

The Little **Book of Credit**SM



ARISTOTLE
PACIFIC CAPITAL

JUNE 30, 2025 | VOLUME V

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The background of the slide is a solid blue color with a faint, light blue overlay of various financial charts and graphs. These include line graphs with multiple data series, bar charts, and circular diagrams with arrows, suggesting a complex financial analysis or investment strategy. The charts are scattered across the slide, with some in the top left, top right, and bottom right corners, and others partially visible behind the text.

ABOUT ARISTOTLE PACIFIC CAPITAL

Aristotle Pacific Capital actively invests on the basis of fundamental credit analysis with the objective of identifying and realizing relative value. Our investment team, along with the infrastructure of affiliate Aristotle Capital Management, combine to provide an ideal platform for us to discover and capture credit opportunities in today's dynamic markets.

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This edition marks the first anniversary of “The Little Book of Credit,” our quarterly publication designed to help demystify the world of fixed income. Over the past year, we have been deeply grateful for the favorable reaction to “the little book”, and we are especially appreciative of the thoughtful feedback that has helped make this publication even more valuable to financial professionals like yourself. Thank you for coming on this ride with us.

A handwritten signature in black ink, appearing to read "Dominic Nolan", with a long, sweeping horizontal line extending to the right.

Dominic Nolan, CFA

CEO, Aristotle Pacific Capital



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Digital version available here:

www.aristotlepacific.com/post/the-little-book-of-credit

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SECTION 1

Polymarket Barometer: 2nd Edition

The Oracle vs. the Index

From Lag to Swag: The Mag 7 Rebound

Stablecoins Emerge as a Top Buyer of U.S. T-Bills

Back on the Books: Student Loans



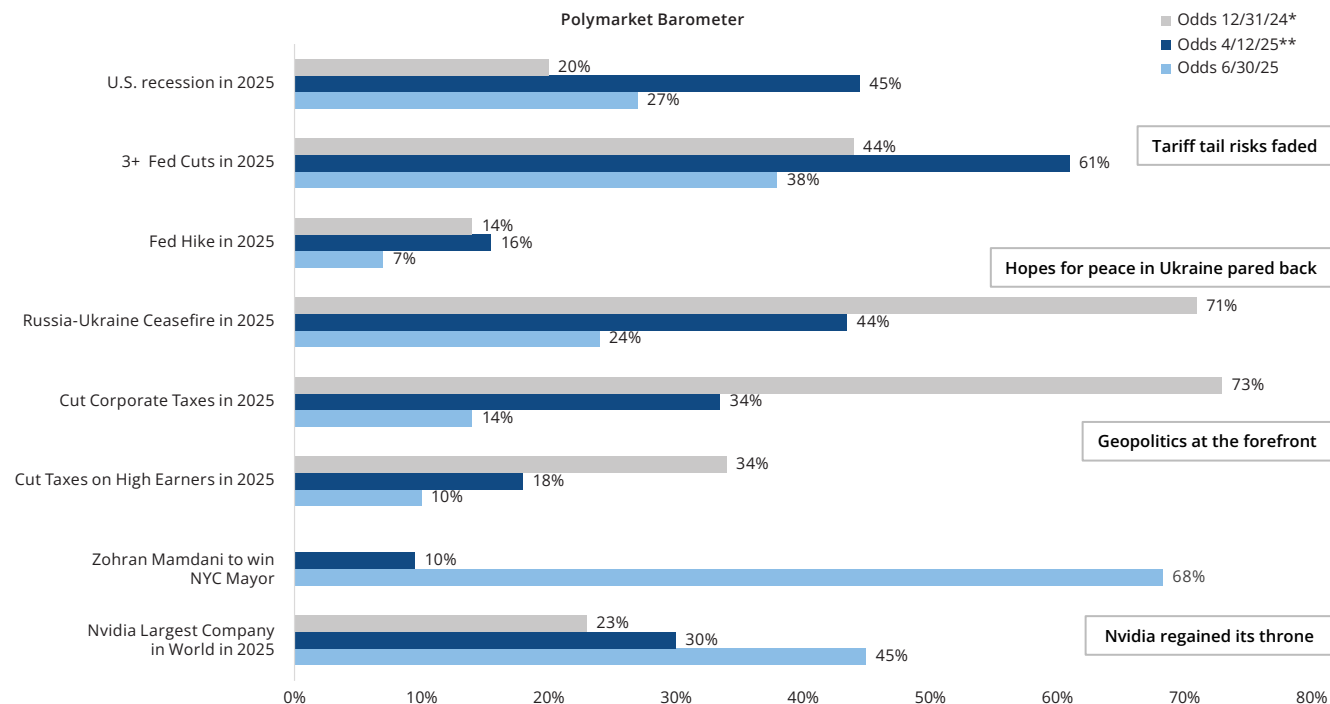
Little OBSERVATIONS

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Polymarket Barometer: 2nd Edition

ODDS SHIFTED SHARPLY ON MACRO AND GEOPOLITICAL EVENTS AS TARIFF FEARS FADE

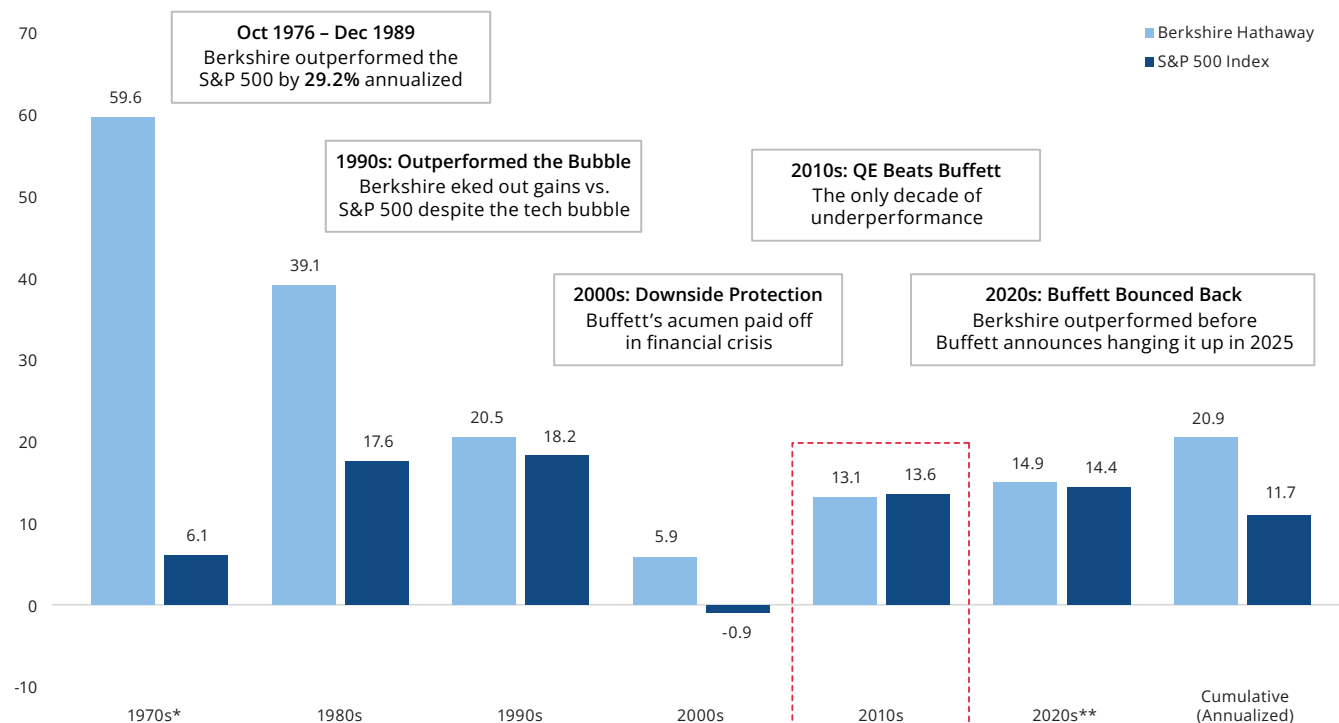


Source: Polymarket as of 6/30/2025. *Odds on 12/31/24 or first trading date if after 12/31/24. First trading dates after 12/31/24 include: Cut Taxes on High Earners (1/6/25); Cut Corporate Taxes (1/7/25); U.S. Recession (1/8/25); **Odds on 4/12/25 or first trading date if after 4/12/25. First trading dates after 4/12/25 include: NYC Mayor (4/22/25)

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The Oracle vs. the Index

BERKSHIRE'S SCORECARD: LONG-RUN OUTPERFORMANCE, ONE DECADE AT A TIME

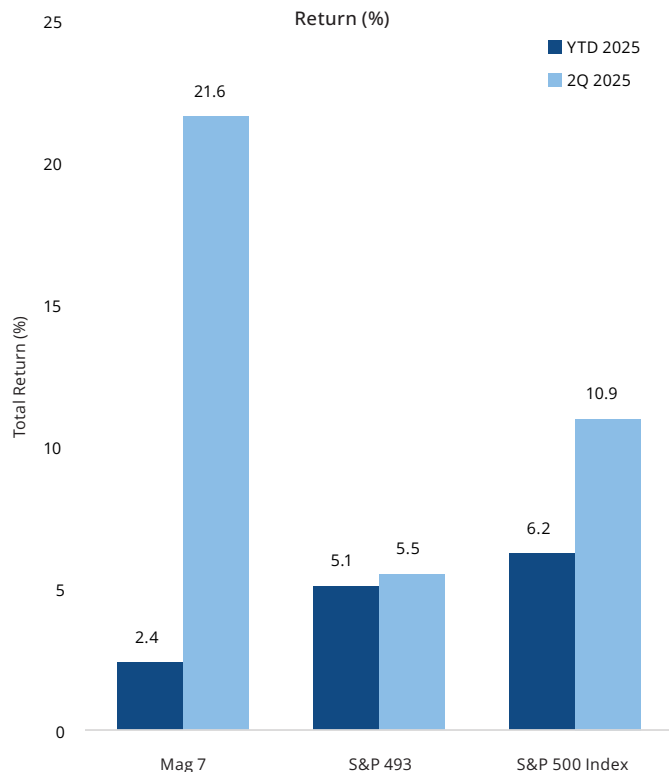


*Partial year 10/31/1976 to 12/31/1979. **Partial year 1/1/2020 to 6/30/2025. Source: FactSet 10/1/1976 - 6/30/2025. Any discussion of individual companies in this presentation is not intended as a recommendation to buy, hold or sell securities issued by those companies. Total returns by decade are percentages and annualized.

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From Lag to Swag: The Mag 7 Rebound

TECH TITANS RECLAIMED MARKET LEADERSHIP IN Q2



	Weight (%, As of 6/30/25)	2025 Total Return (%)	2Q 2025 Total Return (%)
Apple Inc.	5.84	-17.88	-7.52
Nvidia Corporation	7.34	17.67	45.78
Microsoft Corporation	7.04	18.46	32.75
Amazon.Com, Inc.	3.95	0.00	15.31
Alphabet Inc.	3.54	-6.66	13.91
Meta Platforms, Inc.	3.05	26.26	28.16
Tesla, Inc.	1.70	-21.34	22.57

Contribution to S&P 500 Index Year-to-Date 2025 Performance

Magnificent 7	0.99	6.28
S&P 493	5.22	4.66
S&P 500 Index	6.20	10.94

Source: FactSet 10/1/1976 - 6/30/2025. Any discussion of individual companies in this presentation is not intended as a recommendation to buy, hold or sell securities issued by those companies. Total returns by decade are percentages and annualized.

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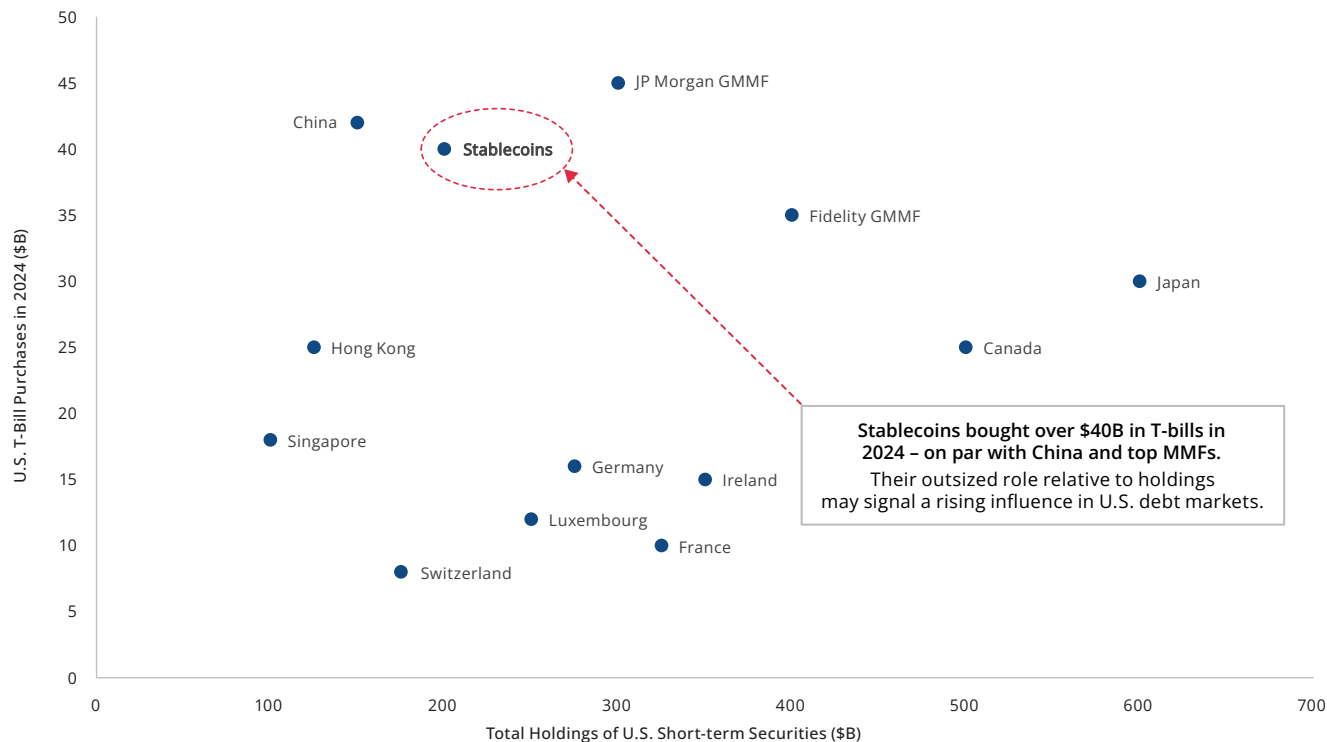
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LITTLE OBSERVATIONS

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Stablecoins Emerged as a Top Buyer of U.S. T-Bills

STABLECOINS WERE THE 3RD LARGEST PURCHASER OF T-BILLS IN 2024

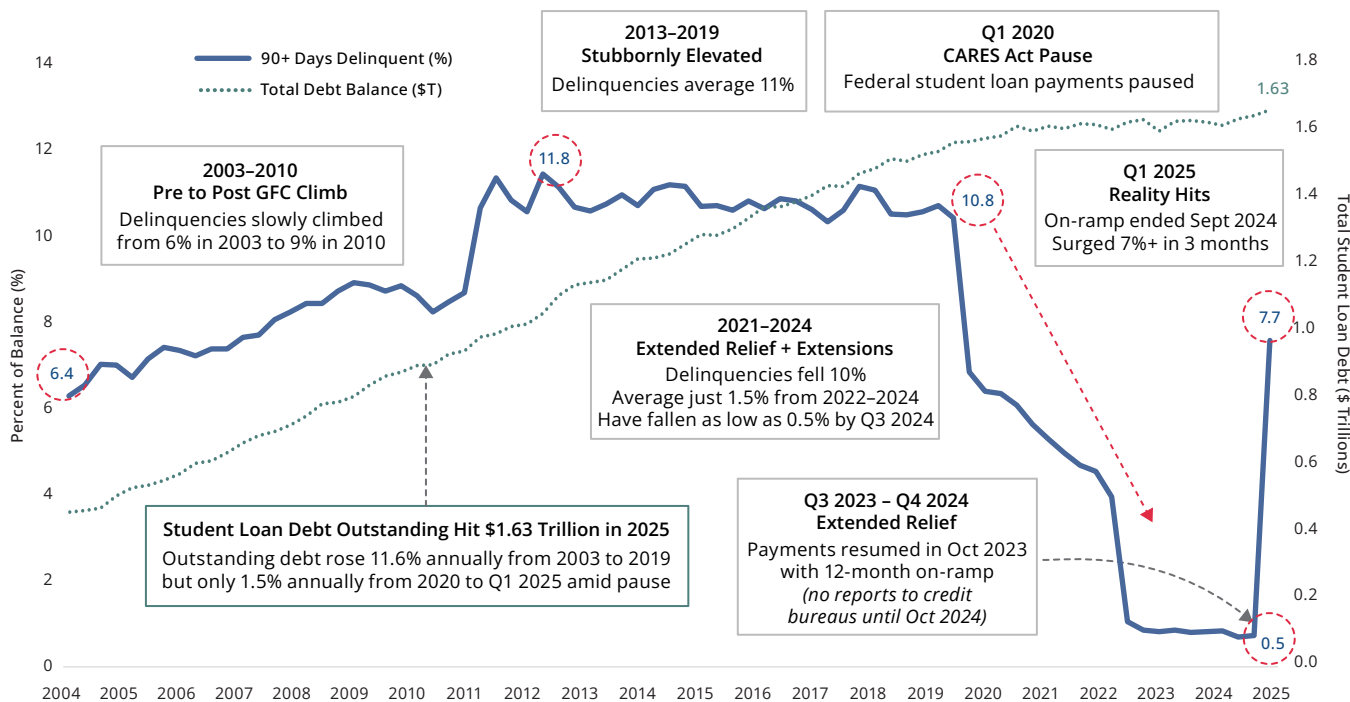


Source: Bank of International Settlements (BIS), U.S. Treasury International Capital Data as of 6/30/2025.

