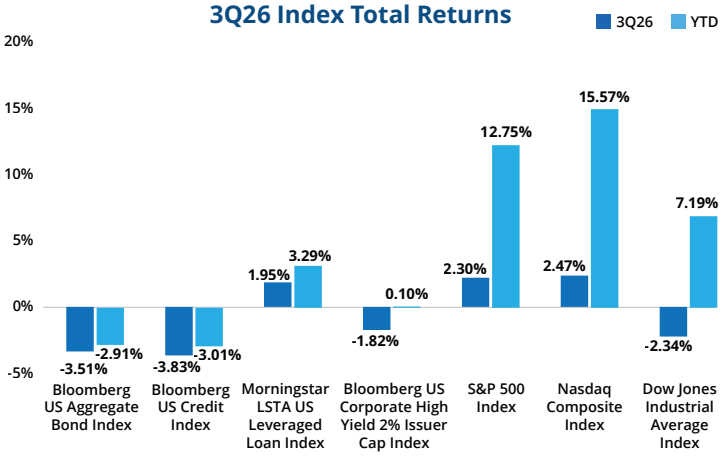
ARISTOTLE
FUNDS & ETFs

ARISTOTLE HIGH YIELD BOND FUND COMMENTARY

SEPTEMBER 30, 2026

SUB-ADVISED BY ARISTOTLE PACIFIC CAPITAL, LLC

Class A	Class C	Class I-2
PLAHX	**PLCHX**	**PLHYX**



Index	3Q26	YTD
Bloomberg US Aggregate Bond Index	-3.51%	-2.91%
Bloomberg US Credit Index	-3.83%	-3.01%
Morningstar LSTA US Leveraged Loan Index	1.95%	3.29%
Bloomberg US Corporate High Yield 2% Issuer Cap Index	-1.82%	0.10%
S&P 500 Index	2.30%	12.75%
Nasdaq Composite Index	2.47%	15.57%
Dow Jones Industrial Average Index	-2.34%	7.19%

Source: Bloomberg as of 9/30/26.

Market Review

U.S. equity and fixed-income markets generated mixed total returns in the third quarter of 2026 as rising Treasury yields, a re-engagement of hostilities between the U.S. and Iran, and weakness in the artificial intelligence (AI) theme were headwinds. Domestic large-cap equity index returns were positive; small-caps ended the period lower, while fixed-income performance was negative across the curve. Bank loans were one of the few exceptions, generating positive returns in the quarter.

Fixed-income investors weathered negative total returns during the third quarter, as rising yields and spread widening weighed on the asset class. The U.S. Treasury curve steepened as yields climbed across maturities; the five-year note's yield rose 90 basis points (bps) and the 30-year bond yield continued to march higher, rising 73 bps to end September at 5.64%. Bank loans, which are floating-rate, outperformed high yield and investment-grade corporates as rate volatility picked up speed in September. Loan buyers returned to software and services loans that had come under AI-induced selling pressure in the first half of the year.

AI and technology continued to play an outsized role in U.S. equity and debt markets. The third quarter witnessed a shift toward the broader public policy implications of AI model development and infrastructure buildout, while hyperscalers continued to grow their footprint within debt markets. The capital expenditures of the AI buildout continued to reshape the U.S. bond market, with technology representing the largest sector at roughly $300 billion of the investment-grade bond market's $1.5 trillion gross issuance year to date through mid-September.

The U.S.-Iran conflict, which paused on June 17 with the signing of a memorandum of understanding, reignited in July with intermittent fighting and Houthi militant attacks on energy infrastructure located on the Red Sea. Crude oil and refined products soared during the quarter as shipping challenges and limited refining capacity reverberated through energy markets. While the number of barrels of oil transiting the Strait of Hormuz has returned to about 80% of pre-conflict levels, the knock-on effects continue to be felt in refined products and fertilizer prices. Diesel prices soared over 47% during the quarter as limited global refining capacity, and the specter of a potential U.S. export ban underpinned a scramble for supply.

