innovation. That potential disruption has reduced enterprise value multiples and widened credit spreads. That's logical – uncertainty discounts expectations.

Software has taken the biggest AI-related price hit to date. However, financial performance among software names continues to be quite strong overall, despite all the headlines. We have continued to focus our research on identifying software firms that are deeply embedded in the businesses of their customers, operate in sectors where regulatory or other compliance requires highly accurate and specialized data and where the switching costs to other vendors are high. Within this limited space, we see value. But we also recognize that unlike the tariff-related sell off in 2025, there is no "on/off" switch available that will suddenly give markets renewed comfort with AI risk. That risk is here to stay.

Despite the two concerns we've noted above, loans remain well positioned overall. A resilient economy – characterized by steady growth and healthy corporate fundamentals – provide a solid foundation for the asset class. At the same time, market technicals remain favorable due to strong CLO formation and limited supply. With inflation having ticked up modestly, expectations for rate cuts have moved from two this year to zero. That keeps the absolute coupon on loans higher and thus more attractive to coupon-focused investors.

For our portfolios, we maintain a bias toward 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 materials, media and entertainment. We are underweight distressed loans, with our CCC exposure largely concentrated in performing second-lien loans.

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Performance as of 3/31/26

	Total Returns (%)			Annualized Total Returns (%)			
	3-Month	YTD	1-Year	3-Year	5-Year	10-Year	Since Fund Inception
Class A-NAV	-0.60	-0.60	5.36	7.76	5.70	4.99	4.62
Class A-MOP	-3.57	-3.57	2.20	6.66	5.06	4.67	4.41
Class I-2	-0.53	-0.53	5.63	8.02	5.97	5.25	4.87
Mornigstar LSTA US Leveraged Loan Index	-0.55	-0.55	4.81	8.00	5.93	5.61	4.88

Top 10 Issuers	Weight (%)
Alliant Holdings, L.P.	3.99
CoreLogic, Inc.	3.61
CRC Insurance Group LLC	3.55
Proofpoint, Inc.	3.53
TransDigm Group Incorporated	3.18
RealPage, Inc.	3.04
Gainwell Intermediate Holding Corp.	2.72
Ellucian Support Inc.	2.63
Allied Universal Manager LLC	2.61
Covetrus, Inc.	2.49
Total	31.34

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..

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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.

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