ARISTOTLE FUNDS & ETFs

ARISTOTLE MULTI-ASSET INCOME FUND COMMENTARY

(FORMERLY, ARISTOTLE PORTFOLIO OPTIMIZATION CONSERVATIVE FUND)

MANAGED BY PACIFIC LIFE FUND ADVISORS LLC

JUNE 30, 2026

Class A	Class C	Class I-2
POAAX	**POACX**	**PLCDX**

Market Review

Global equity markets bounced back in the second quarter of 2026 as the market recovered from the war in Iran and the resulting energy price shock. The Russell 2000 Index and S&P 500 Index returned 21% and 15%, respectively, as small-cap stocks outperformed large caps. Internationally, emerging market equities were the outperformer, returning 24% due to continued strength from companies in the AI supply chain. International developed market equities lagged in performance, returning 11% in the quarter.

In fixed income, the best-performing assets in the second quarter were EM debt and high yield. Credit spreads tightened as the market recovered from the sharp risk-off move following the outbreak of war in March. Interest rates rose modestly over the quarter, and the Treasury curve flattened as the market anticipated hikes from the Federal Reserve. Long-term bonds outperformed short-term due to the curve flattening.

Fund Performance

The fund returned 4.38% during the second quarter of 2026 and 8.37% for the trailing 12-month period (Class A at NAV).

Performance Review

The performance attribution and portfolio-positioning discussion below reflects the Fund's allocations and principal investment strategies in effect during the period ended June 30, 2026, before the Fund changed its name, investment goal and principal investment strategies on July 29, 2026.

Within the domestic equity allocation, our strategic overweight to equities contributed positively to performance in the second quarter of 2026 and over the trailing 12-month period. Overweight to large-growth and mid-value companies contributed positively in the second quarter and over the trailing 12-month period. Overweight to small companies contributed positively to performance in the second quarter. Regarding underlying funds, manager selection in large-cap funds contributed positively to performance in the second quarter with Aristotle Growth Equity leading the domestic equity group in outperformance relative to their respective benchmarks. However, manager selection in large-cap funds detracted from performance over the trailing 12-month period.

Within the international equity group, our overweight to international value contributed positively to performance over the trailing 12-month period. We started to overweight emerging market equity in late 2025 and its contribution in the second quarter was positive. On the other hand, Aristotle International Equity detracted from performance over the trailing 12-month period.

Among the fixed-income group, underweights to cash and core bond contributed positively over the second quarter and the trailing 12-month period. The Fund's underweight to high-yield detracted from relative performance during the second quarter and trailing 12-month period. Aristotle Core Bond and Aristotle Core Income contributed to performance over the trailing 12-month period.

Outlook

Our outlook remains cautiously optimistic. In our base case, U.S. economic growth should stay resilient. The primary driver this year has been a sharp increase in capital expenditure tied to the AI buildout. Hyperscaler capex estimates have been revised upward to approximately $750–$800 billion this year, with this spending potentially contributing between 0.4–1.0 percentage points to U.S. GDP growth.

Hyperscaler profitability remains strong even as free cash flow has come under pressure. This reflects the front-loaded nature of the current investment cycle, where elevated capex is temporarily weighing on cash generation but supporting sustained revenue and earnings growth. To some extent markets have been willing to look through near-term free cash flow (FCF) compression given the scale of the opportunity for hyperscalers. However, this year the relative equity returns of semiconductor and other companies receiving the capex spending have been much stronger than the returns of

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. Please see the current prospectus for detailed information.*

hyperscalers themselves.

Fiscal policy also remains supportive of growth. Individual and corporate tax cuts from the One Big Beautiful Bill Act, alongside tariff refunds, are contributing to continued fiscal looseness, boosting both consumer spending and corporate profitability. Meanwhile, cyclical indicators are improving: the ISM manufacturing survey has reached its highest level since 2022, and labor market conditions remain firm. The unemployment rate declined in June to its lowest level this year, and unemployment insurance claims show no signs of a pickup in layoffs.

Taken together, this backdrop supports a moderately risk-on stance. We maintain an overweight to equities, primarily due to continued strong profit growth. Within equities, we favor thematic exposure to the AI buildout, focusing on companies building data centers and the associated electrical and power buildout. Such assets will likely continue to benefit from widespread AI adoption without necessarily relying on any particular AI model or company to be a winner. We believe the model layer of AI could become commoditized, but there is significant value in the companies supplying the hardware for AI.

