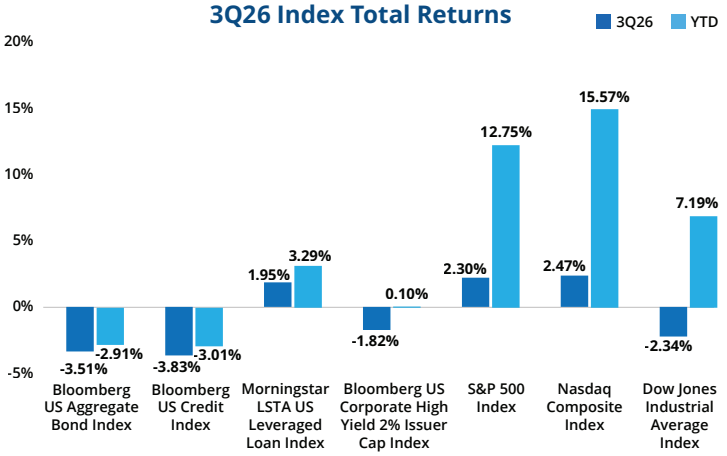
ARISTOTLE
FUNDS & ETFs

ARISTOTLE STRATEGIC INCOME FUND COMMENTARY

SEPTEMBER 30, 2026

SUB-ADVISED BY ARISTOTLE PACIFIC CAPITAL, LLC

Class A	Class C	Class I-2
PLSTX	**PLCNX**	**PLSFX**



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

Investment-grade bonds were challenged in the third quarter, generating negative performance as carry did not offset the impact of rising yields. However, despite interest rate volatility and geopolitical influences, investment-grade corporate bonds remained on solid footing, supported by positive fundamentals for most sectors. Revenue and EBITDA have grown by 10.5% and 15.8% year over year, respectively, and net leverage fell to 2.7 times. Investment-grade corporates had strong issuance year to date at $1.695 trillion, representing over 30% year-over-year growth, with much of that in support of AI capital spending. Credit selection will continue to play an important role in the months ahead as robust hyperscaler issuance has caused a negative technical in 2026. For context, hyperscaler debt has grown 92% versus 4% for other issuers, but the counterargument is their ability to service the debt, as evidenced by interest coverage of over 46 times relative to 9.1 times for other investment-grade corporate issuers. The yield-to-worst of the Bloomberg US Aggregate Bond Index (Agg) rose 83 bps over the quarter to end at 5.56%, whereas spreads widened by 5 bps, ending with an option-adjusted spread (OAS) of 31 bps. The total return for investment-grade bonds (represented by the Agg) in the quarter was -3.51%, while the average price was $88.96, down from $93.06 at the end of June.

	3Q26 Return	OAS	OAS to Start Year	YTW	YTW to Start Year	Duration	Duration to Start Year
US Aggregate Index	-3.51%	31	27	5.56%	4.35%	5.77	6.04
AAA	-2.01%	27	31	5.32%	4.05%	3.96	4.19
AA	-3.46%	15	10	5.42%	4.20%	5.68	5.88
A	-3.93%	69	65	5.92%	4.72%	6.36	6.86
BBB	-3.80%	99	98	6.23%	5.06%	6.27	6.71

Source: Bloomberg as of 9/30/26.

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.

The floating-rate loan market was one of the few bright spots during the third quarter as rising interest rates and renewed buying in software loans underpinned performance. The Morningstar LSTA Leveraged Loan Index returned 1.95% with carry the primary performance driver as secondary prices

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

rallied in the first two months of the quarter but gave ground in September. The average bid for loans in the index rose 35 cents to end September at $95.32. The four-year discounted spread for the index tightened 11 bps to end at 442 bps, while the effective yield rose 24 bps to 8.50%. The impact of AI disruption on software loans, which had marked the first half of 2026, subsided with loans gaining over two dollars during the quarter to end at $87.74 as investors parsed out the winners and losers within the industry. The re-evaluation of the segment within the loan market may also be seen in new issuance, with software's share of new deals falling from an average of 18.5% over the past 10 years to 7.4% year to date. The industry leading new issuance thus far in 2026 is media at 17.5%, with much of that associated with Paramount's $8.5 billion term loan as part of a broader financing package for Warner Bros. Discovery. Retail investors gravitated toward floating-rate securities, with $1.2 billion in inflows during the third quarter, and CLOs remained active buyers of loans with $46 billion in new tranche issuance during the period.