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Back on the Books: Student Loan Delinquencies Surged

PERCENT OF BALANCE 90+ DAYS DELINQUENT SURGED IN Q1 2025 AFTER 3-YEAR PAUSE



Credit Score Group	Count (Millions)	% Of Newly Delinquent Population	Avg. Credit Score Change
<620	3.2	56.6%	-74
620 - 719	2.0	35.9%	-140
>720	0.4	7.5%	-177

Source: New York Fed Consumer Credit Panel/Equifax; Liberty Street Economics as of 3/31/2025.

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SECTION 2

U.S. Nominal GDP

U.S. Real GDP

Consumer Price Index

CPI Components

Labor Market

Commodity Performance



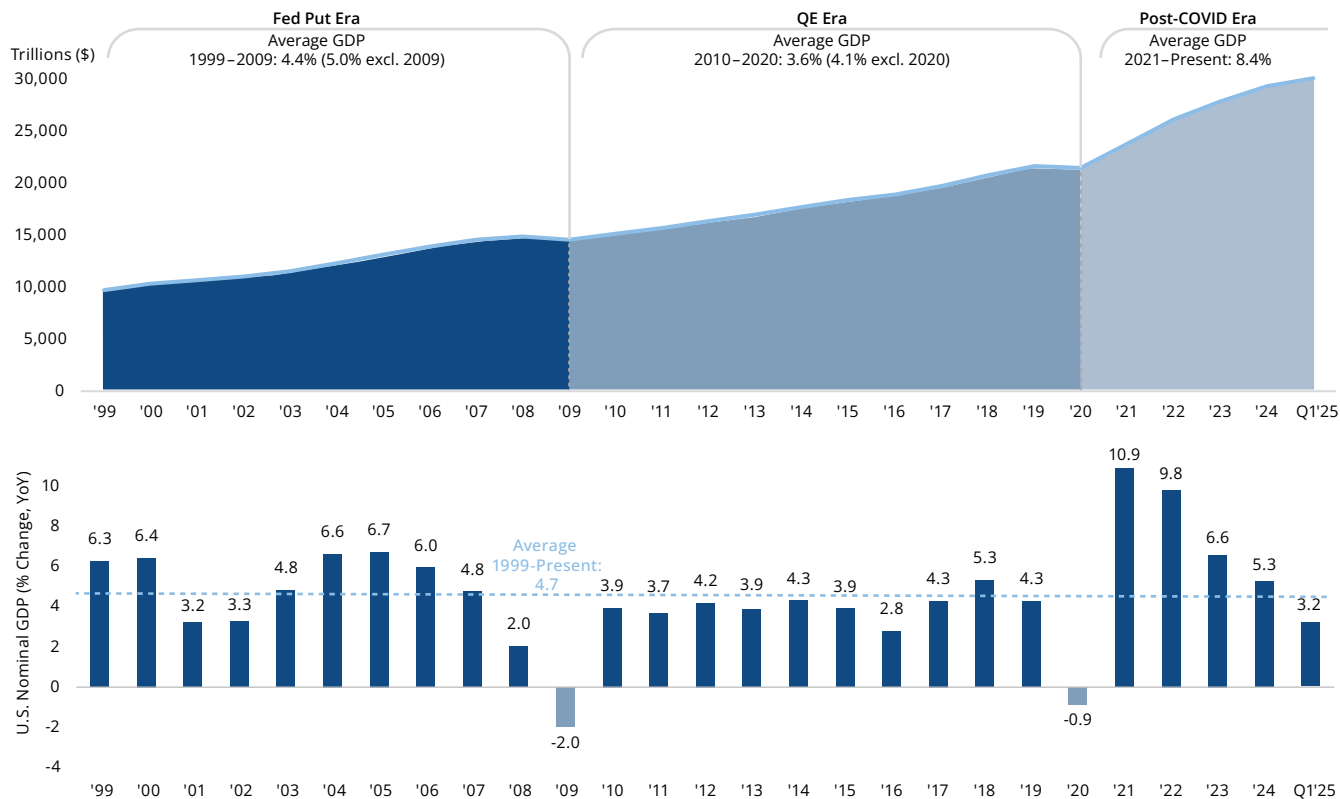
ECONOMY

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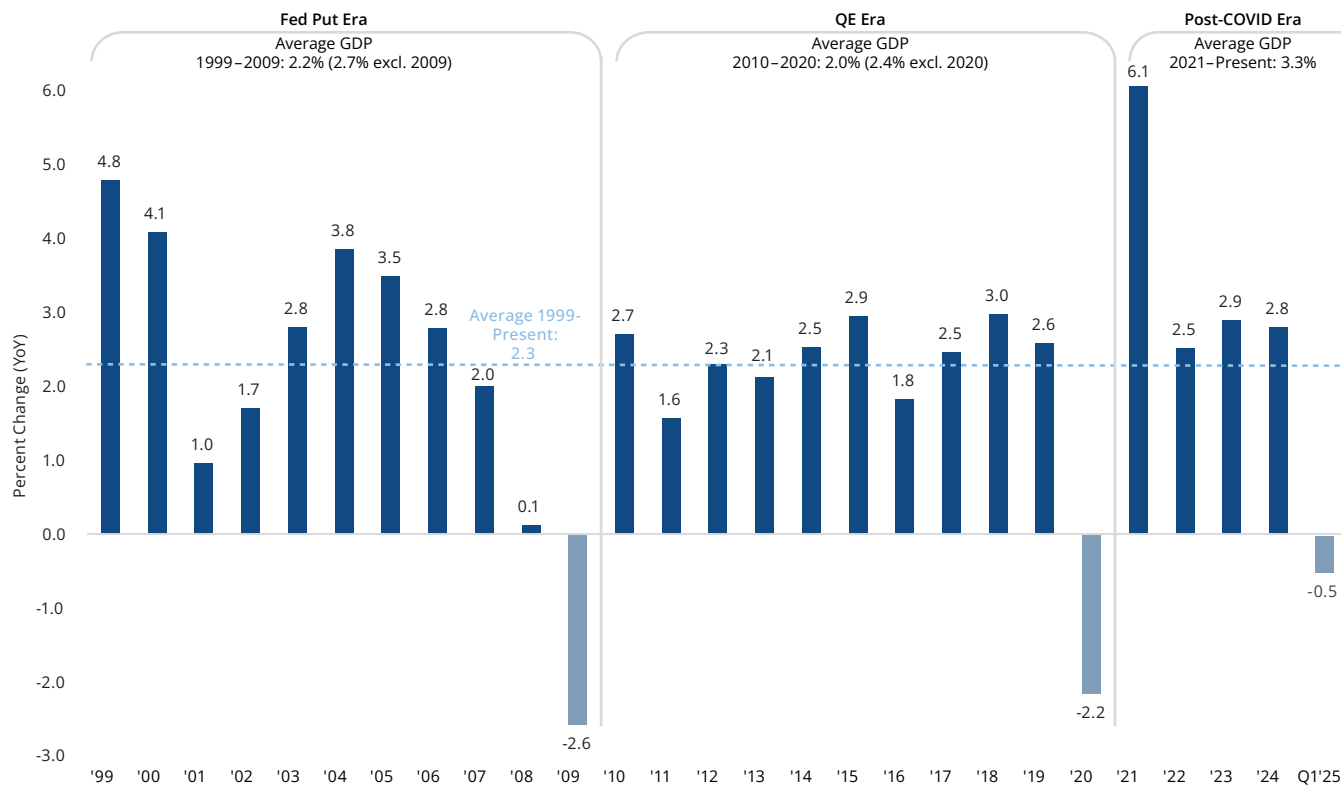
U.S. Nominal GDP

2



U.S. Real GDP

2



ECONOMY

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Source: U.S. Bureau of Economic Analysis and Aristotle Pacific Capital as of 6/30/2025.

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Consumer Price Index

2



Source: U.S. Bureau of Labor Statistics and Aristotle Pacific Capital as of 5/31/2025.

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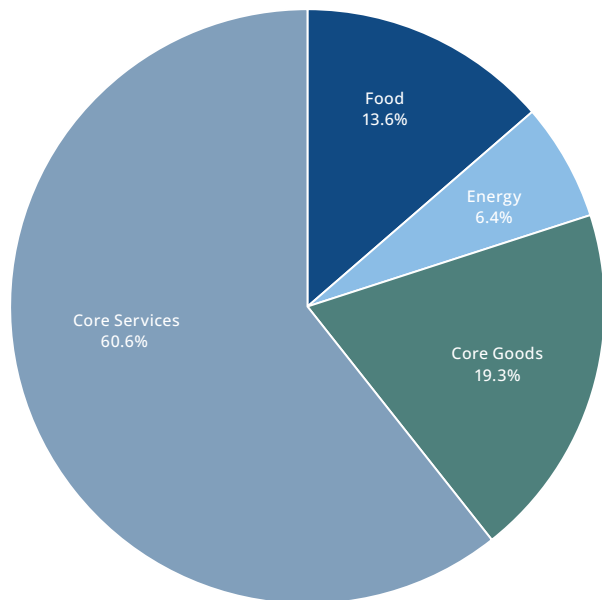
CPI Components

2

ECONOMY

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CPI Weights



Category	Change (YoY, %)	Change (YoY, %)	Change Since 12/31/2019 (%)
Food	13.6	2.9	29.9
Energy	6.4	(3.1)	24.5
Core Goods	19.3	0.3	14.8
Core Services	60.6	3.5	25.7

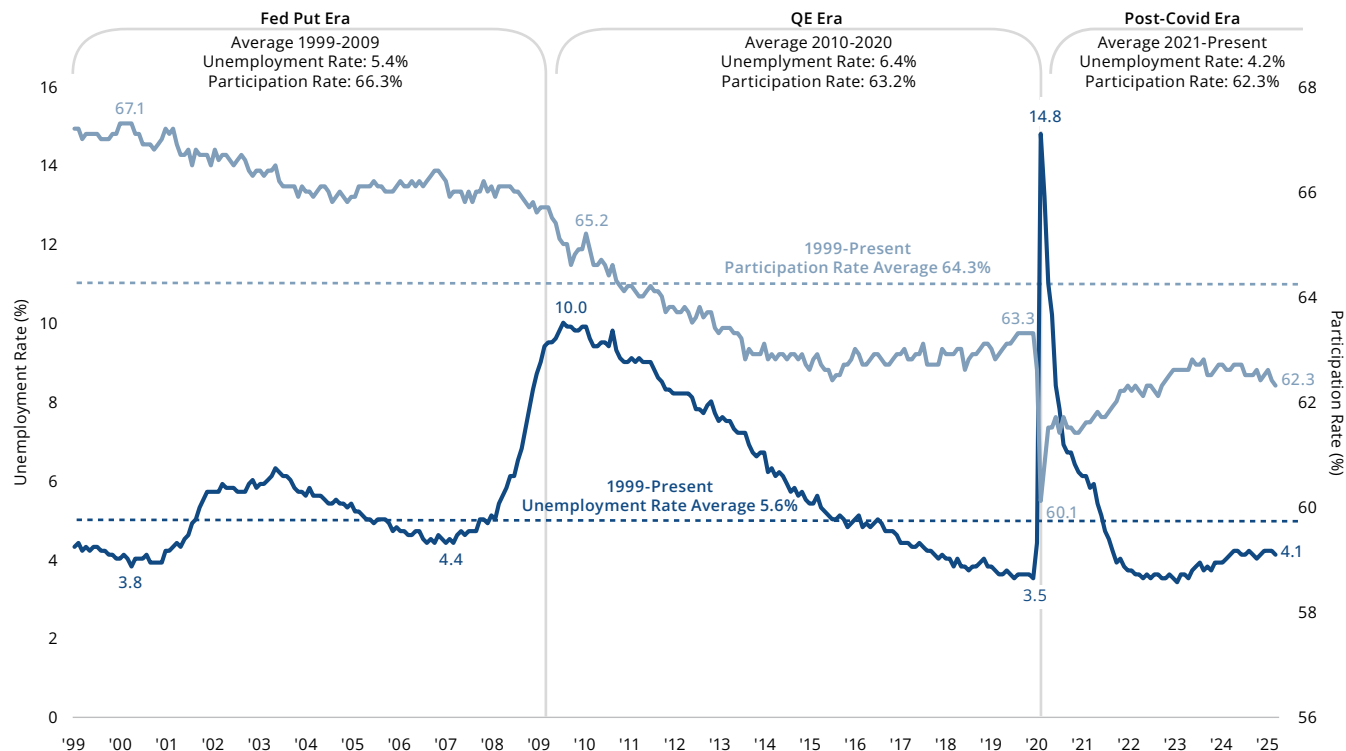
Category	Sub-Category	Weight (%)	Change (YoY, %)	Change Since 12/31/2019 (%)
Apparel	Core Goods	2.5	-0.9	6.3
Housing		44.2	4.0	28.6
Household Furnishings and Operations	Core Goods	4.4	2.7	21.5
Shelter	Core Services	35.4	3.9	28.5
Water and Sewer and Trash Collection Services	Core Services	1.1	5.2	27.2
Household Energy	Energy	3.3	6.3	40.1
Education and Communication		5.7	0.3	5.8
Education and Communication Commodities	Core Goods	0.7	-3.8	-22.9
Education and Communication Services	Core Services	4.9	1.0	10.8
Recreation		5.3	1.8	15.2
Recreation Commodities	Core Goods	1.8	-1.3	4.6
Recreation Services	Core Services	3.5	3.7	22.5
Food and Beverages		14.5	2.8	29.0
Food	Food	13.6	2.9	29.9
Alcoholic Beverages	Core Services	0.8	1.5	16.5
Medical Care		8.3	2.5	13.2
Medical Care Commodities	Core Goods	1.5	0.3	7.6
Medical Care Services	Core Services	6.7	3.0	14.4
Transportation		16.6	-1.2	26.0
Transportation Commodities Excluding Motor Fuel	Core Goods	7.2	1.0	24.8
Transportation Services	Core Services	6.3	2.5	35.1
Motor Fuel	Energy	3.1	-11.9	10.1
Other Goods and Services		2.9	3.8	26.5
Other Goods	Core Goods	1.3	2.9	24.6
Other Personal Services	Core Services	1.6	4.6	28.4

Source: U.S. Bureau of Labor Statistics and Aristotle Pacific Capital as of 5/31/2025.

