ARISTOTLE FUNDS

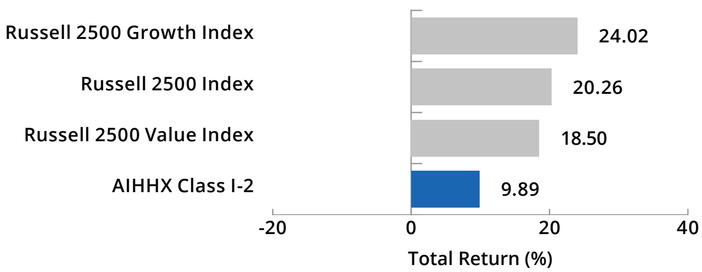
ARISTOTLE
SMALL/MID CAP EQUITY FUND
COMMENTARY

JUNE 30, 2026

SUB-ADVISED BY ARISTOTLE CAPITAL BOSTON, LLC

Class A	Class I-2	Class C
ARAHX	**AIHHX**	**AISHX**

2026 Q2 Returns



Sources: U.S. Bank, Bloomberg as of 6/30/26.

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. small/mid cap equities delivered a strong rebound during the second quarter of 2026, outperforming large cap stocks as investor sentiment improved amid resilient economic growth, easing geopolitical tensions and broadening market participation. The Russell 2500 Index gained 20.26% during the quarter, marking its strongest quarterly return since 2020 and one of the best quarterly performances in its history. Healthy consumer spending, a stable labor market and generally better-than-expected corporate earnings reinforced confidence in the economic outlook, while lower energy prices and reduced concerns surrounding Middle East tensions further supported expectations for moderating inflation and continued expansion. As optimism broadened beyond the largest technology companies, investors increasingly rotated into smaller companies poised to benefit from improving economic conditions, accelerating capital investment and renewed capital markets activity.

Growth stocks outperformed their value counterparts during the quarter, with the Russell 2500 Growth Index returning 24.02% compared to the 18.50% return of the Russell 2500 Value index. Performance was driven by AI-related beneficiaries, higher-beta companies and businesses with accelerating revenue growth. Technology was the standout sector, led by significant gains in semiconductors, semiconductor equipment, networking infrastructure and other AI-enabling hardware, while industrials benefited from strength in power infrastructure, electrical equipment, engineering and manufacturing-related businesses. Healthcare also rebounded, led by biotechnology and life sciences. In contrast, energy gave back a portion of its first quarter gains as oil prices declined, while traditionally defensive sectors lagged, including utilities, consumer staples and materials. More broadly, investors favored higher-growth and economically-sensitive companies over higher-quality, dividend-paying and more-defensive businesses, leaving slower-growth retailers, banks, commercial services and consumer staples among the quarter's relative laggards. Factors that had the strongest payoffs were sentiment and efficiency, while factors such as low volatility, low variability, low leverage and quality paid off negatively.

At the sector level, almost all sectors paid off positively. The best-performing sectors were information technology (+65.79%), healthcare (+19.32%) and industrials (+19.09%), while the worst-performing sectors were energy (-9.72%), materials (+1.01%) and utilities (+1.54%).

Fund Performance

For the second quarter of 2026, the Aristotle Small/Mid Cap Equity Fund (Class I-2) posted a total return of 9.89%, underperforming the 20.26% total return of the Russell 2500 Index.

Security selection detracted from performance, while allocation effect aided results. The largest detractors to relative performance were security selection in information technology (owning Everforth coupled with not owning SanDisk or quantum computing stocks and non-earning software-as-a-service (SaaS) companies) and industrials coupled with overweight allocations to materials and energy. This was partially offset by security

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No bank guarantee • May lose value • Not FDIC insured

selection in the utilities and consumer staples sectors coupled with underweight allocations to information technology and consumer discretionary.

Relative Contributors	Relative Detractors
MACOM Technology Solutions	SanDisk (not owned in the Fund)
Mercury Systems	Alamos Gold
Insmed (not owned in the Fund)	Huron Consulting Group
Littelfuse	Range Resources
WillScot Holdings	Permian Resources

Contributors/Detractors

Contributors

MACOM Technology Solutions

MACOM Technology Solutions is a designer and manufacturer of high-performance semiconductor products. The stock benefitted from strong earnings results and forward guidance featuring continued strong revenue and profitability, driven by accelerating demand across data center, industrial/defense and telecom end markets. We maintain our position, as we believe the company's meaningful exposure to growing demand from data center and 5G end-market applications along with the integration of recent acquisitions and domestic manufacturing footprint should continue to drive shareholder value.

Mercury Systems

Mercury Systems is a developer of mission critical computing, signal processing, software and secure electronics technologies used in aerospace and defense applications. The stock was rewarded for the company's successful acceleration of deliveries on several high-priority defense programs, alongside continued progress on its restructuring initiatives and cost-reduction efforts. We maintain our position as we believe Mercury Systems is emerging from a multi-year operational reset, with improving execution, expanding margins and lower leverage. In addition, we believe the stock is trading at attractive valuations relative to its normalized earnings power given the strong underlying demand across its aerospace and defense end markets, which should continue to create shareholder value over time.

Detractors

SanDisk

SanDisk engages in the development, manufacture and provision of storage devices and solutions based on NAND flash technology. Its products include solid state drives, memory cards and USB flash drives. The stock rallied during the quarter and was up 229% on improving memory cycle sentiment and AI-driven storage demand. The Fund did not own the position, which resulted in a drag on relative performance versus the benchmark.