With the Consumer Price Index (CPI) still above target, the Federal Reserve in September opted to raise the fed funds rate by a quarter point, to a range of 3.75%-4.00%, and market expectations have priced in at least one more hike for the balance of 2026. In the September FOMC statement that accompanied its rate hike, the committee showed resolve to break inflation while also noting that both a demand shock from a strong economy and a supply shock from oil prices have the potential to sustain higher inflation. The U.S. dollar gained 0.27% during the quarter as a hawkish stance in Fed messaging supported performance.

Despite the disruptions within energy and interest rates, high-level economic data has been resilient in 2026, but with

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signs of weakness continuing to permeate. Monthly non-farm payrolls were disjointed with a modestly negative July print, a large August beat that was revised down to 133,000, and a below-consensus report of 29,000 in September. The University of Michigan Consumer Sentiment Survey, which measures confidence and future expectations, fell in September to the lowest level in four months as concerns over affordability remain top of mind. Consumer inflation expectations diverged from current CPI, with survey respondents forecasting year-ahead inflation to rise to 4.6%, while CPI was 3.7% in September. The outlook was not all dour though, as the Fed's Beige Book noted that manufacturing activity rose across most of the 12 districts surveyed on account of robust defense and datacenter construction orders.

Asset Class Overview

The high yield market gave back much of the second quarter's robust performance as geopolitical turmoil and interest rate volatility negatively impacted fixed-rate leveraged credit. The Bloomberg US High Yield 2% Issuer Capped Bond Index returned -1.82% during the period with spreads widening 42 bps as a resumption of fighting in the Middle East, rising rates, and heavy issuance weighed on the asset class. High yield corporates remained well supported by fundamentals, and default activity was low relative to history as many weaker borrowers have migrated to private credit lenders. According to J.P. Morgan, the 12-month par-weighted U.S. high-yield bond default rate (including distressed exchanges) ended the quarter at 2.68%, below the 25-year monthly average of 3.25%. High yield issuance slowed down quarter over quarter as companies raised a total of $80 billion across 76 tranches with much of that associated with AI and M&A activity. One defining feature of the third quarter was back to back records for high yield new issuance deal size in late September, as SoftBank tapped the bond market for $11.1 billion to invest in OpenAI, while Paramount came to the market for $12.4 billion a week later as part of a larger financing package to fund the purchase of Warner Bros. Discovery.

	3Q26 Return	OAS	OAS to Start Year	YTW	YTW to Start Year	Duration	Duration to Start Year
US HY 2% Issuer Cap Index	-1.82%	311	268	8.35%	6.57%	3.20	2.80
BB	-1.95%	186	166	7.11%	5.60%	3.42	3.04
B	-1.18%	301	270	8.30%	6.56%	2.98	2.53
CCC	-3.44%	1007	614	15.05%	9.84%	2.68	2.47

Source: Bloomberg as of 9/30/26.

Fund Performance

For the quarter, the Aristotle High Yield Bond Fund (Class I-2) returned -1.59% versus the Bloomberg US High Yield 2% Issuer Capped Bond Index return of -1.82%.

Portfolio Review

The third quarter of 2026 was characterized by elevated interest rate volatility as yields rose sharply in September. Despite the rate environment, high yield credit markets remained resilient on a relative basis, supported by healthy corporate fundamentals, favorable technicals, and continued demand for income-oriented assets, with a lower interest rate duration profile. Dispersion also increased across lower quality credit, with CCC rated bonds materially underperforming the broader high yield market.

The team continues to identify select higher yielding idiosyncratic opportunities where company specific fundamentals provide attractive risk adjusted return potential. The portfolio remains underweight cyclical sectors (e.g., building/housing, chemicals, packaging, and retail) where valuations appear less compelling, while maintaining overweight exposures to industries benefiting from durable secular and domestic growth trends, including financial institutions, electric utilities, midstream energy, and select technology and manufacturing companies.