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Labor Market

U.S. UNEMPLOYMENT VS. PARTICIPATION

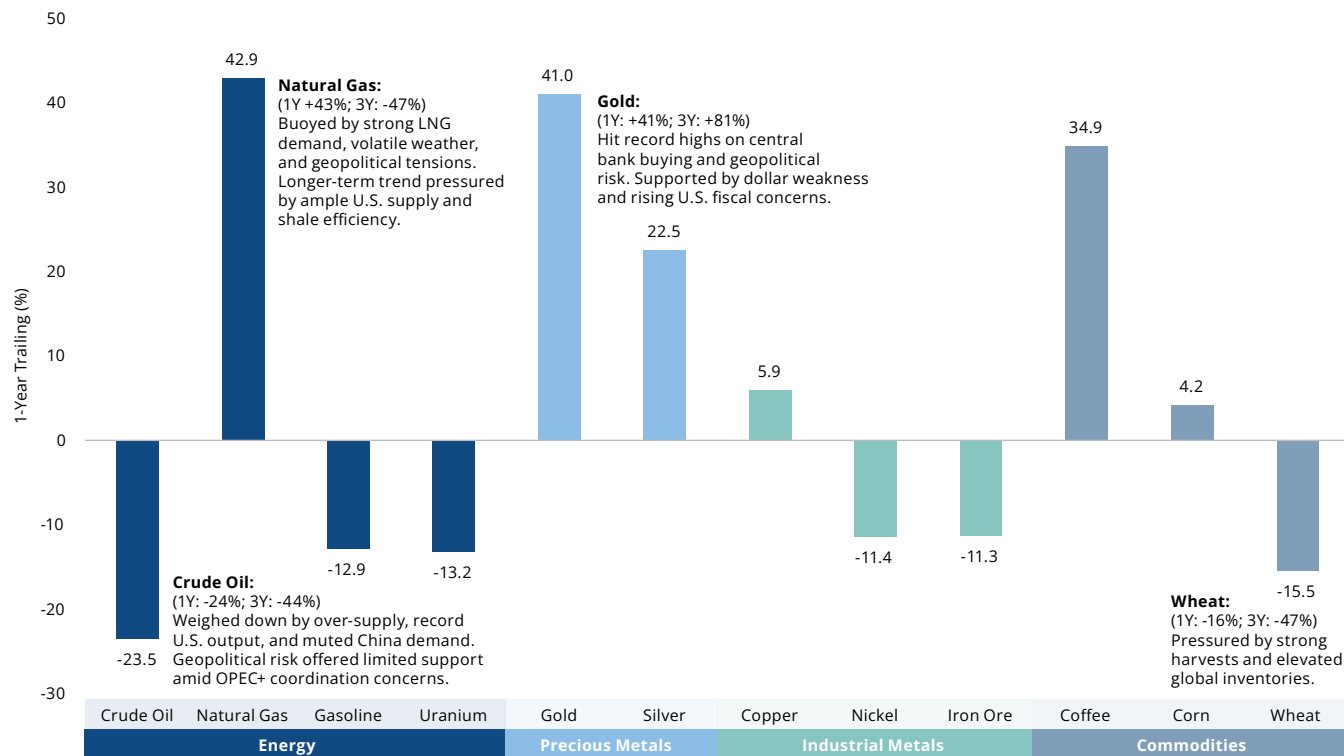


Source: U.S. Bureau of Labor Statistics and Aristotle Pacific Capital as of 6/30/2025.

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Commodity Performance

1-YEAR TRAILING PERFORMANCE



Past performance does not guarantee future results. Source: FactSet and Aristotle Pacific Capital as of 6/30/2025.

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SECTION 3

Global Policy Rates

Global Yields

Central Bank Balance Sheets

Inflation and Yields

Systemic Liquidity



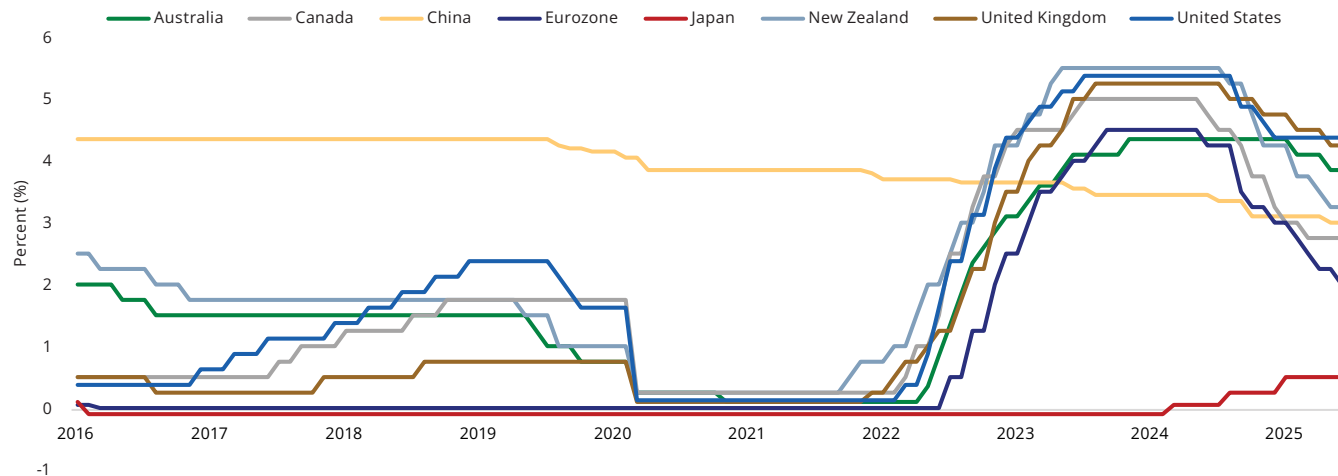
MONETARY POLICY

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Global Policy Rates

MAJOR CENTRAL BANK POLICY RATES



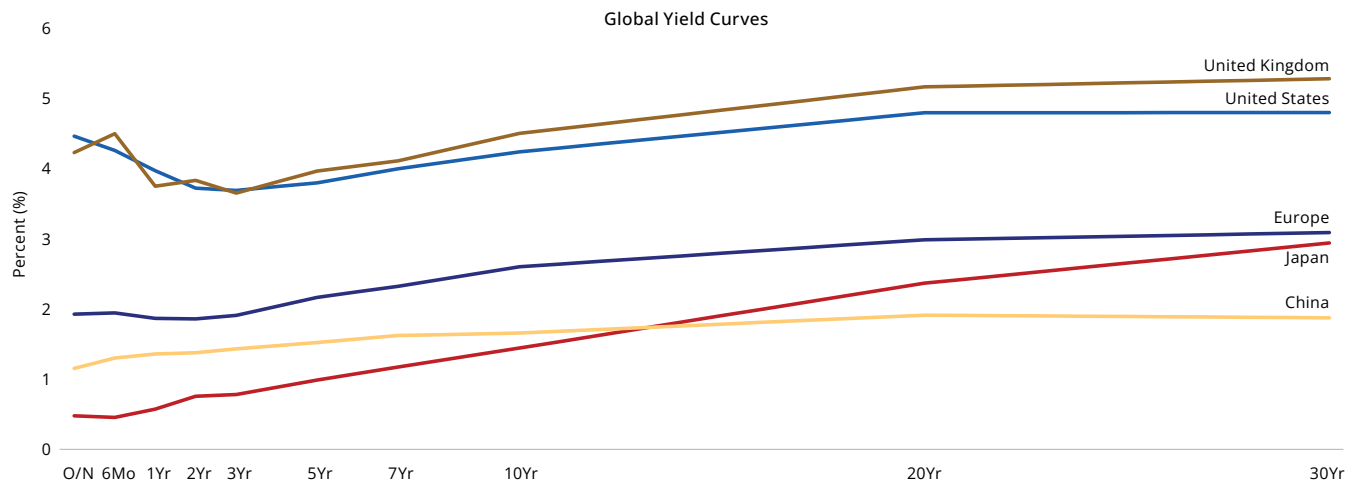
	Policy Rate (%)		Annual Change (%)					Total Change (%)	
	2019	2020	2021	2022	2023	2024	YTD 2025	Jan 2021 to Present	
United States	1.625	-1.50	0.00	4.25	1.00	-1.00	0.00	4.25	
Japan	-0.10	0.00	0.00	0.00	0.00	0.35	0.25	0.60	
Eurozone	0.00	0.00	0.00	2.50	2.00	-1.50	-1.00	2.00	
United Kingdom	0.75	-0.65	0.15	3.25	1.75	-0.50	-0.50	4.15	
Canada	1.75	-1.50	0.00	4.00	0.75	-1.75	-0.50	2.50	
Australia	0.75	-0.65	0.00	3.00	1.25	0.00	-0.50	3.75	
New Zealand	1.00	-0.75	0.50	3.50	1.25	-1.25	-1.00	3.00	
China	4.15	-0.30	-0.05	-0.15	-0.20	-0.35	-0.10	-0.85	

Source: Bank of International Settlements (BIS) and Aristotle Pacific Capital as of 6/30/2025.

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Global Yields

GOVERNMENT BOND YIELD CURVES



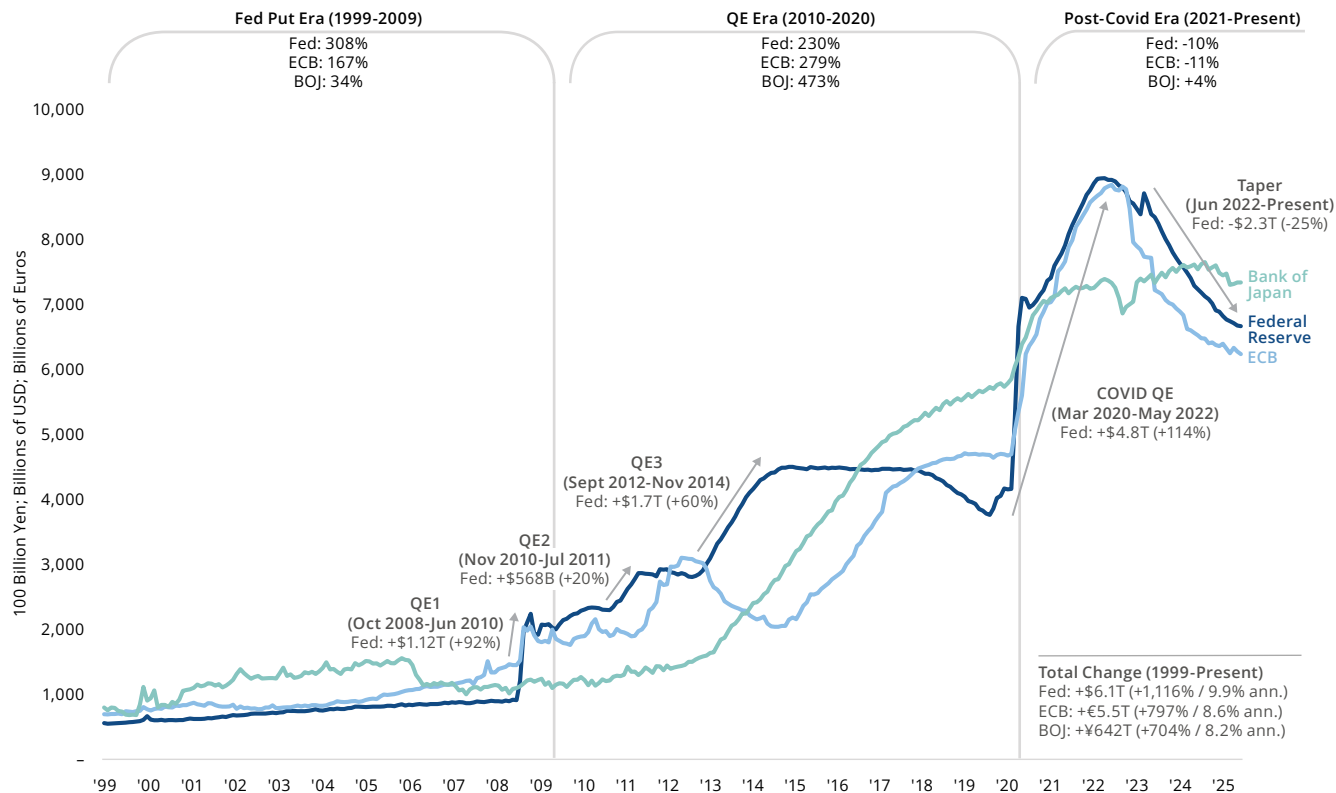
Government Bond Yields (%)						
	6-Month	2-Year	5-Year	10-Year	20-Year	30-Year
US	4.25	3.71	3.79	4.23	4.78	4.79
Europe	1.94	1.85	2.16	2.60	2.98	3.08
UK	4.49	3.82	3.96	4.49	5.15	5.27
Japan	0.45	0.76	0.99	1.44	2.36	2.93
China	1.30	1.37	1.52	1.65	1.91	1.87

Past performance does not guarantee future results. Source: FactSet, Bloomberg, and Aristotle Pacific Capital as of 6/30/2025.

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Central Bank Balance Sheets

FEDERAL RESERVE (FED), EUROPEAN CENTRAL BANK (ECB) AND BANK OF JAPAN (BOJ)

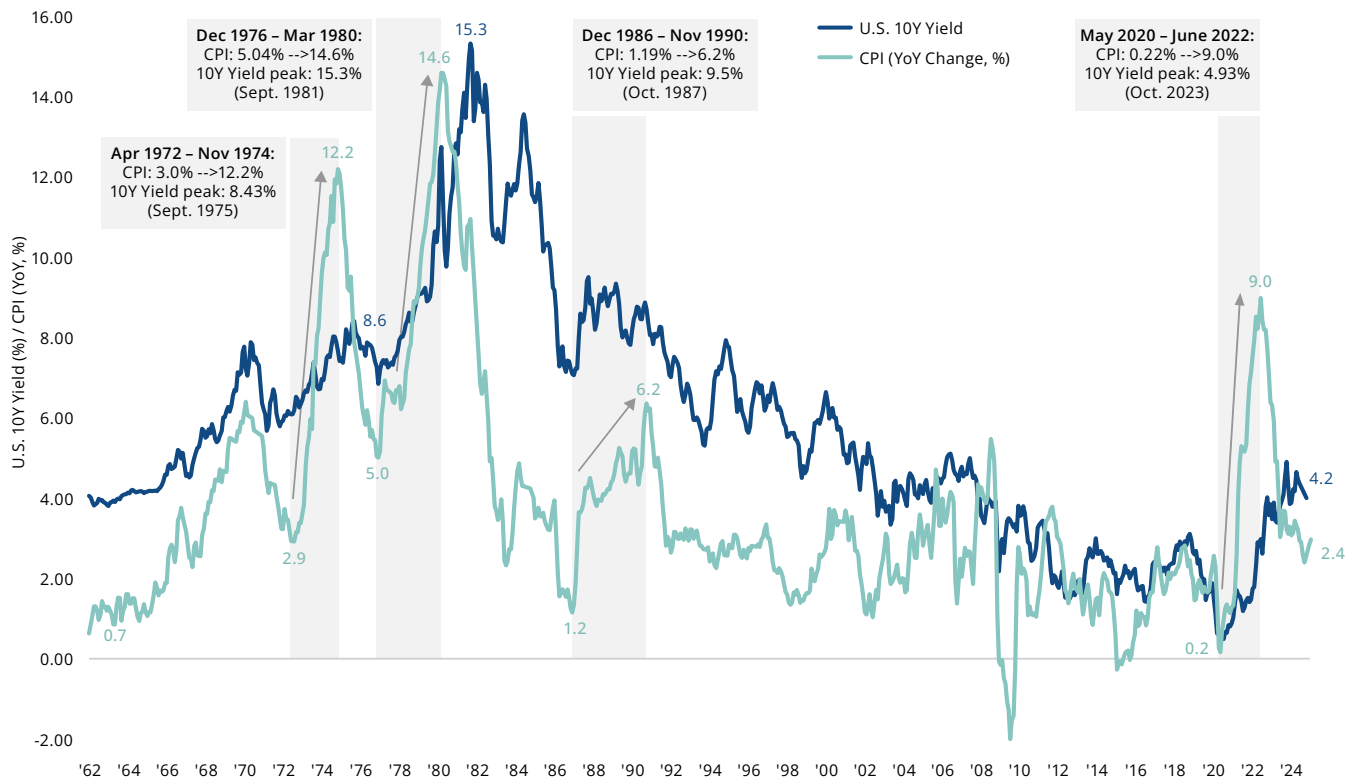


Source: Board of Governors of the Federal Reserve System (US), European Central Bank, Bank of Japan, and Aristotle Pacific Capital as of 6/30/2025.

