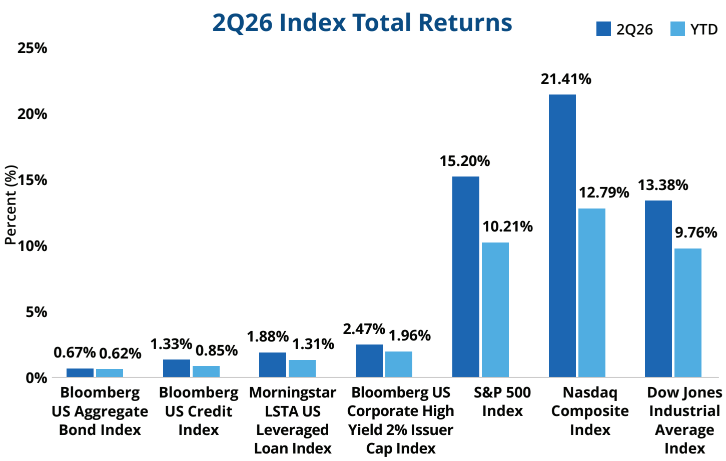
ARISTOTLE FUNDS

ARISTOTLE ULTRA SHORT INCOME FUND COMMENTARY

SUB-ADVISED BY ARISTOTLE PACIFIC CAPITAL, LLC

JUNE 30, 2026

Class I-2	Class I
PLUDX	**PLUIX**



Index	2Q26	YTD
Bloomberg US Aggregate Bond Index	0.67%	0.62%
Bloomberg US Credit Index	1.33%	0.85%
Morningstar LSTA US Leveraged Loan Index	1.88%	1.31%
Bloomberg US Corporate High Yield 2% Issuer Cap Index	2.47%	1.96%
S&P 500 Index	15.20%	10.21%
Nasdaq Composite Index	21.41%	12.79%
Dow Jones Industrial Average Index	13.38%	9.76%

Source: Bloomberg as of 6/30/26.

Market Review

U.S. equity and fixed-income markets generated positive total returns in the second quarter of 2026 as risk-on sentiment, a ceasefire between the U.S. and Iran, and a robust IPO market supported performance. Domestic equity indices were stronger across the board with small caps leading the way, while fixed-income performance favored longer maturities and lower credit quality.

- Artificial intelligence (AI) and technology more broadly continued to play an outsized role in U.S. markets as investors embraced debt and equity issuance alike. AI infrastructure needs drove a memory supplier's stock to gain over 241% in three months while also opening the door to the largest IPO in history with SpaceX.
- The U.S.-Iran conflict, which began on February 28th, paused on June 17th with the signing of a Memorandum of Understanding, thereby at least temporarily reopening the Strait of Hormuz to seaborne traffic and setting the stage for further talks around Iran's nuclear program. The long-term viability of the agreement remains to be seen as skirmishes continued by both sides through the end of June.
- Energy and precious metals weakened during the second quarter as the cessation of the Iran conflict and shifting Federal Reserve policy weighed on performance. As the Consumer Price Index (CPI) gained steam from the recent supply shock, the Fed opted to keep the fed funds rate unchanged but struck a hawkish tone at the June meeting and market expectations shifted from zero rate changes to at least one hike for the balance of 2026.

Credit investors enjoyed positive total returns during the second quarter as spread compression offset rising rates. The U.S. Treasury curve flattened as yields rose across maturities – the two-year note rose 35 basis points (bps) and the 30-year bond climbed to 5.18% in mid-May, a high-water mark last touched in 2007. High yield corporates outperformed investment grade peers and bank loans as falling energy prices and investor appetite for new issues backing data centers drove down option-adjusted spreads by 47 bps to end June at 270 bps. The AI-induced sell-off that defined the first quarter for the leveraged loan market continued to play out as software and services loan secondary prices fell over $2 to end June at $85.62. AI continued to provide a tailwind for equity markets, as memory chip manufacturers soared with Micron Technology gaining over 241% during the quarter, joining the trillion-dollar market capitalization club. Investors embraced new technology in the IPO market, as SpaceX launched a record $75 billion issuance in June that valued the company at $1.8 trillion, while both Anthropic and OpenAI filed to potentially go public in 2026.