During the quarter, the portfolio management team redeployed a significant portion of the dry powder accumulated during the second quarter, increasing exposure to high conviction names at attractive yield levels. Credit quality shifted modestly lower, with increased allocations to BB and B rated securities and reduced exposure to BBB and above credits, while CCC and

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Please see the current prospectus for detailed information.

Ratings are measured on a scale that generally ranges from AAA (highest) to D (lowest).

below exposure remained essentially unchanged. The strategy also maintains tactical allocations to BB rated CLOs and select bank loans where relative value opportunities remain attractive.

Although high yield spreads widened modestly during the quarter, valuations remain relatively tight by historical standards and all in yields continue to provide an attractive income opportunity. Corporate fundamentals and balance sheets remain generally healthy, and the team continues to emphasize disciplined security selection and portfolio diversification while maintaining flexibility to capitalize on issuer specific and relative value opportunities.

Fund Allocation

Portfolio exposures changed modestly during the third quarter of 2026 as the team continued repositioning as yields moved higher.

From a credit-quality perspective, BBB and above exposure declined, while BB and B rated exposure increased. CCC and below exposure remained unchanged. From an industry perspective, the team increased exposure to technology, energy, communications, and basic industry, and increased the fund's tactical allocation to CLOs, while reducing insurance exposure as the sector rallied. In addition, more recently the bifurcation in credit markets has been due to the overwhelming supply technical in the datacenter buildout, creating interesting opportunities, albeit with no shortage of volatility. The portfolio remains overweight hyper-scalers and datacenter build deals with room to add given the current supply technical.

Portfolio duration increased from approximately 2.8 years to 3.2 years, and diversification increased, with the portfolio ending the quarter with 235 issues across 166 issuers, compared with 218 issues across 149 issuers at the end of June.

Contributors/Detractors

The Fund's (I-2) share class outperformed the Bloomberg US High Yield 2% Issuer Capped Index during the third quarter of 2026, on a net-of-fees basis.

Relative performance reflected a combination of bottom-up security selection as well as off-benchmark tactical allocations to bank loans and CLOs, which posted positive absolute returns. The portfolio's off-benchmark allocations to investment-grade corporate bonds detracted due to the sector's higher embedded interest rate duration, as rates moved significantly higher over the quarter. CLOs contributed positively during the quarter, benefiting from attractive carry, resilient underlying credit fundamentals, and their floating-rate structure. These positive contributions were partially offset by weaker results within consumer cyclicals, consumer non-cyclicals, healthcare, utilities, and select energy holdings. Duration and yield curve positioning were modest headwinds as Treasury yields moved higher.

For security selection, positives included Burford Capital, Acrisure, Howden Group, Ardonagh Group, and Proofpoint. These gains were partially offset by weakness in Club Car, Norwegian Cruise Line and NRG Energy.

The portfolio continues to benefit from a disciplined bottom-up research process focused on identifying companies with improving fundamentals, attractive valuations, and favorable long-term risk-adjusted return potential.

Manager Outlook

Leveraged credit markets experienced a challenging quarter as the combination of resilient economic growth and persistent inflation drove interest rates higher. The Bloomberg US High Yield 2% Issuer Capped Index declined 1.82% in the third quarter, giving back a portion of its second-quarter gains. Economic activity continued to hold up relatively well, supported by healthy corporate balance sheets, consumer spending, and a substantial increase in capital investment associated with artificial intelligence and data center infrastructure. However, elevated energy prices and ongoing geopolitical tensions have kept inflation above the Federal Reserve's target and materially altered expectations for monetary policy. The Fed raised interest rates by 25 bps in September, while the 10-year Treasury yield increased approximately 82 bps during the quarter. Despite the negative returns, high yield held up better than most fixed-rate sectors given its shorter duration and higher income.