Alamos Gold

Alamos Gold, a Canadian gold producer focused on developing and operating high-quality mines in North America, detracted from performance following a reduction in 2026 production guidance driven by operational challenges at its Young-Davidson mine, including seismic activity, lower mining rates and higher costs. Weaker gold prices during the quarter also weighed on the shares. We believe these headwinds are temporary and continue to view the company favorably given the successful ramp-up of the Island Gold District, a robust project pipeline and attractive long-term production growth.

Recent Fund Activity

Buys/Acquisitions	Sells/Liquidations
Jones Lang LaSalle	Americold Realty Trust
UMB Financial	Verra Mobility
WesBanco	

Buys/Acquisitions

Jones Lang LaSalle

Jones Lang LaSalle is a leading global commercial real estate services firm positioned to benefit from a recovery in leasing, capital markets and investment activity as commercial real estate fundamentals improve. Its diversified business mix, growing recurring revenue streams and global scale can provide resilient earnings and durable competitive advantages. We believe improving transaction volumes and continued growth in higher-value advisory and outsourcing services will support long-term earnings growth and shareholder value.

UMB Financial

UMB Financial is a regional bank with a diversified business model spanning commercial banking, institutional asset servicing, private wealth management, healthcare payments and specialty financial services. Unlike many regional banks, UMB generates a meaningful portion of its revenue from fee-based businesses, providing a more stable earnings profile and reducing reliance on net interest income. The company has consistently demonstrated disciplined underwriting, strong credit quality and a conservative balance sheet, positioning it to perform across economic cycles. We believe UMB is well positioned to benefit from improving loan growth, expanding fee income and continued market share gains, while its strong capital position and attractive returns on equity support long-term earnings growth and shareholder value.

WesBanco

WesBanco is a regional bank with a diversified franchise spanning commercial banking, consumer banking, wealth management and trust services. We believe the stock is trading at an attractive valuation as the market underappreciates the earnings potential created by the successful integration of Premier Financial, improving operating efficiency, expanding margins, strong capital levels and robust loan growth.

Sells/Liquidations

Americold Realty Trust

Americold Realty Trust is a real estate investment trust focused on the ownership, operation, development and acquisition of temperature-controlled warehouses. The position was liquidated due to deteriorating fundamentals.

Verra Mobility

Verra Mobility is a provider of automated enforcement, tolling and parking technologies and solutions. We exited the position after the loss of a significant customer contract materially changed our investment thesis, reducing confidence in the company's long-term earnings and growth outlook. The proceeds were redeployed into higher-conviction opportunities.

Market Outlook

We remain constructive on the long-term outlook for the small/mid-cap segment of the U.S. market. Valuations continue to appear attractive, with the Russell 2500 Index trading near multi-decade lows relative to large caps, while earnings have begun to reaccelerate. Consensus estimates point to small cap earnings growth surpassing large cap growth by late 2026/early 2027. Incremental increase in merger & acquisition activity, improving domestic manufacturing trends supported by reshoring and infrastructure investment and a more favorable regulatory and tariff backdrop should provide longer-term tailwinds for the asset class. Near term, we remain cautious as geopolitical risks, including the Iran conflict and related inflationary spillovers, may contribute to elevated volatility. Separately, mid-term election uncertainty has historically been associated with increased market volatility but has often given way to more durable small cap recoveries following the election cycle.

Our current positioning is a function of our bottom-up security selection process and our ability to identify what we view as attractive investment candidates, regardless of economic sector definitions. Overweights in financials and materials are mostly a function of our underlying company specific views rather than any top-down predictions for each sector. Conversely, we continue to be underweight in consumer discretionary, as we have been unable to identify what we consider to be compelling long-term opportunities that fit our discipline given the rising risk profiles of many retail businesses and a potential deceleration in goods spending following a period of strength. We are also underweight in industrials as we have been unable to identify what we consider to be more compelling long-term opportunities that fit our discipline versus companies belonging to other sectors. Given our focus on long-term business fundamentals, our patient investment approach and low turnover, the Fund's sector positioning generally does not change significantly from quarter to quarter. However, we may take advantage of periods of volatility by adding selectively to certain companies when appropriate.

Total Returns

	Total Returns (%)			Annualized Total Returns (%)			
	3-Month	YTD	1-Year	3-Year	5-Year	10-Year	Since Fund Inception (12/31/14)
Class A-NAV	9.72	13.32	19.15	11.51	3.02	8.14	7.09
Class A-MOP	5.14	8.44	14.09	9.90	2.12	7.68	6.69
Class I-2	9.89	13.57	19.59	11.79	3.29	8.42	7.36
Russell 2500® Index	20.26	22.71	36.72	18.04	8.30	12.25	10.67

Top-10 Holdings	Weight (%)
Macom Technology Solutions Holdings, Inc.	2.53
Hannon Armstrong Sustainable Infrastructure Capital, Inc.	2.16
Littelfuse, Inc.	2.09
Aercap Holdings N.V.	1.85
Permian Resources Corporation	1.80
Ftai Aviation Ltd.	1.78
Healthequity, Inc.	1.77
Bankunited, Inc.	1.75
Knight-Swift Transportation Holdings Inc.	1.72
Alamos Gold Inc.	1.64
Total	**19.09**

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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 1.26%/1.26%. Inception date 1/8/16. Gross/Net annual operating expenses for Class I-2 are 1.01%/1.01%. Inception date 1/8/16.

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 **Russell 2500® Index** measures the performance of the small/mid cap segment of the U.S. equity universe, commonly referred as SMID cap. The Russell 2500 Index is a subset of the Russell 3000® Index. It includes approximately 2500 of the smallest securities based on a combination of their market cap and current index membership.

The **Russell 2500 Growth® Index** measures the performance of the small/mid cap companies located in the United States that also exhibit a growth probability. 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 2500 Value® Index** measures the performance of the small/mid cap companies located in the United States that also exhibit a value probability. 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.

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