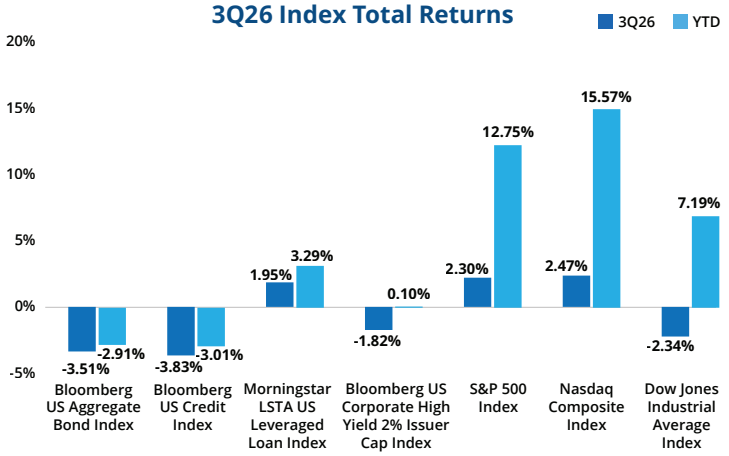
ARISTOTLE
FUNDS & ETFs

ARISTOTLE SHORT DURATION INCOME FUND COMMENTARY

SEPTEMBER 30, 2026

SUB-ADVISED BY ARISTOTLE PACIFIC CAPITAL, LLC

Class A	Class C	Class I-2
PLADX	**PLCSX**	**PLDSX**



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

Fixed income delivered negative total returns during the third quarter with higher-quality and short-maturity bonds faring better. With the uptick in interest rate volatility in 2026, the challenging market conditions highlight how short-term bonds help to preserve capital and maintain liquidity for investors. Short-duration investment-grade bonds (represented by the Bloomberg 1-3 Year U.S. Government/Credit Bond Index) generated a modestly negative return as carry did not offset the price impact from rising rates; however, the bonds ended the quarter with an attractive yield-to-worst of 4.98% (up from 4.27% to start the period). Spreads widened 2 bps, and the index returned -0.18% during the third quarter of 2026. Quarter over quarter, the three-month Treasury bill yield rose 33 bps to end at 4.20%; the one-year Treasury bill yield moved 56 bps higher to finish at 4.54%; and the three-year Treasury note yield increased 85 bps to end at 5.00%. The Bloomberg 1-3 Year US Government/Credit Bond Index ended September with an average price of $97.39, down from $98.54 at the end of June.

	3Q26 Return	OAS	OAS to Start Year	YTW	YTW to Start Year	Duration	Duration to Start Year
US 1-3 Yr Gov/Credit Index	-0.18%	11	12	4.98%	3.63%	1.85	1.91

Source: Bloomberg as of 9/30/26.

Fund Performance

For the quarter, the Aristotle Short Duration Income Fund (Class I-2) returned -0.61% versus the Bloomberg 1-3 Year US Government/Credit Bond Index return of -0.18%.

Portfolio Review

The third quarter was a challenging period for credit investors as rising yields dominated headlines. While spreads ended the period modestly wider, they were largely resilient in the face of interest rate volatility. Strong fundamentals and growth are two of the factors that have calmed fear around spread levels. Inflation remains higher than the Fed's target, and uncertainty can be seen in term premium for Treasuries as investors try to figure out Fed Chair Kevin Warsh. What does remain to be seen is how long the economic strength can persist, as the Fed restarted the hiking cycle in September for the first time in three years.

The impact of AI on the credit markets broadened during the quarter and can be seen in the fundamentals of issuers in the utility and industrial sectors. Hyperscalers as a percentage of the investment grade market have grown in 2026, and we have dipped our toes into some of the higher quality issuers. Active selection and allocation remain important for performance as we believe investors are not getting paid in high yield corporates for potential volatility, and weakness in bank spreads during the quarter could be a potential cause for pause. The portfolio was cautiously positioned during the quarter, but we continued to find opportunities in sectors and issuers with attractive yield.

Fund Allocation

The Fund's number of holdings increased from 304 to 319 in the third quarter of 2026. The allocation to Treasuries decreased from 9.98% to 7.03%, while bank loan exposure declined from 6.13% to 4.09%. Investment grade corporates increased from 54.23% to 58.53%, while the investment team added to non-agency mortgages, which rose from 6.30% to 7.54%. The shift in allocations optimizes risk-adjusted yield and portfolio positioning given our market outlook and the recent uptick in Treasury rates. The rise in fixed rate corporates increased

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.*

effective duration by a tenth of a year to 2.23, while the yield to worst increased from 5.10% to 5.83% in light of the shift toward credit.