There was a notable divergence in performance across credit quality tiers, with lower-quality credits experiencing significantly greater spread widening. BB and single-B spreads widened relatively modestly, while CCC spreads increased by more than 200 bps during the quarter. The dispersion reflects growing concerns around the ability of more highly leveraged borrowers to navigate an extended period of elevated financing costs, particularly those facing refinancing needs over the next several years. From a sector perspective, communications and

technology were among the weaker performers, while energy-related credits demonstrated relative resilience. Importantly, default activity remained relatively contained, suggesting that recent weakness was driven more by a reassessment of risks and valuations than a broad deterioration in corporate fundamentals.

The Aristotle High Yield Bond Fund outperformed its benchmark during the quarter despite negative absolute returns. We continued to selectively deploy capital across higher-yielding opportunities as valuations became more attractive late in the quarter, reducing our exposure broadly to out-of-index asset classes and increasing our allocation to high yield bonds. We continue to maintain meaningful exposure to more defensive businesses, particularly midstream energy and utilities, to balance our investments in more economically sensitive and lower-credit-quality issuers.

The rapid expansion of AI and data center-related financing remains an important theme in the high yield market. New issuance has created opportunities to invest across different parts of the infrastructure buildout, but we believe the significant financing requirements and increasing competition for capital warrant greater selectivity. We have continued to add exposure to projects where we believe tenant commitments, development timelines, and structural protections provide attractive risk-adjusted returns. While demand for computing capacity remains robust, we recognize that not every participant in the buildout will ultimately generate sufficient returns to justify the capital being deployed. We believe careful evaluation of project economics, financing structures, and the creditworthiness of counterparties will become increasingly important as this market develops.

Looking ahead, our base case remains that economic growth will be sufficient to support corporate earnings and prevent a broad-based deterioration in credit quality. However, the combination of higher interest rates, persistent inflation, and relatively tight credit spreads continues to present risks, particularly for weaker borrowers with limited financial flexibility. On the positive side, the recent increase in yields has improved the prospective return opportunity for high yield investors, with the asset class offering a yield to worst of approximately 8.3% at quarter-end, compared with roughly 7% at the end of June. We continue to believe that select lower credit quality issuers offer attractive opportunities, although greater differentiation among borrowers is likely as higher financing costs work their way through the economy. From a portfolio construction perspective, we remain focused on selectively adding risk where we believe the compensation is compelling, including certain insurance brokers and AI-related infrastructure investments, while maintaining exposure to defensive sectors such as utilities and midstream energy. We believe this balanced approach provides flexibility to take advantage of market dislocations while generating attractive income in the current environment.

Performance as of 9/30/26

	Total Returns (%)			Annualized Total Returns (%)			
	3-Month	YTD	1-Year	3-Year	5-Year	10-Year	Since Fund Inception
Class A-NAV	-1.56	-0.04	0.71	6.73	3.00	4.50	5.15
Class A-MOP	-4.55	-4.31	-3.56	5.19	2.12	4.05	4.85
Class I-2	-1.59	0.08	0.91	7.01	3.27	4.79	5.42
Bloomberg US High-Yield 2% Issuer Capped Bond Index	-1.82	0.10	1.41	8.03	3.60	5.04	5.85

Top 10 Issuers	Weight (%)
MajorDrive Holdings IV, LLC	3.03
Venture Global Partners II LLC	2.49
TransDigm Group Incorporated	2.39
NRG Energy, Inc.	2.18
Energy Transfer LP	1.87
TK Elevator	1.81
Atlas Ontario LP	1.76
Norwegian Cruise Line Holdings Ltd.	1.71
Charter Communications, Inc.	1.63
The Ardonagh Group	1.57
Total	**20.45**

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Class A shares at maximum offering price (MOP) reflect the deduction of the up-front 3.00% 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 0.95%/0.95%. Gross/Net annual operating expenses for Class I-2 are 0.65%/0.65%, 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.

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.

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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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