	3Q26 Return	3Yr DM	3Yr DM to Start Year	3Yr Life Yield	3Yr Life Yield to Start Year
Morningstar LSTA US Leveraged Loan Index	1.95%	481	428	8.49%	8.28%
BB	1.59%	264	262	6.32%	6.62%
B	2.53%	445	414	8.13%	8.14%
CCC	-2.64%	2188	1690	25.57%	20.90%

Source: Bloomberg and PitchBook as of 9/30/26.

Fund Performance

For the quarter, the Aristotle Strategic Income Fund (Class I-2) returned -2.42% versus the Bloomberg US Aggregate Bond Index return of -3.51%.

Portfolio Review

The third quarter of 2026 was characterized by a sharp move higher in Treasury yields, which weighed on fixed-rate and longer-duration bonds. Credit markets remained relatively resilient for much of the period, although high-yield spreads widened late in September. Floating-rate structures and shorter-duration spread sectors held up better than the broader fixed-rate market.

During the quarter, we continued to emphasize higher-quality credit while selectively adding to idiosyncratic opportunities across credit sectors. From a credit quality perspective, BBB exposure increased, while B and CCC and below exposure declined. For sectors, investment-grade corporate exposure increased modestly, while floating-rate bank loan exposure was modestly reduced. As rates have moved higher over the past two quarters, and spreads in high conviction investment-grade corporate names moved wider, portfolio managers reduced floating-rate exposure (especially high-quality, longer-maturity term loans).

We maintained a shorter overall duration profile relative to the index, with an emphasis on the intermediate portion and front-end of the yield curve. Floating-rate exposure through bank loans and CLOs remained an important source of diversification, while the team also increased exposure to securitized credit within non-agency mortgage-backed securities (MBS). Given continued rate-volatility and wider spreads late in the quarter, we remain focused on maintaining flexibility and deploying capital where relative value improves.

Credit selection continues to focus on performing credits with strong fundamentals and idiosyncratic return potential. On a sector basis, we continued to favor U.S. money center banks, midstream energy, and select technology, industrial, and manufacturing credits. In addition, more recently the bifurcation in credit markets has been inside of IG corporates due to the overwhelming new issuance related to 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.

Fund Allocation

The portfolio's composition changed modestly during the third quarter. As of September 30, the Fund's allocation was as follows: investment-grade corporate bonds (45%), floating-rate bank loans (13%), high-yield bonds (25%), asset-backed securities including CLOs (6%), mortgage-backed securities (5%), and government bonds (5%). Compared with June 30, investment-grade corporate and high-yield exposure increased modestly, bank loan exposure declined, and non-agency MBS exposure increased. Portfolio

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.*

duration increased from 4.2 years to approximately 4.5 years as portfolio managers added duration at the margin near the end of the quarter after rates moved higher. The portfolio held greater exposure to the belly of the curve.

Cash declined from 2.5% to approximately 0.9% at quarter end. From a credit-quality perspective, BBB exposure increased to approximately 37%, while B and CCC and below exposure declined to approximately 23% and 3%, respectively. The portfolio ended the quarter with 452 issues across 275 issuers, compared with 469 issues across 284 issuers at June month end. The Fund continues to have a higher than normal investment-grade exposure due to still relatively tight spreads on a historical basis, inflation concerns, and geopolitical uncertainty.

Contributors/Detractors

The Fund's (I-2) share class outperformed the benchmark over the third quarter of 2026, on a net-of-fee basis.

Relative performance was driven primarily by overweights to spread sectors with lower embedded interest rate duration profiles, particularly high-yield corporate credit. In addition, the portfolio's off-benchmark allocation to bank loans also added meaningfully to performance, as did allocations to CLOs and other securitized credit which contributed through attractive carry and resilient underlying collateral performance.

Within corporate credit, issuer selection was mixed. Notable positive contributors included Proofpoint, Burford Capital, UKG, Dayforce, Howden Group, and BroadStreet Partners. These gains were partially offset by weakness in CoreWeave, Club Car, JetBlue, iHeartMedia, and Asurion.

In addition, the portfolio's shorter overall duration relative to the Bloomberg US Aggregate Bond Index further supported excess returns. Overall, the strategy benefited from its flexible multi-sector approach, with positive contributions from relative value sector allocation and duration positioning.