Contributors/Detractors

The Fund trailed the Bloomberg 1-3 Year US Government/Credit Bond Index during the third quarter. Exposure to investment grade corporates detracted from performance due to longer duration relative to the benchmark and spread widening. Looking at security selection, issuers in technology, capital goods, and electric utilities were additive during the period, while selection in banking, communications, and consumer cyclical detracted. The impact of asset-backed securities (ABS) was largely positive, with collateralized loan obligations (CLOs) and auto-backed securities notable contributors. An allocation to bank loans was additive to relative performance in light of interest rate volatility. The Fund's overweight to duration, with exposure to longer-dated government bonds relative to the benchmark, was a detractor as yields rose across the curve in the third quarter.

Manager Outlook

A strong economic backdrop has defined 2026, but its durability is being tested by higher interest rates and energy prices, and overall elevated inflation. Chair Warsh followed through on hawkish messaging in the third quarter, with the first rate hike in three years helping to assuage concerns over the Fed's political independence. That said, we are only three press conferences into Warsh's tenure, and it is fair to say that there are more questions than answers when it comes to future policy and the ability to balance the Fed's dual mandate of price stability and maximum employment.

Much has been said about AI infrastructure spending, with over $300 billion of investment grade issuance to support the massive data center buildout so far in 2026, and this is reshaping credit markets with tech moving to represent the largest issuers within indexes. This massive supply shock to markets has meant spreads have moved wider for these issuers, and we expect the shock to likely continue. We have dedicated meaningful time to credit research on these issuers and have added exposure to higher quality hyperscalers.

As we look forward, key questions to define the final months of the year will be the evolution of inflation and the ability of consumers to continue to sustain growth. Consumers have weathered tariffs, job uncertainty in the wake of AI, higher interest rates, and rising energy prices, but their ability to sustain spending in the months ahead warrants close attention. At the moment, despite higher energy prices, we see mixed signals on inflation while growth remains strong. We remain optimistic that continued AI capex will propel the economy forward, though it is likely to remain a headwind for fixed income markets.

Front-end Treasury yields moved notably higher as the Fed raised the funds rate in September in pursuit of its 2% inflation target after more than five years of missing on its price stability mandate. Energy prices will cause near-term inflation to be volatile, and services inflation remains ingrained within the economy, prompting the market to price one additional Fed hike by the end of the year. U.S. corporate spreads (1-3 years) widened, moving from 43 bps at the start of the quarter to 51 bps at the end of September. While spreads rose during the period, they are still below the 10-year average and highlight the need to be thoughtful about compensation for taking credit risks in lower quality parts of the market.

Our Fund's flexibility continues to be a key differentiator in navigating a complex macro backdrop. Through our relative value framework, we continue to maintain spread in excess of our index along with a yield advantage. The Fund's investment-grade corporate bond exposure is focused on BBB rated securities. We also find attractive yield and relative value in investment-grade CLO debt and senior ABS. Our fundamental research leads us to favor industries such as U.S. global systemically important banks, utilities, and select office REITs. Also, amidst the notable spread widening, we find value in many of the data center tech names. Additionally, we are cautious on consumer cyclical sectors, healthcare-related names due to M&A pressures, and retail-related sectors.

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	-0.58	0.20	1.25	4.62	2.64	2.54	2.61
Class A-MOP	-3.52	-2.82	-1.80	3.56	2.01	2.23	2.40
Class I-2	-0.61	0.30	1.42	4.89	2.90	2.80	2.86
Bloomberg 1-3 Year US Government/Credit Bond Index	-0.18	0.59	1.75	4.33	2.07	1.98	1.68

Top 10 Issuers	Weight (%)
Government Of The United States Of America	7.03
JPMorgan Chase	2.55
Goldman Sachs	2.34
Morgan Stanley	2.29
Bank of America	1.92
Wells Fargo	1.90
Firstenergy Corporation	1.24
Blackrock Magnetite 2019-23 A CLO Trust	1.19
Credit Agricole	1.13
UBS	1.05
Total	**22.65**

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Please see the current prospectus for detailed information.

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 0.75%/0.75%. Gross/Net annual operating expenses for Class I-2 are 0.49%/0.49%, 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.

This commentary represents the views of the portfolio managers at Aristotle Pacific Capital, LLC as of the publication date and are presented for informational purposes only. These views should not be construed as investment advice, an endorsement of any security, mutual fund, sector or index, or to predict performance of any investment. Any forward-looking statements are not guaranteed. All material is compiled from sources believed to be reliable, but accuracy cannot be guaranteed. The opinions expressed herein are subject to change without notice as market and other conditions warrant. Sector names in this commentary are provided by the Fund's portfolio managers and could be different if provided by a third party.

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