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Inflation and Yields

U.S. 10-YEAR YIELD VS. CPI (YOY%)

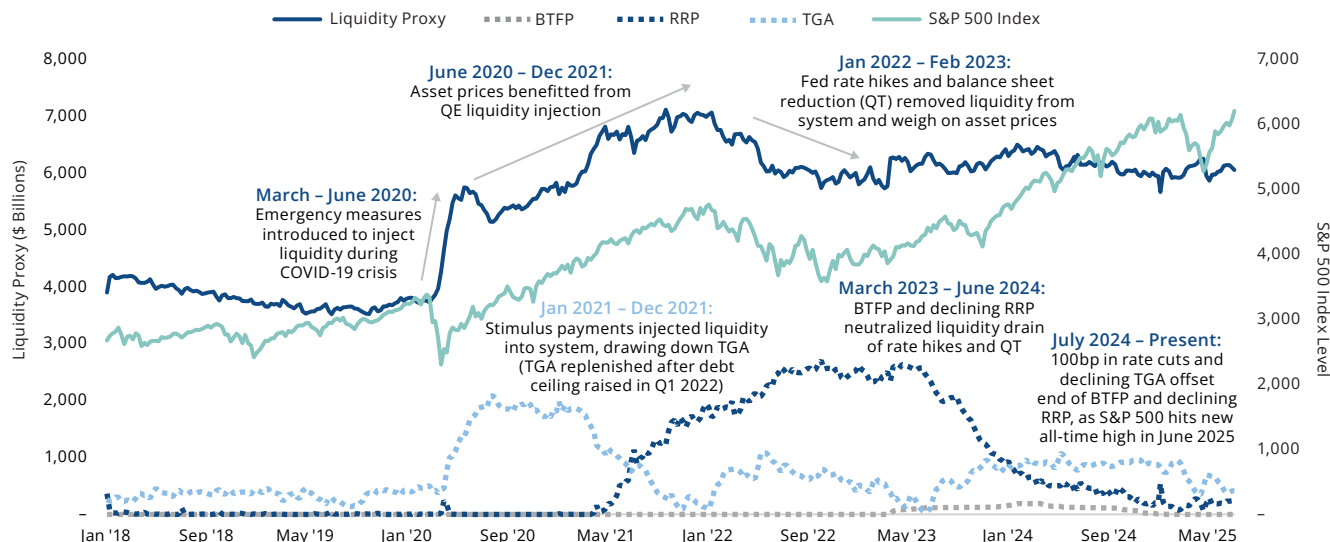


Past performance does not guarantee future results. Source: Board of Governors of the Federal Reserve System (US), U.S. Bureau of Labor Statistics (BLS), and Aristotle Pacific Capital as of 6/30/2025.

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Systemic Liquidity

FED TOTAL ASSETS + BTFP - RRP - TGA VS. S&P 500 INDEX LEVEL



RRP (Reverse Repurchase Agreement): A tool to manage short-term money market stability and ensure smooth market functioning. A decline in RRP indicates less excess liquidity in the system.

BTFP (Bank Term Funding Program): Launched in March 2023 to provide temporary funding to banks for up to one year, using high-quality collateral. It expired in March 2024 and helped stabilize markets during a critical period.

TGA (Treasury General Account): This is the Treasury's main account at the Fed (aka the Treasury's primary checking account). It rises with government borrowing and/or tax receipts and falls when the Treasury spends, adding liquidity to the financial system.

Source: Board of Governors of the Federal Reserve System (US), Federal Reserve Bank of New York (FRBNY), S&P Dow Jones Indices LLC as of 6/30/2025.

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SECTION 4



Cross-Asset Performance Heat Map

Cross-Asset Performance

The Liquidity Frontier

Market Size

Cross-Asset Correlations

Yields vs. Treasuries

OAS Relative to History

Cross-Asset Performance Heat Map

TOTAL RETURN (YTD %)

EQUITIES

Global ex-U.S. Equity 17.90%
China Equity 17.33%
EM Equity 15.27%
U.S. Large Cap Growth 8.86%
U.S. Large Cap 6.20%
U.S. Large Cap Value 3.28%
U.S. Mid Cap 0.20%
U.S. Small Cap -4.46%

FIXED INCOME

EM Bonds 4.94%
HY Corp 4.57%
MBS 4.23%
IG Corp 4.17%
U.S. Agg 4.02%
Treasuries 3.79%
Bank Loans 2.96%
T-Bills 2.13%

ALTERNATIVES

Bitcoin 14.82%
Real Assets 7.79%
Hedge Funds 4.98%
CLO - BBB 3.20%
CLO - AAA 2.70%
GSCI 1.94%
BDCs 0.48%
REITs -0.09%

Past performance does not guarantee future results. Source: Barclays, Bloomberg, S&P, FactSet, J.P. Morgan, MSCI, Preqin, and Standard & Poor's as of 6/30/2025.
Bank Loans: S&P UBS Leveraged Loan Index; BDCs: S&P BDC Index; Bitcoin: Bitcoin (XBT/USD); China Equity: MSCI China Index (Net); CLO - AAA: J.P. Morgan CLOIE - AAA; CLO - BBB: J.P. Morgan CLOIE - BBB; EM Bonds: Bloomberg EM USD Aggregate Index; EM Equity: MSCI EM Index (Net); Global ex-U.S. Equity: MSCI ACWI ex U.S. Index (Net); GSCI: S&P Goldman Sachs Commodity Index (GSCI); Hedge Funds: Barclay Hedge Fund Index; HY Corp: Bloomberg U.S. Corporate High Yield Bond Index; IG Corp: Bloomberg U.S. Corporate Bond Index; MBS: Bloomberg U.S. Mortgage-Backed Securities (MBS) Index; Real Assets: S&P Real Assets Index; REITs: MSCI U.S. REIT Index; T-Bills: Bloomberg U.S. Treasury Bills 1-3 Month Index; Treasuries: Bloomberg U.S. Treasury Index; U.S. Agg: Bloomberg U.S. Aggregate Bond Index; U.S. Large Cap Growth: S&P 500 Growth Index; U.S. Large Cap Value: S&P 500 Value Index; U.S. Large Cap: S&P 500 Index; U.S. Mid Cap: S&P Midcap 400 Index; U.S. Small Cap: S&P SmallCap 600 Index

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Cross-Asset Performance

ANNUAL AND TRAILING (%)

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		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 YTD	1Y	3Y	5Y	10Y
FIXED INCOME	Bloomberg U.S. Treasury Bills 1-3 Month Index	0.26	0.82	1.82	2.21	0.54	0.04	1.52	5.14	5.32	2.13	4.75	4.66	2.82	1.97
	Bloomberg U.S. Treasury Index	1.04	2.31	0.86	6.86	8.00	-2.32	-12.46	4.05	0.58	3.79	5.30	1.53	-1.60	1.20
	Bloomberg U.S. Aggregate Bond Index	2.65	3.54	0.01	8.72	7.51	-1.54	-13.01	5.53	1.25	4.02	6.08	2.55	-0.73	1.76
	Bloomberg U.S. Mortgage-Backed Securities (MBS) Index	1.67	2.47	0.99	6.35	3.87	-1.04	-11.81	5.05	1.20	4.23	6.52	2.32	-0.60	1.30
	Bloomberg U.S. Corporate Bond Index	6.11	6.42	-2.51	14.54	9.89	-1.04	-15.76	8.52	2.13	4.17	6.91	4.34	0.14	2.94
	Bloomberg U.S. Corporate High Yield Bond Index	17.13	7.50	-2.08	14.32	7.11	5.28	-11.19	13.45	8.19	4.57	10.28	9.93	5.97	5.38
	S&P UBS Leveraged Loan Index	9.88	4.25	1.14	8.17	2.78	5.40	-1.06	13.04	9.05	2.96	7.50	9.54	7.39	5.14
	Bloomberg EM USD Aggregate Index	9.88	8.17	-2.46	13.11	6.52	-1.65	-15.26	9.09	6.58	4.94	9.41	7.66	1.70	3.42
EQUITY	S&P 500 Index	11.96	21.83	-4.38	31.49	18.40	28.71	-18.11	26.29	25.02	6.20	15.16	19.71	16.64	13.65
	S&P Midcap 400 Index	20.74	16.24	-11.08	26.20	13.66	24.76	-13.06	16.44	13.93	0.20	7.53	12.83	13.44	9.25
	S&P SmallCap 600 Index	26.56	13.23	-8.48	22.78	11.29	26.82	-16.10	16.05	8.70	-4.46	4.60	7.65	11.68	8.02
	S&P 500 Value Index	17.40	15.36	-8.95	31.93	1.36	24.90	-5.22	22.23	12.29	3.28	9.63	14.89	15.02	10.41
	S&P 500 Growth Index	6.89	27.44	-0.01	31.13	33.47	32.01	-29.41	30.03	36.07	8.86	19.88	23.39	17.29	15.95
	MSCI ACWI ex U.S. Index (Net)	4.50	27.19	-14.20	21.51	10.65	7.82	-16.00	15.62	5.53	17.90	17.72	13.99	10.13	6.12
	MSCI EM Index (Net)	11.19	37.28	-14.58	18.44	18.31	-2.54	-20.09	9.83	7.50	15.27	15.29	9.70	6.81	4.81
	MSCI China Index (Net)	0.90	54.07	-18.88	23.46	29.49	-21.72	-21.93	-11.20	19.42	17.33	33.78	3.06	-0.99	2.11
ALTERNATIVES AND OTHER	J.P. Morgan CLOIE - AAA	3.19	2.78	1.66	4.61	2.54	1.40	1.05	8.68	7.06	2.70	6.09	7.09	4.71	3.56
	J.P. Morgan CLOIE - BBB	11.18	8.78	-0.66	8.91	5.47	4.30	-2.77	17.66	11.79	3.20	8.29	11.92	8.52	6.25
	S&P Goldman Sachs Commodity Index (GSCI)	11.37	5.77	-13.82	17.63	-23.72	40.35	25.99	-4.27	9.25	1.94	0.25	-0.37	17.69	1.45
	MSCI U.S. REIT Index	8.60	5.07	-4.57	25.84	-7.57	43.06	-24.51	13.74	8.75	-0.09	8.92	5.40	8.63	6.33
	Barclay Hedge Fund Index	6.09	10.32	-5.24	10.63	11.14	10.23	-8.22	9.28	9.67	4.98	9.22	8.53	7.75	5.33
	S&P BDC Index	24.18	0.64	-7.01	28.16	-8.84	37.42	-9.39	27.58	16.61	0.48	5.99	15.08	18.12	9.14
	S&P Real Assets Index	10.85	11.16	-5.92	17.19	1.16	15.43	-9.94	7.83	3.61	7.79	11.84	6.04	7.27	4.72
	Bitcoin (XBT/USD)	120.31	1375.10	-73.84	94.83	305.08	59.79	-64.30	157.01	120.63	14.82	73.96	79.14	63.75	82.62
	Preqin Private Equity Index*	9.81	18.86	12.39	15.56	23.18	40.99	-2.35	6.02	6.92	--	6.92	3.44	13.96	13.74
	Preqin Private Debt Index*	8.38	12.67	5.82	7.70	4.24	20.24	4.46	9.36	8.36	--	8.36	7.37	9.18	8.41

Past performance does not guarantee future results. Source: Barclay's, Bloomberg, FactSet, J.P. Morgan, MSCI, Preqin, Standard & Poor's, as of 6/30/2025. *Latest data available as of 12/31/2024.

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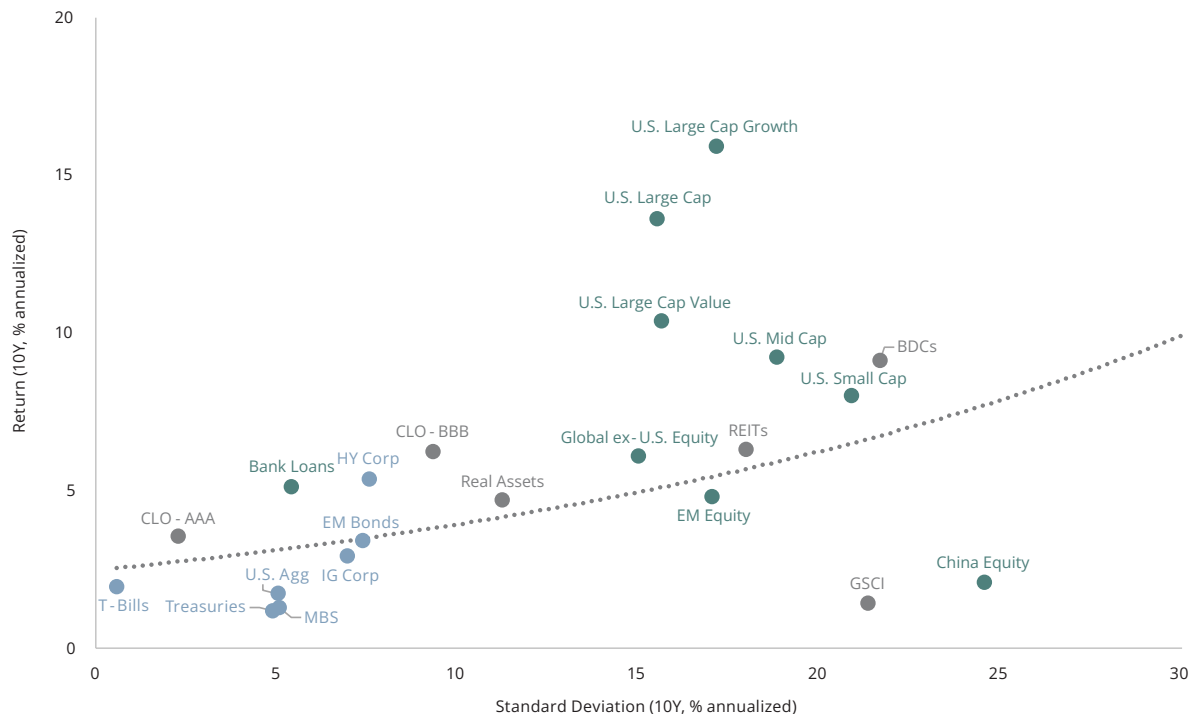
Liquid Frontier

