

January 16, 2026

To Clients, Partners, and Friends of Aristotle Pacific Capital:

In 2025, we continued making deliberate investments to strengthen the capabilities of our team, expand and enhance our infrastructure, and further diversify our investment platform to better serve current and future clients. Key hires and internal initiatives were undertaken to support scalability, innovation, and operational resilience. Importantly, we advanced these priorities while continuing to deliver strong investment performance for our clients, reinforcing our commitment to long-term value creation.

Clients – To our valued clients, your trust and commitment to us will always be at the core of our purpose. We are immensely proud of our client base and have the honor of welcoming an additional 24 institutions to this list, not including new consulting and advisory relationships. Some of our relationships span over 15 years, which evokes a humbling sense of gratitude.

Talent, Character, and Fit – Finding talented, high character professionals with experience, enthusiasm, and the right fit is central to the firm's DNA. This is a responsibility we hold with utmost importance. Last year, experienced professionals joined our research, investor relations, client service, and risk management areas. I would like to highlight two professionals:

- **Brandon Lee** - Senior credit research analyst and head of special situations. Brandon joined us in Q2 2025. Previously, he was a managing director at Golden Tree Asset Management, focused on distressed/opportunistic investments. Prior to that, Brandon spent seven years as a financial restructuring advisor at Houlihan Lokey and five years in Citi's Global Energy Group, specializing in oil-and-gas loan underwriting and syndication. He earned a bachelor's degree from the McCombs School of Business at the University of Texas.
- **Dan Martinez, CFA** - Dan joined us in Q3 2025 as head of investment risk. Prior to joining us, Dan spent 11 years at Thornburg Investment Management, where he was a senior analyst in portfolio analytics and investment risk with responsibilities in building and implementing risk management across asset classes. He earned a bachelor's degree and an MBA from the University of New Mexico and is a CFA charterholder.

With these additions, our firm now comprises 47 professionals, 30 of whom are part of the investment team, with an average of 20 years of industry experience. In addition, we are further supported by members of Aristotle's shared services organization.

Assets – As we enter 2026, assets are just under \$31 billion, which on the surface suggests moderate growth. However, when we look at underlying metrics, asset growth was stronger than at first glance as the firm is more diversified across business channels, investment strategies, and client base. Excluding one large portfolio that was reduced due to internal allocation shifts, asset growth would be reflected as robust.



Vehicle Evolution – As technology, regulation, and capital allocators evolve, one aspect that has shifted is the investment vehicle utilized. Mutual funds and separate accounts are being threatened by active ETFs, interval funds, CITs, private funds, and SMAs just to name a few. It is with this long-term view that helped drive our decisions to launch more than six of these vehicles in 2025, implement new systems, and partner with different organizations to help prepare for our clients' future needs.

Back & Middle-Office Partnership - In mid-2025, we struck a partnership with Siepe LLC, a back and middle office service provider built on a robust technology platform. This transition formally began in August 2025 following a thoughtful evaluation process. The partnership, which includes partial ownership of Siepe, provides us more dependable scale, efficiency, and alignment with day-to-day operators.

Amara's Law states: "We tend to overestimate the effect of a technology in the short term and underestimate the effect in the long term."

This is a concept I very much agree with. We are inundated with evolving technology and are constantly subject to its disruption. And while I believe the benefits of technology far outweigh the downside, it does have clear shortcomings. Technology is meant to help us organize and think better but should never replace our thinking. Technology is largely accurate but should not be blindly trusted. Technology will also be a part of our daily lives but should not be a primary relationship in our lives. With all that said, I am optimistic about what technology will bring, but want to be mindful of the costs.

"When opportunity comes, it's too late to prepare"

—John Wooden

Thank you for your support and confidence in Aristotle Pacific Capital. We are prepared for the opportunities and challenges 2026 has in store and welcome any questions.

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