The U.S. dollar gained 1.23% during the quarter as a hawkish shift in Fed messaging supported performance. Gold and oil, which were both outperformers during the first quarter, fell over 14% and 32% respectively in the second quarter as investors processed the uneasy peace from the Memorandum of Understanding between the U.S. and Iran. While the risk premium in oil has gone down, the long-term effects of the Strait of Hormuz closure remain to be seen in refined products, fertilizer, and shipping insurance. As of June 20th, commercial vessels exiting the critical chokepoint were less than a third of the 71 daily ship average seen in February just prior to the conflict. Cognizant of the effects of the supply shock, Kevin Warsh made the most of his first meeting as new Fed chair in June to set the tone for his approach to policy. The Fed kept the fed funds rate between 3.5%-3.75%, dropped forward guidance, and drove home an emphasis on price stability over full employment by ending the June statement with, "The committee will deliver price stability."

Economic data has been resilient in 2026, but signs of weakness began to creep in during the second quarter. Monthly nonfarm payrolls were positive during the quarter, but the magnitude decreased each consecutive month, with June's 57,000 print coming in at roughly half of consensus expectations coupled with downward revisions to the two prior months. U.S. unemployment ticked down a tenth of a point to 4.2% in June, but the driver of the change was less sanguine for future job growth as the decline was attributed to individuals leaving the workforce rather than new employment. The University of Michigan Consumer Sentiment Survey, which measures confidence and future expectations, troughed in May at the lowest level on record as concerns over affordability remain top of mind. Expectations aligned with CPI, which increased from 2.4% in February to 4.2% in May, as the energy shock from the Iran conflict fed through the economy. The outlook was not all dour though, as the Fed's Beige Book noted that manufacturing activity rose at a moderate to strong pace across three quarters of the 12 districts surveyed.

	2Q26 Return	OAS	OAS to Start Year	YTW	YTW to Start Year	Duration	Duration to Start Year
US 1-3 Yr Gov/Credit Index	0.48%	9	12	4.27%	3.63%	1.86	1.91

Source: Bloomberg as of 6/30/26.

Asset Class Overview

Fixed income delivered positive total returns during the second quarter with lower-quality and long-maturity bonds leading the way. While front-end yields have declined since the start of the Federal Reserve's easing cycle in 2024, it is important to highlight that short-term bonds help to preserve capital and maintain liquidity for investors in challenging market environments. Short-duration investment-grade bonds (represented by the Bloomberg 1-3 Year U.S. Government/Credit Bond Index) generated a positive return due to carry, despite rates rising, and ended the quarter with an attractive yield-to-worst of 4.27% (up from 3.97% to start the period). Spreads compressed 5 basis points (bps), and the index returned 0.48% during the second quarter of 2026. Quarter over quarter, the three-month Treasury bill rose 17 bps to end at 3.87%; the one-year Treasury bill moved 30 bps higher to finish at 3.98%; and the three-year Treasury note increased 34 bps to end at 4.15%. The Bloomberg 1-3 Year U.S. Government/Credit Bond Index ended June with an average price of $98.54, down from $98.86 at the end of March.

Fund Performance

For the quarter, the Aristotle Ultra Short Income Fund (Class I-2) returned 0.95% versus the Bloomberg Short Treasury Total Return Index return of 0.87%.

Portfolio Review

The second quarter of 2026 was a welcome relief from the market volatility and geopolitical events that dominated February and March. That said, it is important to highlight that in spite of rising interest rates, the effects of supply chain disruptions, and war, short duration credit has delivered for investors by preserving capital and generating attractive income year to date. The market conditions of the quarter played to our strength given the credit bias within the portfolio. The Fund remains focused on investment grade corporate bonds and high-grade asset-backed securities. Credit selection has been fine-tuned towards higher quality, defensive sectors. The investment grade corporate bond and asset-backed security sleeves averaged approximately 64.6% and 28.9% respectively for the quarter. The corporate bond exposure was oriented towards stable A and BBB rated securities. The ABS allocation has been focused primarily on AAA rated CLO debt and highly rated auto and student loan exposures. We continue to find value in the banking sector, which averaged 24.4% of portfolio assets during the second quarter. Bank holdings are oriented

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.

towards global systemically important banks including Bank of America, JP Morgan, and Goldman Sachs. The Fund's average allocation to bank loans was 1.0%. Portfolio duration of 0.54 years was longer than benchmark duration of 0.33 years.