TRANSPARENT MARKETS RISK/RETURN

4

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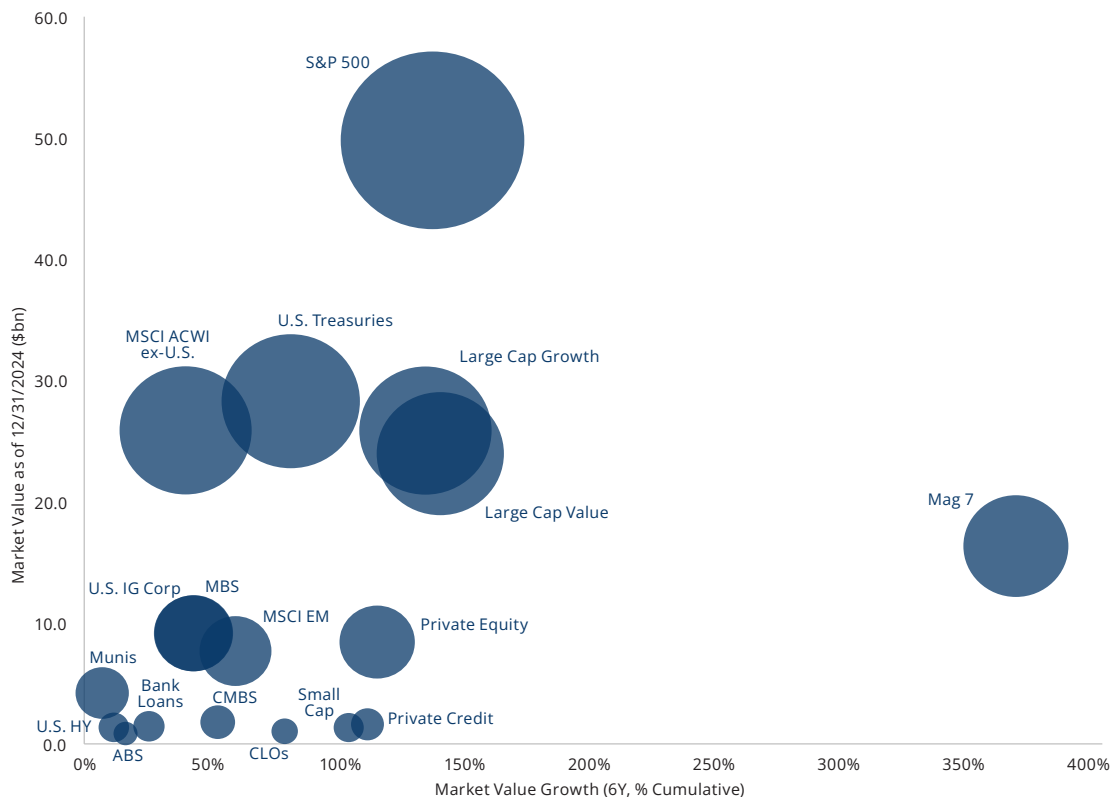


Past performance does not guarantee future results. Source: Barclay's, Bloomberg, FactSet, FTSE, Ice BofA, J.P. Morgan, MSCI, Preqin, Standard & Poor's as of 6/30/2025. Blue represents fixed income, gray represents alternatives, and teal represents equities. Bank Loans: S&P UBS Leveraged Loan Index; BDCs: S&P BDC Index; Bitcoin: Bitcoin (XBT/USD); China Equity: MSCI China Index (Net); CLO - AAA: J.P. Morgan CLOIE - AAA; CLO - BBB: J.P. Morgan CLOIE - BBB; EM Bonds: Bloomberg EM USD Aggregate Index; EM Equity: MSCI EM Index (Net); Global ex-U.S. Equity: MSCI ACWI ex U.S. Index (Net); GSCI: S&P Goldman Sachs Commodity Index (GSCI); Hedge Funds: Barclay Hedge Fund Index; HY Corp: Bloomberg U.S. Corporate High Yield Bond Index; IG Corp: Bloomberg U.S. Corporate Bond Index; MBS: Bloomberg U.S. Mortgage-Backed Securities (MBS) Index; Real Assets: S&P Real Assets Index; REITs: MSCI U.S. REIT Index; T-Bills: Bloomberg U.S. Treasury Bills 1-3 Month Index; Treasuries: Bloomberg U.S. Treasury Index; U.S. Agg: Bloomberg U.S. Aggregate Bond Index; U.S. Large Cap Growth: S&P 500 Growth Index; U.S. Large Cap Value: S&P 500 Value Index; U.S. Large Cap: S&P 500 Index; U.S. Mid Cap: S&P Midcap 400 Index; U.S. Small Cap: S&P SmallCap 600 Index

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Market Size

ASSET CLASS MARKET VALUE AS OF 12/31/2024 (\$T) VS. 6-YEAR CUMULATIVE MARKET VALUE GROWTH



Source: Bloomberg, BofA, Standard & Poors, FactSet, Preqin, SIFMA, as of 12/31/2024.

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Cross-Asset Correlations

4

		FIXED INCOME								EQUITIES								ALTERNATIVES & OTHER							
		T Bills	UST	US Agg	MBS	IG Corp	US HY	Bank Loans	EM USD Agg	US Large	US Mid	US Small	US LCG	US LCV	Global ex-US	China	EM	CLO-AAA	CLO-BBB	GSCI	REITs	BDCs	Real Assets	Bitcoin	
FIXED INCOME	T Bills	1.00																							
	UST	0.24	1.00																						
	US Agg	0.22	0.98	1.00																					
	MBS	0.19	0.94	0.97	1.00																				
	IG Corp	0.21	0.94	0.98	0.93	1.00																			
	HY Corp	0.15	0.66	0.75	0.72	0.82	1.00																		
	Bank Loans	0.20	0.24	0.32	0.31	0.41	0.67	1.00																	
	EM USD Agg	0.28	0.80	0.87	0.83	0.92	0.83	0.58	1.00																
EQUITY	US Large Cap	0.05	0.51	0.60	0.58	0.68	0.83	0.56	0.72	1.00															
	US Mid Cap	-0.03	0.42	0.53	0.54	0.61	0.80	0.59	0.65	0.89	1.00														
	US Small Cap	-0.07	0.39	0.50	0.52	0.57	0.76	0.56	0.60	0.81	0.96	1.00													
	US LCG	0.09	0.49	0.56	0.53	0.64	0.76	0.52	0.66	0.95	0.76	0.67	1.00												
	US LCV	-0.01	0.46	0.56	0.57	0.63	0.78	0.54	0.68	0.90	0.93	0.87	0.72	1.00											
	Global ex-US	0.09	0.60	0.70	0.68	0.77	0.82	0.59	0.85	0.82	0.80	0.74	0.71	0.83	1.00										
	China	0.13	0.37	0.40	0.39	0.42	0.22	0.24	0.52	0.17	0.15	0.14	0.16	0.14	0.48	1.00									
	EM Equity	0.09	0.54	0.62	0.60	0.69	0.67	0.55	0.81	0.62	0.59	0.55	0.56	0.59	0.86	0.76	1.00								
ALTERNATIVES AND OTHER	CLO-AAA	0.53	0.31	0.38	0.37	0.44	0.54	0.82	0.63	0.47	0.43	0.39	0.45	0.42	0.56	0.39	0.54	1.00							
	CLO-BBB	0.26	0.31	0.38	0.39	0.43	0.50	0.84	0.61	0.48	0.47	0.45	0.44	0.45	0.61	0.41	0.60	0.89	1.00						
	GSCI	-0.31	-0.21	-0.13	-0.11	-0.06	0.19	0.26	-0.01	0.26	0.30	0.29	0.15	0.36	0.29	0.05	0.22	0.04	0.22	1.00					
	REITs	-0.04	0.59	0.67	0.66	0.71	0.77	0.55	0.72	0.85	0.84	0.79	0.75	0.86	0.78	0.20	0.57	0.42	0.50	0.21	1.00				
	BDC	-0.07	0.22	0.33	0.34	0.42	0.64	0.68	0.49	0.74	0.78	0.77	0.62	0.79	0.69	0.13	0.49	0.54	0.64	0.52	0.69	1.00			
	Real Assets	-0.02	0.64	0.73	0.72	0.78	0.84	0.55	0.80	0.83	0.83	0.78	0.69	0.89	0.91	0.34	0.73	0.45	0.52	0.38	0.90	0.71	1.00		
	Bitcoin	0.00	0.13	0.18	0.17	0.24	0.46	0.38	0.25	0.52	0.60	0.53	0.51	0.47	0.38	-0.01	0.27	0.21	0.22	0.12	0.43	0.37	0.41	1.00	

≥ to 0.80
≤ to 0.20

Sources: Bloomberg, FactSet, J.P. Morgan, MSCI, Standard & Poors, as of 6/30/2025. Bank Loans: S&P UBS Leveraged Loan Index; BDCs: S&P BDC Index; Bitcoin: Bitcoin (XBT/USD); China Equity: MSCI China Index (Net); CLO - AAA: J.P. Morgan CLOIE - AAA; CLO - BBB: J.P. Morgan CLOIE - BBB; EM Bonds: Bloomberg EM USD Aggregate Index; EM Equity: MSCI EM Index (Net); Global ex-U.S. Equity: MSCI ACWI ex U.S. Index (Net); GSCI: S&P Goldman Sachs Commodity Index (GSCI); Hedge Funds: Barclay Hedge Fund Index; HY Corp: Bloomberg U.S. Corporate High Yield Bond Index; IG Corp: Bloomberg U.S. Corporate Bond Index; MBS: Bloomberg U.S. Mortgage-Backed Securities (MBS) Index; Real Assets: S&P Real Assets Index; REITs: MSCI U.S. REIT Index; T-Bills: Bloomberg U.S. Treasury Bills 1-3 Month Index; Treasuries: Bloomberg U.S. Treasury Index; U.S. Agg: Bloomberg U.S. Aggregate Bond Index; U.S. Large Cap Growth: S&P 500 Growth Index; U.S. Large Cap Value: S&P 500 Value Index; U.S. Large Cap: S&P 500 Index; U.S. Mid Cap: S&P Midcap 400 Index; U.S. Small Cap: S&P SmallCap 600 Index

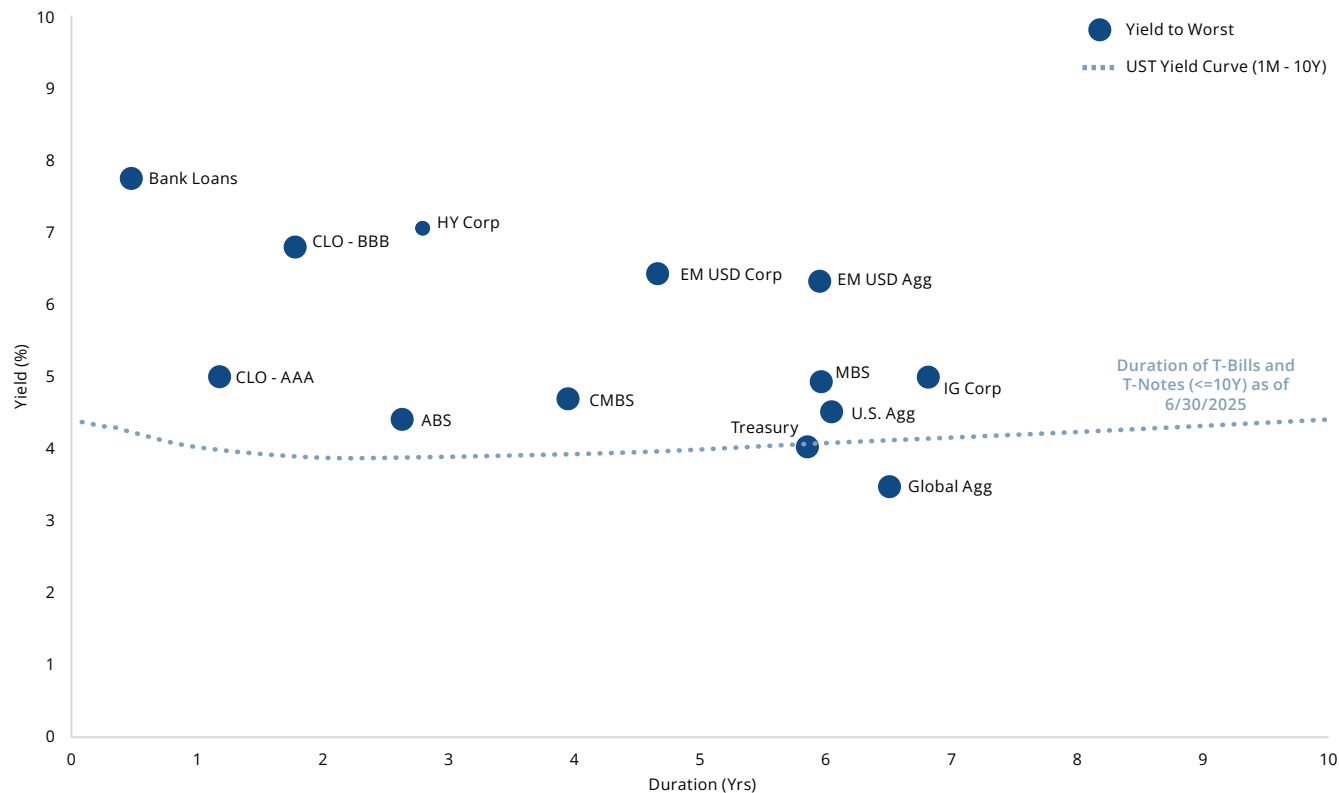
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Yields vs. Treasuries

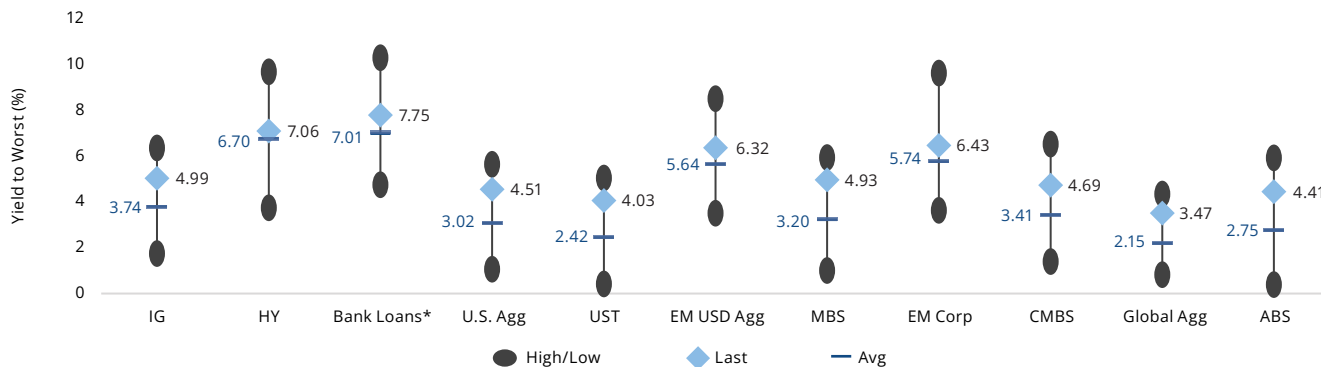
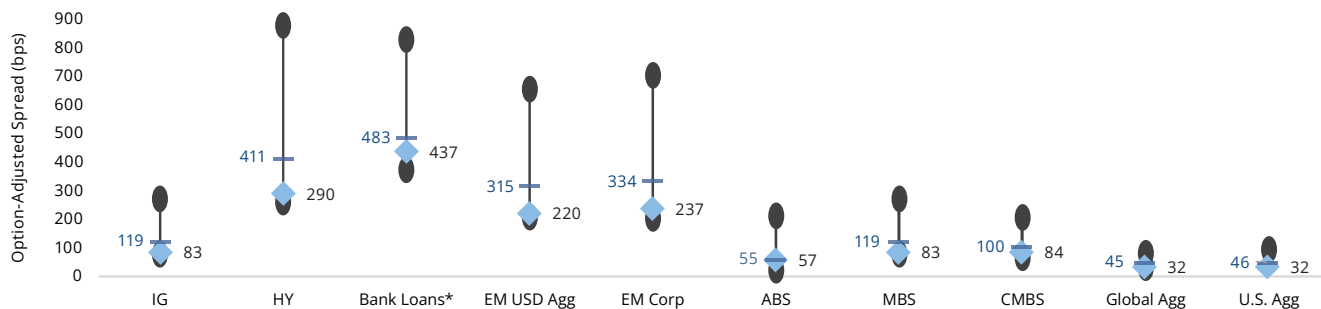


Past performance does not guarantee future results. Source: Aristotle Pacific Capital, Barclays, Bloomberg, Standard & Poors, FactSet, J.P. Morgan as of 6/30/2025. Bank Loans: S&P UBS Leveraged Loan Index; CLO - AAA: JPMorgan CLOIE - AAA; CLO - BBB: JPMorgan CLOIE - BBB; ABS: Bloomberg U.S. Asset-Backed Securities (ABS) Index; HY Corp: Bloomberg U.S. Corporate High Yield Bond Index; CMBS: Bloomberg U.S. Mortgage-Backed Securities (CMBS) Index; EM USD Corp: Bloomberg EM Corporate Bond Index; MBS: Bloomberg U.S. Mortgage-Backed Securities (MBS) Index; Treasury: Bloomberg U.S. Treasury Index; EM USD Agg: Bloomberg EM USD Aggregate; U.S. Agg: Bloomberg U.S. Aggregate Bond Index; IG Corp: Bloomberg U.S. Corporate Bond Index; Global Agg: Bloomberg Global Aggregate Index

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10-Year Range: OAS and Yield

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Past performance does not guarantee future results. Source: Aristotle Pacific Capital, Barclays, Bloomberg, Standard & Poors, J.P. Morgan as of 6/30/2025. *Bank Loan spread and yield refers to the Discount Margin (4-year life) and Yield (4-year life), respectively.