In a similar vein, we maintain an overweight to emerging-markets, as well as to small- and mid-cap value stocks. We are seeing a synchronized upswing across the S&P 500, Russell 2000, and EM equities, supporting broader market participation beyond large-cap U.S. growth. Improving earnings breadth should help the performance of those asset classes even as leadership evolves.

In fixed income, we remain underweight investment-grade and core bonds. Elevated borrowing—particularly from large technology firms funding capex—has contributed to increased supply. YTD hyperscaler issuance has already doubled last year's issuance. Combined with continued U.S. Treasury net issuance above $2 trillion per year, it's a lot for the market to digest. This dynamic, combined with relatively tight spreads, reduces the attractiveness of the asset class. In an environment of high nominal growth and low default rates, we prefer fixed income with better carry, such as U.S. high yield, leveraged loans, and EM debt.

Risks

We see two main risks to our outlook. The most immediately pressing risk is inflation. The oil price shock due to the Iran war in March contributed to higher interest rates. If oil prices rise further and core inflation continues to run hot, the Fed could undertake a hiking cycle, tighten financial conditions, slow economic growth, and undermine our risk-on positioning.

While a continued acceleration in inflation is possible, we do not anticipate as large an increase as post-COVID. Given the length of time the Strait of Hormuz has been closed or limited this year, oil prices have remained more contained than expected by most analysts. The restricted flow of approximately 20 million barrels per day of oil—roughly 20% of global supply—that transited Hormuz prior to the crisis has been offset by a combination of factors: oil being rerouted through alternative pipelines to avoid the strait, tankers continuing to pass secretly through the strait, a possible supply glut coming into this year, and global inventory and strategic reserve drawdowns. The inventory drawdowns cannot be sustained indefinitely. If supply constraints persist, upward pressure on oil prices could re-emerge.

The second key risk to our outlook is the potential for an AI-driven investment bubble. The scale and pace of capital deployment raise the possibility of misallocation, particularly if demand expectations fail to materialize at the levels currently priced into markets. Given the decline in free cash flow, hyperscalers will need to see positive returns on their capex investments soon to justify continued spending. AI end-users will also likely need to see evidence of positive ROI to justify continued spending increases. We are monitoring closely for signs that AI spending growth is at an end, but so far the industry is expanding and upstream suppliers continue to benefit.

In sum, the macroeconomic and earnings backdrop remains supportive, justifying a cautiously optimistic stance. We maintain a moderate risk-on positioning, with an overweight to equities and AI-linked themes, while remaining attentive to emerging risks. Maintaining discipline around portfolio construction and risk management will be critical as the cycle evolves.

Performance as of 6/30/26

	Total Returns (%)			Annualized Total Returns (%)			
	3-Month	YTD	1-Year	3-Year	5-Year	10-Year	Since Fund Inception 12/31/03
Class A—NAV	4.38	3.67	8.37	7.96	2.43	4.27	4.21
Class A—MOP	-1.38	-2.01	2.39	5.93	1.28	3.69	3.95
S&P 500® Index	15.20	10.21	22.32	20.61	13.41	15.51	10.94
Bloomberg US Aggregate Bond Index	0.67	0.62	3.79	4.16	0.08	1.54	3.22

Performance data is as of June 30, 2026.

Formerly, Aristotle Portfolio Optimization Conservative Fund. The Fund changed its principal investment strategies on July 29, 2026. Accordingly, any performance information for periods prior to July 29, 2026 is attributable to the Fund's previous principal investment strategies.

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. Please see the current prospectus for detailed information. Gross/Net annual operating expenses for Class A are 1.14% and 1.14%.

Returns shown at net asset value (NAV) have all distributions reinvested. Returns shown at maximum offering price (MOP) for Class A shares reflect payment of the maximum sales charge of 5.50%. When a sales charge is illustrated, it is applied at the beginning of the period.

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 **Bloomberg US Aggregate Bond Index** is composed of investment-grade U.S. government and corporate bonds, mortgage passthrough securities, and asset-backed securities and is commonly used to track the performance of U.S. investment-grade bonds.

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.

Investing involves risk. Principal loss is possible. The following is a summary of certain principal risks. As a "fund of funds," the Fund is subject to *Asset Allocation Fund of Funds Risk, Conflicts of Interest Risk, ETF Risk and Securities Lending Risk*. The Fund is also subject to the risks of the Underlying Funds in which it invests, which may change based on the Fund's allocations to the Underlying Funds.

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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