Manager Outlook

The third quarter was a challenging period for fixed income markets as resilient economic growth and persistent inflationary pressures drove Treasury yields meaningfully higher. The U.S. economy continued to demonstrate strength, supported by healthy aggregate consumer and corporate balance sheets, improving manufacturing activity, and substantial capital investment tied to artificial intelligence and data center infrastructure. However, elevated energy prices, ongoing geopolitical uncertainty, and stubborn inflation complicated the outlook for monetary policy. Against this backdrop, the Federal Reserve raised its policy rate by 25 bps in September, shifting the market narrative from an extended period of unchanged rates toward the possibility of additional tightening. Treasury yields rose sharply across the curve, with the 10-year yield increasing approximately 85 bps during the quarter.

Fixed income returns were negative across most fixed-rate sectors, driven primarily by an increase in Treasury yields rather than a significant deterioration in credit fundamentals. The Bloomberg US Aggregate Bond Index declined 3.51% for the quarter, with investment grade corporates and agency mortgage-backed securities particularly affected by the move in rates. Credit spreads widened modestly across both investment grade and high yield markets, with pockets of greater weakness among lower-quality issuers. High yield bonds posted negative returns but generally held up better than longer-duration investment-grade sectors, supported by higher income and lower interest-rate sensitivity. Floating-rate assets, including leveraged loans and CLOs, performed relatively well, generating positive returns despite the broader fixed income weakness.

The Aristotle Strategic Income strategy outperformed the Bloomberg US Aggregate Bond Index during the quarter, despite negative absolute returns. Relative performance benefited primarily from the portfolio's lower duration. Exposure to floating-rate instruments, particularly bank loans and CLOs, also provided a positive contribution to absolute returns. We continued to maintain a higher-quality bias, with meaningful exposure to investment grade credit and a selective approach to lower-quality issuers.

During the quarter, portfolio activity reflected the increasingly attractive yields available across fixed-rate credit markets. We selectively added exposure across investment grade and high yield corporates while reducing some of our bank loan exposure. Although we have increased portfolio duration from earlier levels, we remain mindful of the risks associated with persistent inflation and potentially higher interest rates. Importantly, we view the recent increase in yields as an improvement in the forward-looking return opportunity for fixed income investors. While credit spreads remain relatively tight by historical standards, higher all-in yields provide meaningful income potential without requiring us to extend significantly into the weakest portions of the credit market.

Looking forward, we remain constructive on the underlying economic outlook, although we recognize that the combination of elevated interest rates and persistent inflation presents challenges for certain borrowers and more rate-sensitive areas of the economy. We believe the ongoing capital investment cycle, particularly in artificial intelligence, data center infrastructure, and domestic manufacturing, should remain an important source of economic support. At the same time, higher financing costs and tighter credit conditions could create greater differentiation between stronger and weaker issuers. We continue to favor higher-quality carry and idiosyncratic opportunities where we believe market concerns are overstated, including select investments across software, insurance brokers, and data center-related businesses. We remain cautious on weaker balance sheets, lower-quality credits, and issuers with significant refinancing needs. Overall, we believe the combination of higher starting yields and our flexible approach to portfolio construction provides an attractive opportunity to generate income while maintaining the ability to respond to changing market conditions.

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	-2.57	-1.50	-0.51	5.81	2.24	3.95	4.95
Class A-MOP	-5.46	-5.66	-4.71	4.30	1.35	3.50	4.64
Class I-2	-2.42	-1.22	-0.26	6.10	2.51	4.21	5.20
Bloomberg US Aggregate Bond Index	-3.51	-2.91	-1.84	4.06	-0.64	1.14	1.73

Top 10 Issuers	Weight (%)
Government Of The United States Of America	4.88
Citigroup	1.96
Energy Transfer LP	1.72
Charter Communications, Inc.	1.55
UBS	1.53
CoreWeave, Inc.	1.51
Morgan Stanley	1.48
Goldman Sachs	1.41
Oracle	1.40
Hut 8 Corp.	1.39
Total	**18.83**

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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 0.94%/0.94%. Gross/Net annual operating expenses for Class I-2 are 0.69%/0.69%, 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.

The **Morningstar Bank Loan Category** includes portfolios that primarily invest in floating-rate bank loans and other below-investment-grade floating-rate securities. These investments carry credit risk and typically pay interest above a short-term reference rate, such as SOFR.

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.

A **yield curve** plots the interest rates of bonds that have equal credit quality but different maturity dates.

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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