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SECTION 5

Returns and Composition

Yield and Spread

Issuance

Potential Downgrade Profile

Rising Stars and Fallen Angels



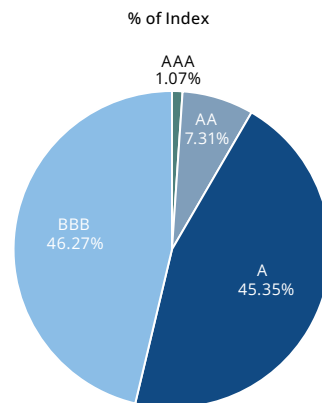
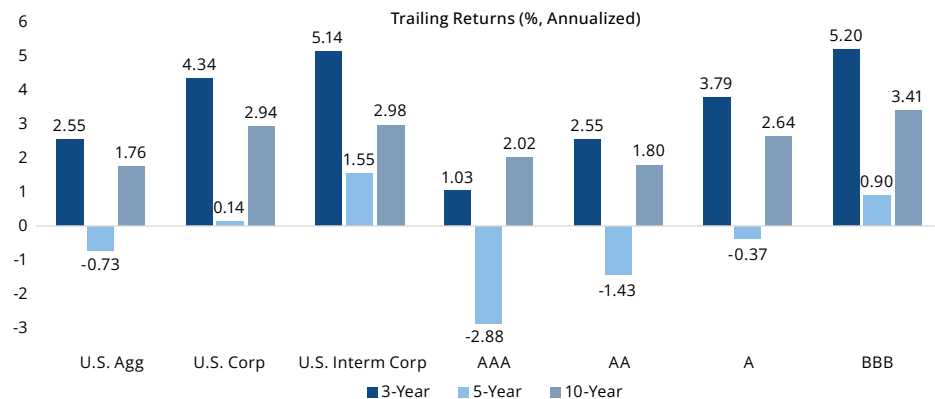
INVESTMENT GRADE

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Investment Grade: Returns and Composition

QUALITY, ANNUALIZED RETURNS AND TRAILING RETURNS



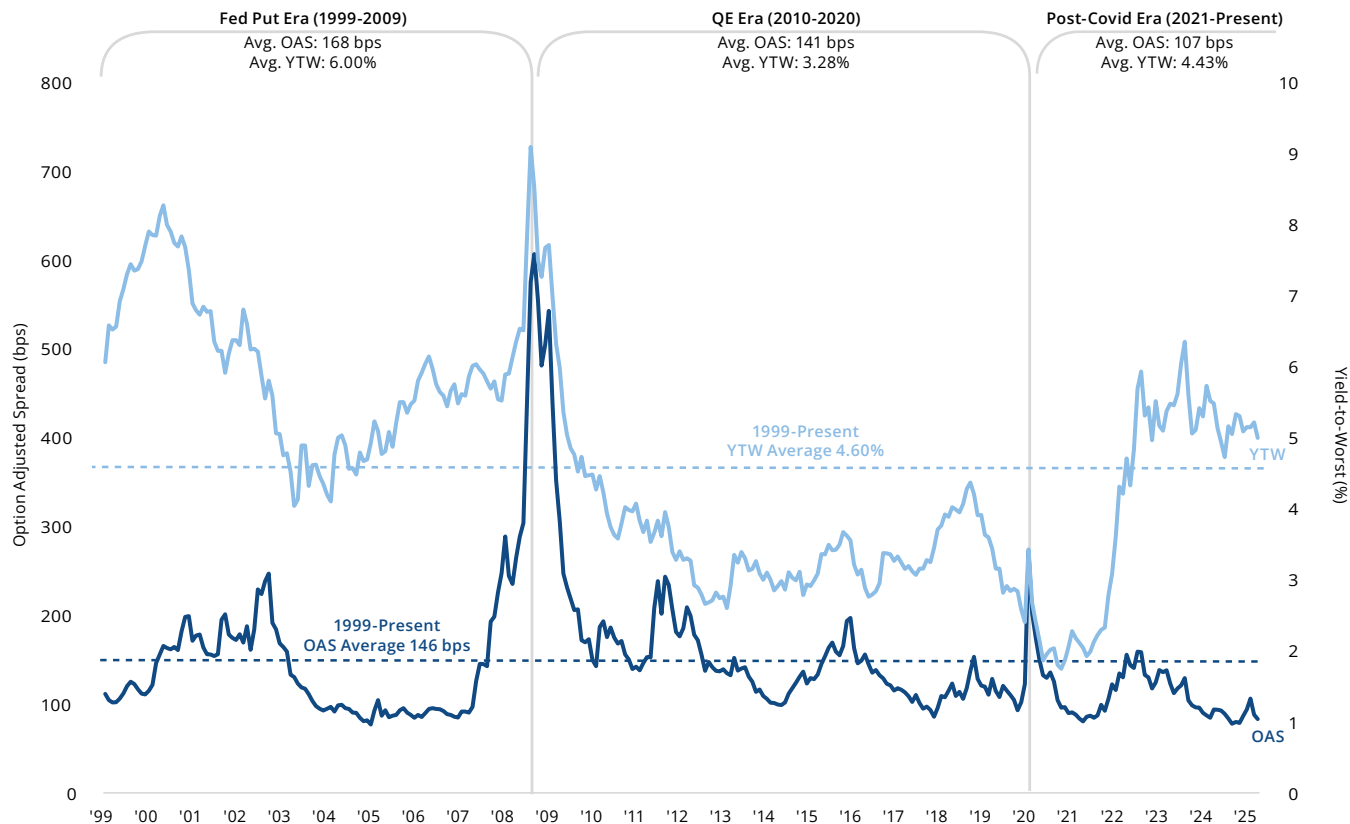
Annual Returns (%)	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 YTD
Bloomberg U.S. Aggregate Bond Index	2.65	3.54	0.01	8.72	7.51	-1.54	-13.01	5.53	1.25	4.02
Bloomberg U.S. Corporate Bond Index	6.11	6.42	-2.51	14.54	9.89	-1.04	-15.76	8.52	2.13	4.17
Bloomberg U.S. Interm. Corporate Bond Index	4.04	3.92	-0.23	10.14	7.47	-1.00	-9.40	7.29	4.22	4.45
AAA-Rated	3.39	8.03	-2.08	14.75	12.30	-2.26	-20.32	6.95	-2.35	3.55
AA-Rated	3.60	4.63	-0.52	10.53	9.00	-1.46	-17.29	7.02	0.24	3.79
A-Rated	4.65	5.95	-2.50	13.18	10.06	-1.93	-15.15	7.74	1.63	4.22
BBB-Rated	8.04	7.09	-2.85	16.26	9.88	-0.22	-15.90	9.51	2.97	4.21

Past performance does not guarantee future results. Source: Bloomberg, FactSet, eVestment, and Aristotle Pacific Capital as of 6/30/2025.

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Investment Grade: Yield and Spread

BLOOMBERG US CORPORATE BOND INDEX

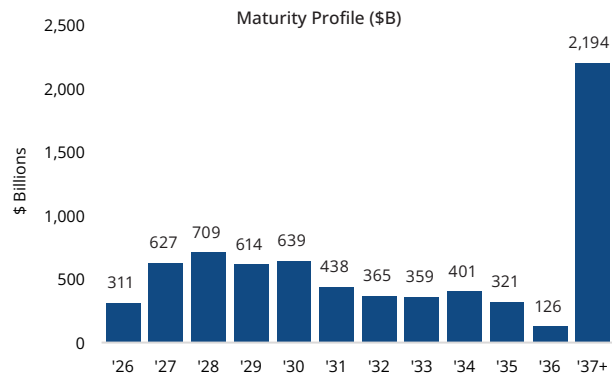
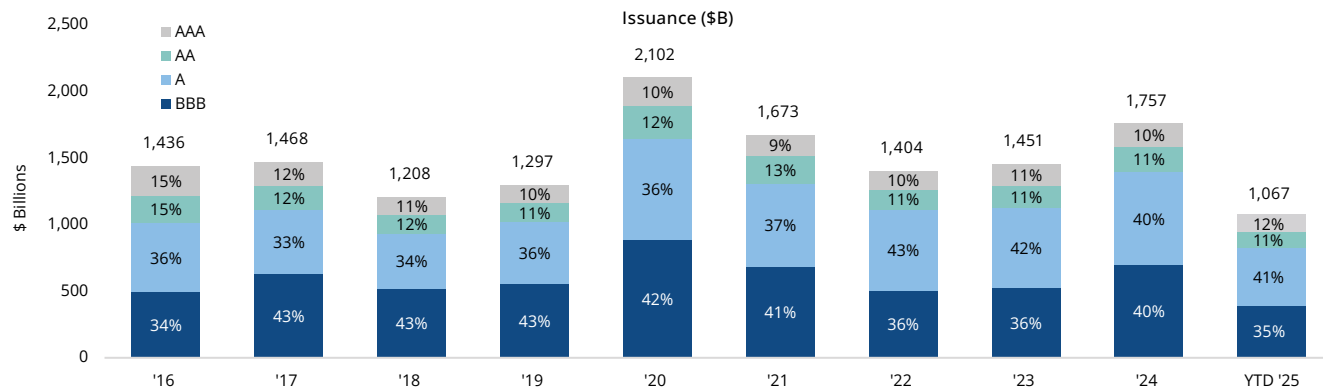


Past performance does not guarantee future results. Source: Bloomberg, FactSet, and Aristotle Pacific Capital as of 6/30/2025.

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Investment Grade: Issuance

ISSUANCE, MATURITY PROFILE AND TOP 10 ISSUERS



Issuer	Industry	Par Value (\$B)	Index Weight (%)*
JPMorgan Chase	Financials	179	2.5
Bank of America	Financials	175	2.4
Morgan Stanley	Financials	145	2.0
Wells Fargo	Financials	123	1.7
Citigroup	Financials	121	1.7
Goldman Sachs	Financials	117	1.6
HSBC	Financials	84	1.2
AT&T	Communication Svcs	87	1.0
Oracle	Information Tech	80	1.0
Berkshire Hathaway	Financials	78	1.0

*As a percentage of the Bloomberg US Corporate Bond Index Source: Barclays, Bloomberg, FactSet, and Aristotle Pacific Capital as of 6/30/2025.

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Investment Grade: Potential Downgrade Profile

SHARE OF BBB- DEBT WITH NEGATIVE OUTLOOK IN INDEX*

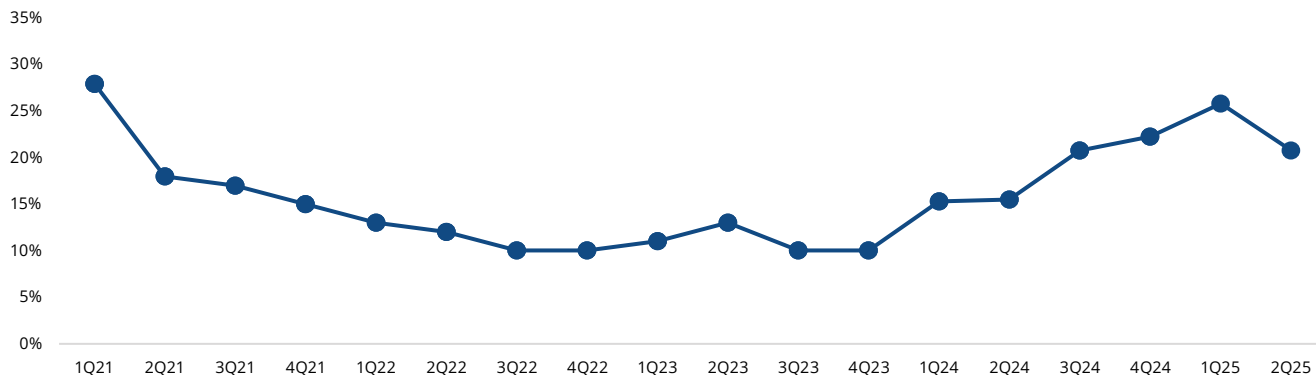


Table of Issuers on Negative Watch

Issuer	Industry	# of Bonds	Par Value (\$B)	Market Value	Index Weight (%)*
Ford Motor	Consumer Disc	39	47.2	46.5	0.6
Boeing	Industrials	36	43.8	42.4	0.6
Crown Castle	Real Estate	25	18.6	17.3	0.2
Centene	Healthcare	7	15.9	14.8	0.2
Paramount	Communication Svcs	17	12.7	11.4	0.2
EQT	Energy	11	6.9	7.2	0.1
Emera	Utilities	13	6.3	5.5	0.1
Campbell's	Consumer Staples	9	6.0	5.7	0.1
Stanley Black & Decker	Industrials	7	3.8	3.3	0.1
FS KKR	Financials	6	3.4	3.4	0.0
TOTAL		170	164.5	157.4	2.2

*Based on the Bloomberg US Corporate Bond Index and ratings from S&P, and Moody's. Source: J.P. Morgan, Bloomberg, S&P Ratings, Moody's and Aristotle Pacific Capital as of 6/30/2025. Not an endorsement or recommendation; clients of Aristotle Pacific Capital may maintain positions in securities referenced.

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Investment Grade: Rising Stars and Fallen Angels

▲ Rising Stars ▲

Date	Issuer	Sector	Country	Rated Debt Affected (\$mm)
Jan 25	Castlelake Aviation	Finance Companies	U.S.	420
Jan 25	News Corp	Media & Entertainment	U.S.	1,500
Feb 25	Coty	Retail	U.S.	1,500
Feb 25	Western Alliance	Financials	U.S.	600
Mar 25	GFL Environmental	Services	U.S.	1,750
Mar 25	United Airlines	Transportation	U.S.	4,000
May 25	CTR Partnership	Healthcare	U.S.	400
May 25	DT Midstream	Energy	U.S.	2,100
May 25	Ohio National Financial Services	Financials	U.S.	675
May 25	Royal Caribbean Cruises	Travel	U.S.	9,700
May 25	Viper Energy Partners	Energy	U.S.	830
May 25	Ladder Capital Finance	REITs	U.S.	2,042
Jun 25	HAT Holdings I	Financial Companies	U.S.	997

▼ Fallen Angels ▼

Date	Issuer	Sector	Country	Rated Debt Affected (\$mm)
Jan 25	Aptiv PLC	Automotive	U.S.	500
Feb 25	Celanese	Chemicals	U.S.	8,150
Feb 25	Nissan Motor Acceptance	Automotive	U.S.	10,950
Apr 25	GFL Environmental	Environmental Services	U.S.	1,000
May 25	Whirlpool	Consumer Products	U.S.	3,150
Jun 25	Warnermedia Holdings	Media & Entertainment	U.S.	33,010

Source: Bank of America, J.P. Morgan, and Aristotle Pacific Capital as of 6/30/2025. Not an endorsement or recommendation; clients of Aristotle Pacific Capital may maintain positions in securities referenced.