Fund Allocation

At quarter end the Fund's allocation was as follows: investment grade corporate bonds (65.4%), bank loans and high yield bonds (0.77%), and ABS (29.1%). The Fund's allocation to investment grade corporate bonds and ABS increased by 1.5% and 0.47% quarter over quarter. The allocation to Treasuries decreased by 3.6%. The Fund's cash position at quarter end was 2.7% and portfolio duration was 0.54 years.

Contributors/Detractors

The Fund outperformed the benchmark in the second quarter. Performance benefited from additional yield relative to the benchmark generated through selective corporate and ABS exposures. Also, the impact from ABS was broadly positive – floating rate CLO debt and auto ABS were notable contributors. Investment grade corporate bonds were also broadly positive with notable positive impact from the banking sector. Bank loans had a positive relative return impact for the quarter. Longer-than-benchmark duration was one of only a few detractors on a relative basis.

Manager Outlook

A strong economic backdrop and a recovery in equities continues to buoy the consumer; this, along with record low periods of unemployment, have continued to support broad economic growth during the second quarter. Fixed income markets are digesting Kevin Warsh's appointment to chair of the Federal Reserve and his resolute focus on finally returning the U.S. economy toward a 2% inflation outcome. Much like any incoming CEO, we believe that Warsh will enact change as the new head of the FOMC – however, it remains early to fully know what lies ahead. Front-end Treasury yields rose notably across the quarter as the market moved from pricing 2026 cuts from the FOMC to pricing outright hikes.

In the first half of the year, there was over $200 billion in issuance to support the massive data center buildout, and this is reshaping credit markets with tech moving to represent the largest issuers within indexes. This massive supply shock to markets has meant spreads have moved wider for these issuers, while the rest of the market broadly saw notable spread compression. While rates were higher, the strong returns from credit meant that most fixed income indices ended the quarter in positive territory.

As we look forward, key questions to define the second half of the year will be the evolution of inflation and ability of consumers to continue to digest ongoing high inflation in the face of limited real wage growth. At the moment, we see some small hope that inflation may be cooling while growth remains strong, and we remain optimistic that continued AI capex will propel the economy forward, though it is likely to remain a headwind for fixed income markets. A strong fundamental backdrop remains; however, broad market level compensation for potential risks remains muted. Thus, we continue to proceed with a cautious stance, while finding relative value in some pockets of the markets.

We expect energy prices will cause near-term inflation to be volatile; however, services inflation remains engrained in the economy. Despite the headwinds, U.S. corporates (1-3 year) benefited from spread tightening, with spreads moving from 61 bps at the start of the second quarter to 43 bps at the end. This spread tightening along with still overall high levels of yield helped protect against the rise in rates, and we continue to find value in pockets, while remaining on the lower ranges for credit broadly given overall very low spread levels.

Our Fund's flexibility continues to be a key differentiator in navigating a complex macro backdrop. Through our relative value framework, we continue to maintain spread in excess of our index along with a yield advantage. The Fund's investment-grade corporate-bond exposure is focused on BBB rated securities. We also find attractive yield and relative value in investment-grade collateralized loan obligation (CLO) debt and senior asset-backed securities (ABS). Our fundamental research leads us to favor industries such as U.S. global systemically important banks (G-SIBs), utilities, selective office-REITs and – amidst the notable spread widening – we find value in many of the data center tech names. Additionally, we are cautious on consumer cyclical sectors, healthcare-related names on M&A pressures, and retail-related sectors.

ARISTOTLE

ULTRA SHORT INCOME FUND

COMMENTARY

JUNE 30, 2026

Performance as of 6/30/26

	Total Returns (%)			Annualized Total Returns (%)		
	3-Month	YTD	1-Year	3-Year	5-Year	Since Fund Inception
Class I–2	0.95	1.80	4.46	5.51	3.84	3.33
Class I	1.05	1.80	4.50	5.52	3.85	3.34
Bloomberg Short Treasury Total Return Index	0.87	1.71	3.92	4.71	3.46	2.75

Top 10 Issuers	Weight (%)
Bank of America	4.03
JPMorgan Chase	3.59
Palmer Square	2.84
Morgan Stanley	2.67
Goldman Sachs	2.56
UBS	2.07
New York Life	2.07
Neuberger Berman CLO	2.06
Elmwood CLO	2.06
Government of the United States of America	2.00
Total	**25.95**

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 I-2 are 0.33%/0.32%. Gross/Net annual operating expenses for Class I are 0.33%/0.32%, inception date 6/28/19.

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.

Foreside 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.

(844) 274-7885 I www.aristotlefunds.com