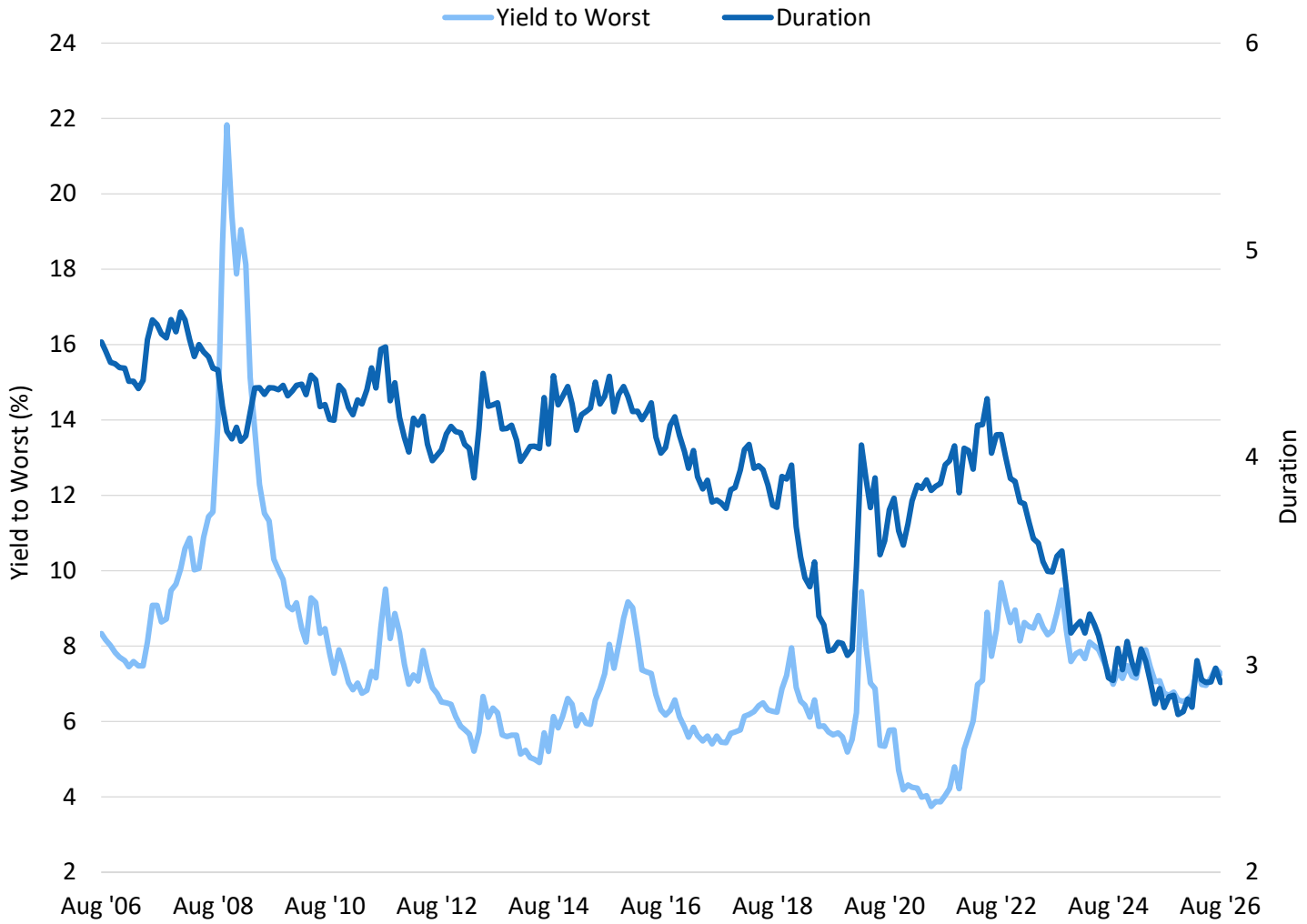
ARISTOTLE FUNDS & ETFs

OCTOBER 2026

HIGH YIELD BONDS: ELVEVATED YIELDS, LOW INTEREST RATE RISK

High yield bonds today continue to offer attractive yields, while interest rate sensitivity is near historic lows. As the chart shows, the U.S. Corporate High Yield Index's yield to worst stood at 7.3% at the end of August well above its 2021 lows before the COVID pandemic and the persistently high inflation that followed. Meanwhile, the index's duration – a measure of sensitivity to interest rate changes – was below three years, down from a peak of more than four years in 2022 and near the lowest level in more than 20 years.

High Yield Duration Remains Near Historical Lows While Yields Remain Elevated



Source: Bloomberg as of 8/31/26. High Yield Bonds represented by the Bloomberg U.S. Corporate High Yield Bond Index. **Yield to worst** is the lowest potential yield that can be received on a bond without the issuer defaulting. **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.