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SECTION 6

Returns and Composition

Yield and Spread

Issuance

Default Rates

Defaults and Distressed Exchanges



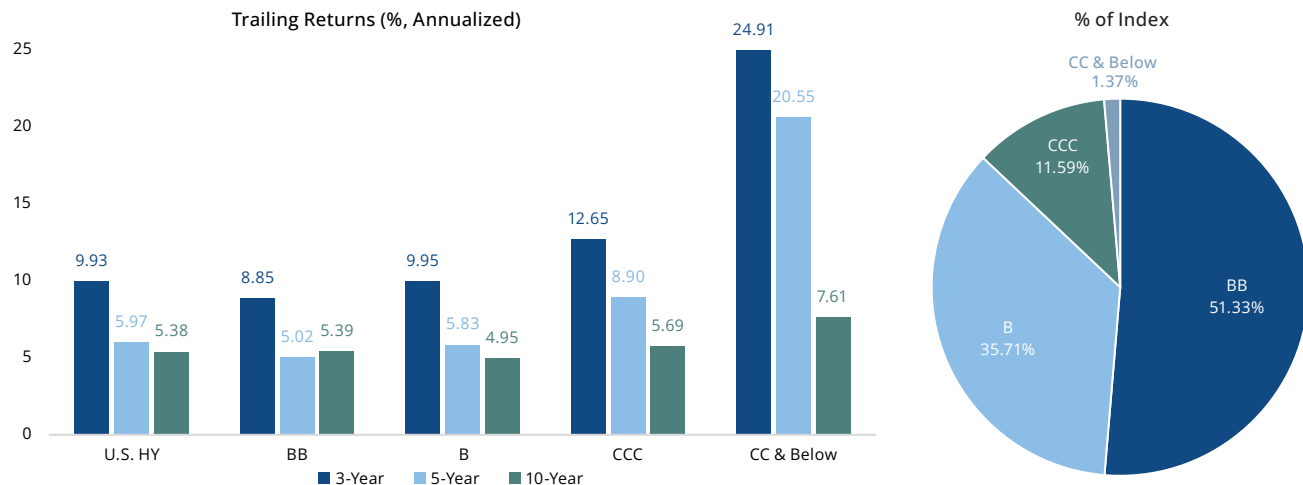
HIGH YIELD

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High Yield: Returns and Composition

QUALITY, ANNUALIZED RETURNS AND TRAILING RETURNS



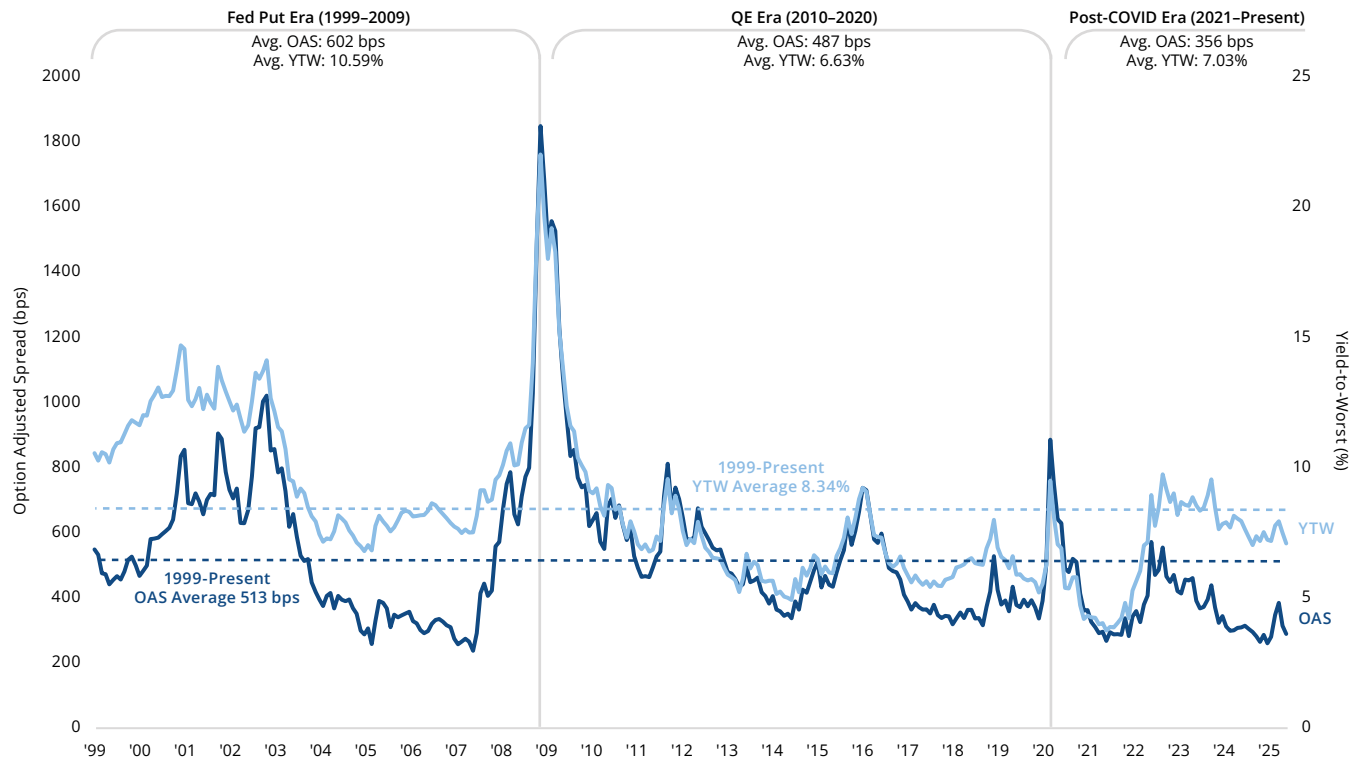
Annual Returns (%)	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 YTD
Bloomberg U.S. Corporate High Yield Bond Index	17.13	7.50	-2.08	14.32	7.11	5.28	-11.19	13.45	8.19	4.57
Bloomberg U.S. Corporate High Yield Bond Index - 2% Cap	17.13	7.50	-2.08	14.32	7.05	5.26	-11.18	13.44	8.19	4.57
BB-Rated	12.78	7.32	-2.41	15.51	10.17	4.61	-10.80	11.60	6.30	4.98
B-Rated	15.81	6.49	-1.31	14.80	4.60	4.85	-10.26	13.78	7.38	4.38
CCC-Rated	31.46	10.38	-3.84	9.52	2.27	8.59	-16.29	19.84	15.09	3.55
CC & Below	83.14	13.75	-1.27	-0.26	2.63	12.53	-10.43	16.41	48.29	2.25

Past performance does not guarantee future results. Source: Bloomberg, FactSet, eVestment, and Aristotle Pacific Capital as of 6/30/2025.

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High Yield: Yield and Spread

BLOOMBERG US CORPORATE HIGH YIELD BOND INDEX

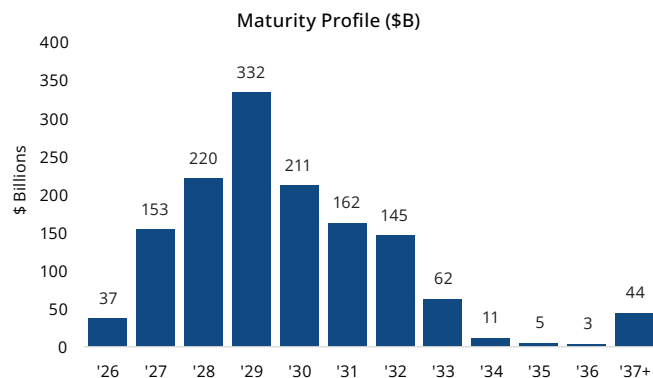
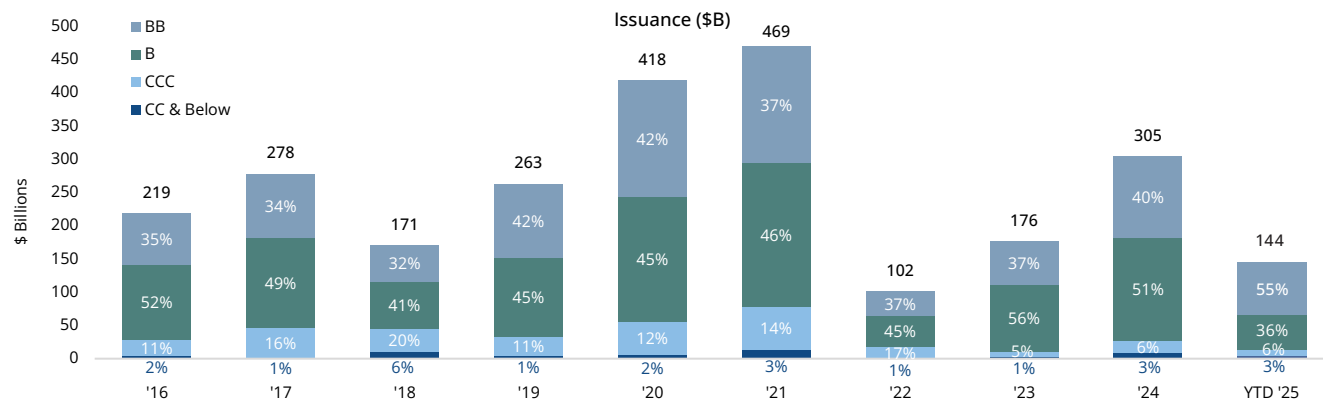


Past performance does not guarantee future results. Source: Bloomberg, FactSet, and Aristotle Pacific Capital as of 6/30/2025.

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High Yield: Issuance

ISSUANCE, MATURITY PROFILE AND TOP 10 ISSUERS



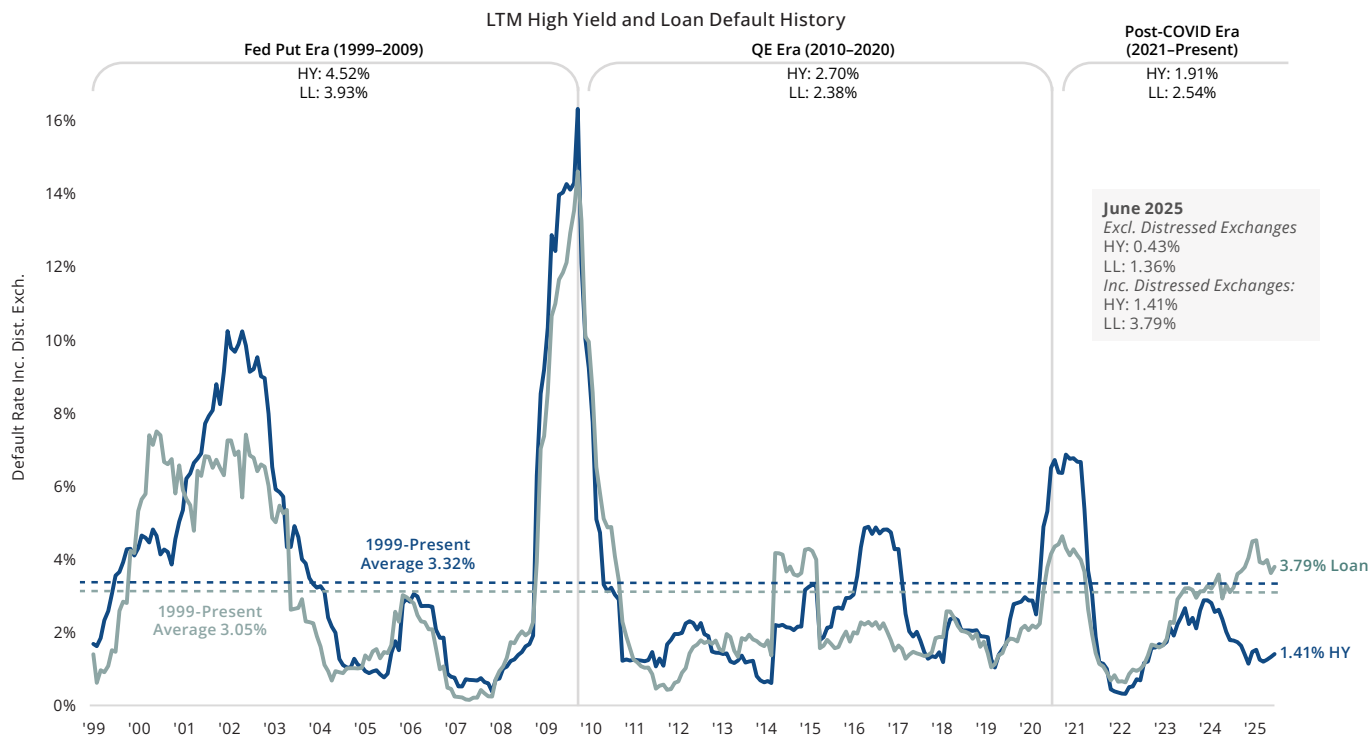
Issuer	Industry	Par Value (\$B)	Index Weight (%)*
Charter	Cable & Satellite	26.5	1.9
EchoStar	Cable & Satellite	22.5	1.5
Venture Global LNG	Energy	18.3	1.4
TransDigm Group	Aerospace & Defense	18.2	1.4
CSC Holdings (Altice USA)	Cable & Satellite	17.7	1.0
Tenet Healthcare	Healthcare	12.7	0.9
Bausch Health	Pharmaceuticals	13.6	0.9
SFR Group SA (Altice France)	Cable & Satellite	14.1	0.8
Cloud Software Group	Technology	9.6	0.7
Lumen Technologies	Finance Companies	9.8	0.7

*As a percentage of the Bloomberg U.S. Corporate High Yield Bond Index. Source: Barclays, Bloomberg, FactSet, and Aristotle Pacific Capital as of 6/30/2025. Not an endorsement or recommendation; clients of Aristotle Pacific Capital may maintain positions in securities referenced.

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High Yield: Default Rates

HIGH-YIELD BOND AND LEVERAGED-LOAN DEFAULT RATE* (LTM)



*Par-weighted default rates including distressed exchanges. Source: J.P. Morgan and Aristotle Pacific Capital as of 6/30/2025.

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High Yield: Defaults and Distress Exchanges

Date	Issuer	Industry	Loan (\$MM)	Bond (\$MM)	Total (\$MM)	Loan RR	Bond RR	Action
Jan 2025	Exela Intermediate	Technology		1,211	1,211			Payment Default
Jan 2025	Multiplan Corp	Healthcare	1,282	2,030	3,312	81	71	Distressed Exchange
Jan 2025	Trinseo	Chemicals		447	447		62	Distressed Exchange
Feb 2025	Oregon Tool	Capital Goods	826	113	939	55	41	Distressed Exchange
Mar 2025	Modivcare	Healthcare		251	251		38	Distressed Exchange
Mar 2025	Office Properties Trust	Financial		21	21		58	Distressed Exchange
Apr 2025	Cision	Technology	1,435	294	1,729	58	44	Distressed Exchange
Apr 2025	OT Merger (Oregon Tool)	Industrials		40	40		38	Distressed Exchange
Apr 2025	Sunnova	Utility		800	800		29	Payment Default
May 2025	At Home	Retail	579	1,022	1,601	23	27	Payment Default
May 2025	Castle Software	Media	1,435	300	1,735	64	44	Distressed Exchange
May 2025	Community Health Systems	Healthcare		584	584		82	Distressed Exchange
May 2025	Rite Aid	Retail		130	130			Filed Chapter 11
May 2025	Urban One Inc	Broadcasting		89	89		48	Below Par Paydown
May 2025	Weight Watchers Intl	Food & Beverage	945	500	1,445	24	23	Filed Chapter 11
Jun 2025	Altice France	Cable	5,650	9,387	15,037	91	77	Distressed Exchange
Jun 2025	Radiate Holdings	Cable and Satellite		1,815	1,815		74	Distressed Exchange

Source: Bank of America, J.P. Morgan, Bloomberg, and Aristotle Pacific Capital as of 6/30/2025. Not an endorsement or recommendation; clients of Aristotle Pacific Capital may maintain positions in securities referenced.

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SECTION 7

Returns and Composition

Yield and Spread

Issuance

Loan Fundamentals

Defaults and Distressed Exchanges



BANK LOANS

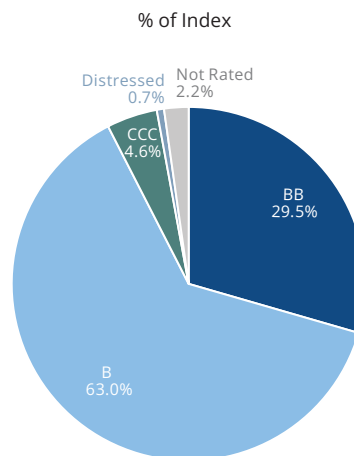
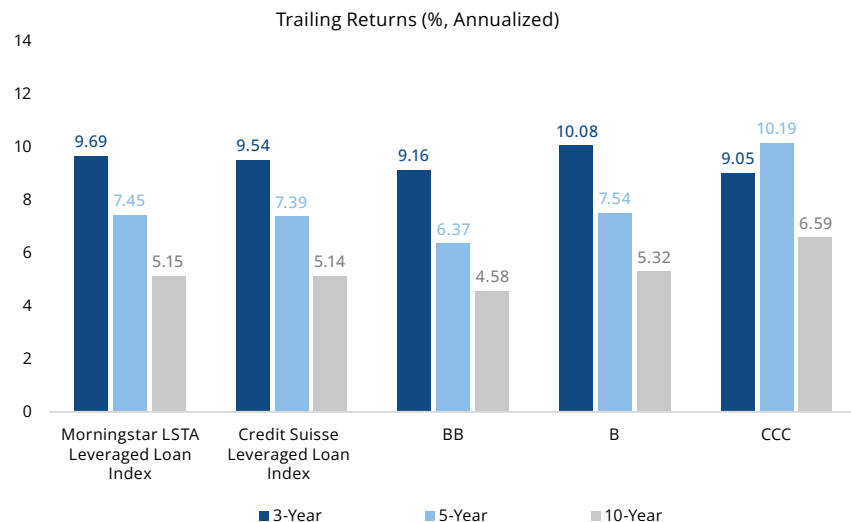
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Bank Loans: Returns and Composition

QUALITY, ANNUALIZED RETURNS AND TRAILING RETURNS

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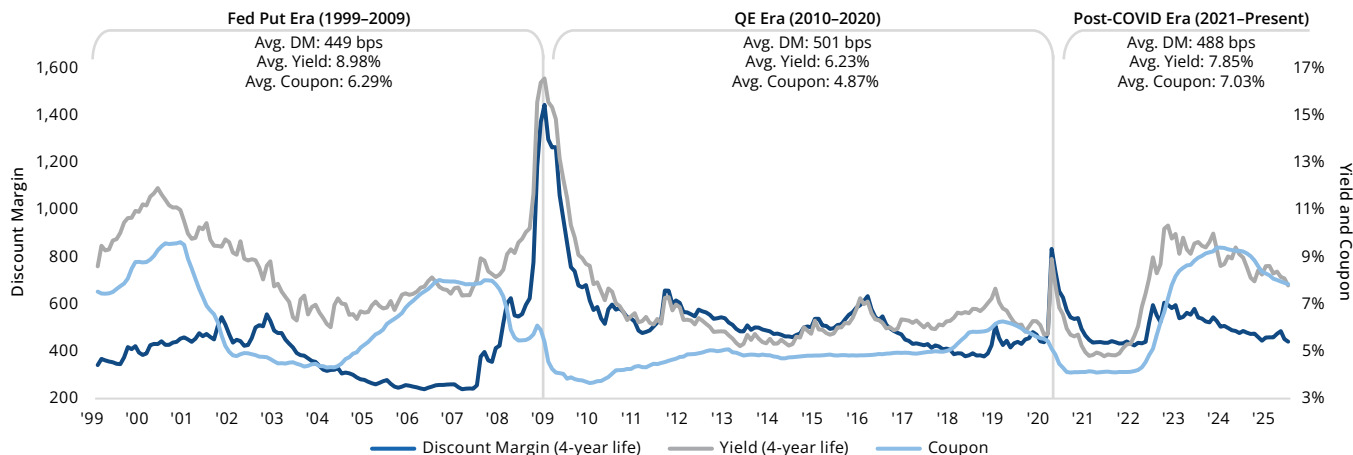
Annual Returns (%)	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 YTD
Morningstar LSTA Leveraged Loan Index	10.16	4.12	0.44	8.64	3.12	5.20	-0.77	13.32	8.96	2.81
S&P UBS Leveraged Loan Index	9.88	4.25	1.14	8.17	2.78	5.40	-1.06	13.04	9.05	2.96
BB-Rated	6.91	3.47	0.17	9.09	0.30	2.96	2.70	10.05	8.20	3.05
B-Rated	9.56	4.55	1.41	8.39	3.16	5.11	-1.33	14.41	9.72	2.68
CCC-Rated	25.63	7.98	4.40	2.70	5.39	15.00	-13.26	16.13	12.15	4.19
Distressed (CC, C, and Default)	27.87	2.73	-1.21	-18.04	-37.62	12.88	-37.30	-17.60	-9.72	-20.51

Past performance does not guarantee future results. Source: Standard & Poors, Morningstar, FactSet, eVestment, Bloomberg, and Aristotle Pacific Capital as of 6/30/2025.

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Bank Loans: Yield and Spread

DISCOUNT MARGIN (DM), YIELD, COUPON AND PRICE

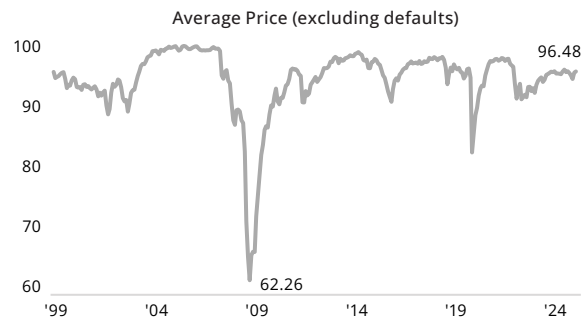


Discount Margin (DM): The market-determined yield-spread measuring the average expected return above the reference rate (e.g., SOFR), measured in basis points (bps).

- It measures the required compensation for credit risk and other factors. DM varies over the life of the loan as prices change.
- Price decrease (increase) → DM increase (decrease)

Yield: Measures the total return investors can expect to earn (reference rate + discount margin)

Coupon: The periodic interest payment that the loan borrower pays the lender, expressed as a %, usually based on a reference rate plus a fixed spread/margin (e.g., SOFR + 425)

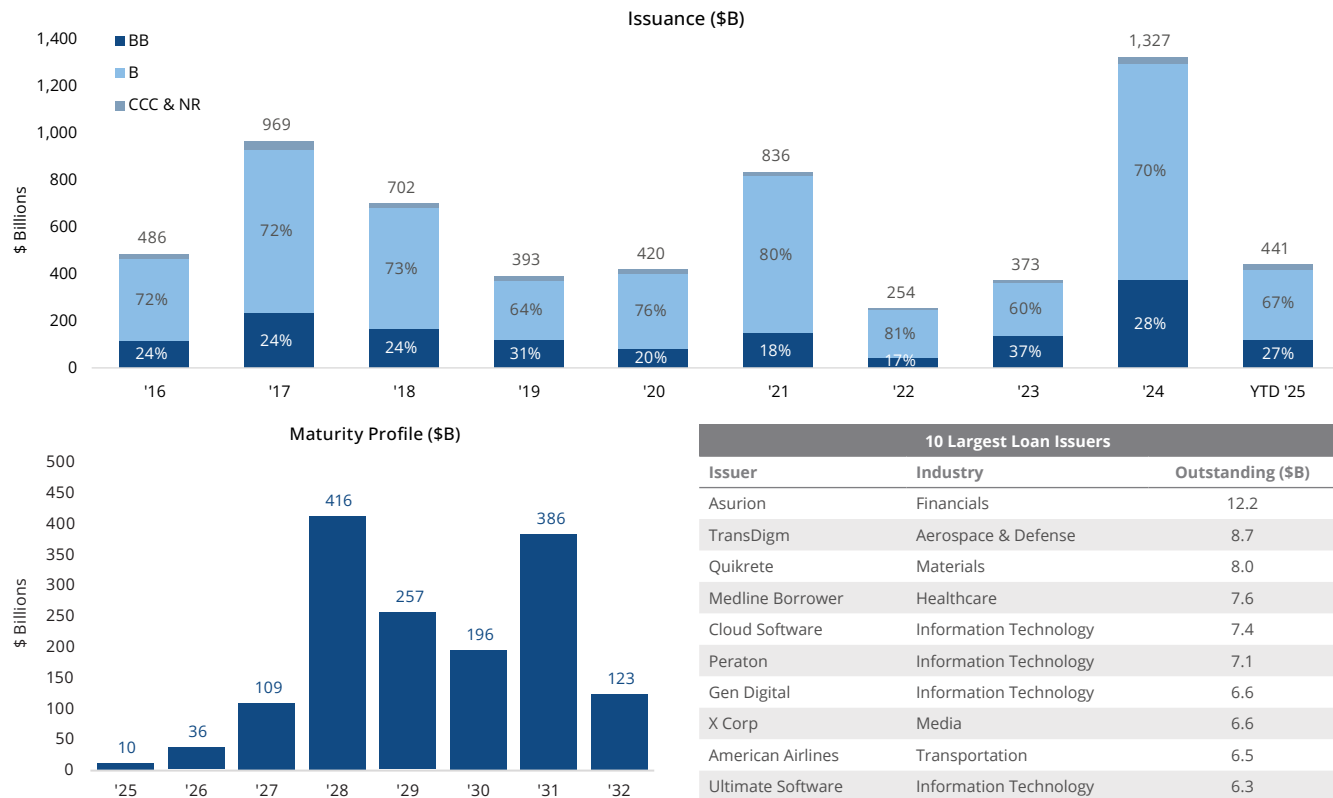


Past performance does not guarantee future results. Source: Standard & Poors and Aristotle Pacific Capital as of 6/30/2025.

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Bank Loans: Issuance

ISSUANCE, MATURITY PROFILE AND TOP 10 ISSUERS



Source: Bloomberg and J.P Morgan as of 6/30/2025. Not an endorsement or recommendation; clients of Aristotle Pacific Capital may maintain positions in securities referenced.

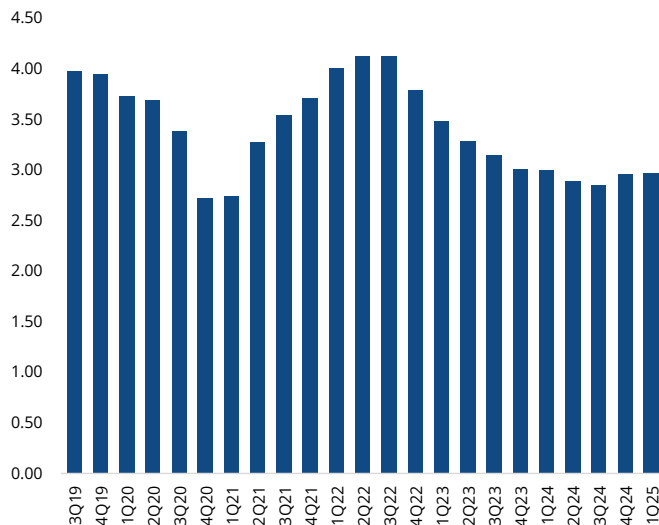
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Bank Loans: Loan Fundamentals

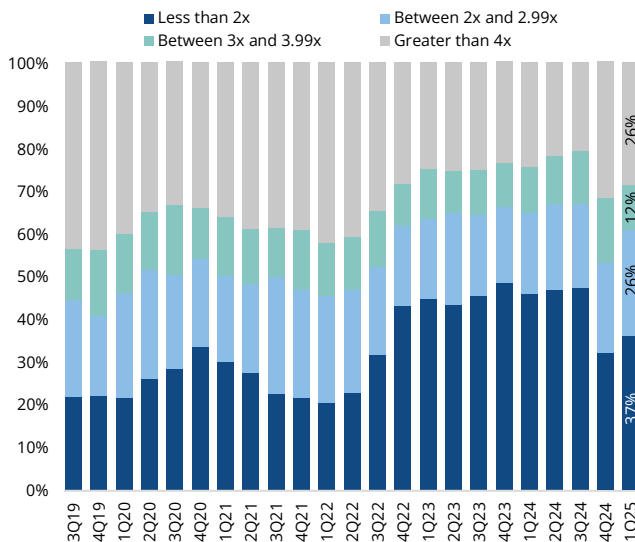
CREDIT METRICS

7

Average Interest Coverage*



Distribution of Interest Coverage*



By Rating	Leverage (Debt/EBITDA)			Q/Q change	Q/Q % change	Y/Y change	Y/Y % change
	1Q25	4Q24	1Q24				
BB	4.46x	4.36x	4.46x	0.09x	2.1%	0.00x	0.0%
B1/B2	5.37x	5.52x	5.65x	-0.15x	-2.8%	-0.28x	-5.0%
B3	6.76x	6.48x	6.70x	0.28x	4.4%	0.06x	0.9%
CCC	6.88x	6.74x	6.47x	0.14x	2.1%	0.41x	6.3%

*Interest Coverage = EBITDA / Interest Expense. Source: J.P. Morgan, Capital IQ, as of 6/30/2025.

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BANK LOANS

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Bank Loans: Defaults and Distressed Exchanges

7

Date	Issuer	Industry	Loan (\$MM)	Bond (\$MM)	Total (\$MM)	Loan RR (%)	Bond RR (%)	Action
Jan-25	Aimbridge Acquisition	Travel	753		753	64		Distressed Exchange
Jan-25	Blue Ribbon LLC	Food Producers	308		308	68		Distressed Exchange
Jan-25	Brewco Borrower	Food Producers	362		362	68		Payment Default
Jan-25	City Brewing	Food & Beverage	886		886	35		Payment Default
Jan-25	Lumileds	Technology	324		324	40		Payment Default
Jan-25	Multiplan Corp	Healthcare	1,282	2,030	3,312	81	71	Distressed Exchange
Jan-25	Physician Partners	Healthcare	732		732	40		Distressed Exchange
Jan-25	Physician Partners (Better Health)	Healthcare	732		732	40		Distressed Exchange into New Loans
Feb-25	Altisource Portfolio Solutions	Financial	233		233	48		Distressed Exchange into New Loans & Equity
Feb-25	Galaxy US Opco	Services	947		947	88		Distressed Exchange
Feb-25	Mandolin Technology	Technology	205		205	70		Distressed Exchange
Feb-25	Oregon Tools	Capital Goods	826	113	939	55	41	Distressed Exchange
Feb-25	SVP Worldwide	Consumer Products	370		370	30		Distressed Exchange into New Loans
Mar-25	Alvogen Pharma	Healthcare	727		727	89		Distressed Exchange into New Loans
Mar-25	Astra Acquisition	Technology	1,039		1,039			Payment Default
Mar-25	Avogen Pharma	Healthcare	727		727	90		Distressed Exchange
Mar-25	Employbridge Holdings	Services	895		895	57		Distressed Exchange
Mar-25	Mitel Networks	Telecommunications	900		900			Bankruptcy
Mar-25	MLN US Holdco	Telecommunications	1,181		1,181	15		Bankruptcy
Mar-25	Rugs USA	Consumer Products	486		486			Payment Default
Mar-25	Runner Buyer	Real Estate	486		486	35		Payment Default
Mar-25	Vialto Partners	Services	550		550	87		Distressed Exchange
Apr-25	Ascend Performance Materials	Chemicals	1,043		1,043	22		Bankruptcy
Apr-25	Cision	Technology	1,435	294	1,729	58	44	Distressed Exchange
Apr-25	Naked Juice LLC	Food Producers	2,322		2,322	36		Distressed Exchange

Source: J.P. Morgan, Bloomberg and Aristotle Pacific Capital as of 6/30/2025. Not an endorsement or recommendation; clients of Aristotle Pacific Capital may maintain positions in securities referenced.

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BANK LOANS

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Bank Loans: Defaults and Distressed Exchanges

(CONTINUED)

Date	Issuer	Industry	Loan (\$MM)	Bond (\$MM)	Total (\$MM)	Loan RR (%)	Bond RR (%)	Action
Apr-25	Pathway Vet Alliance	Healthcare	1,503		1,503	81		Distressed Exchange
May-25	Aegis Toxicology	Healthcare	164		164			Missed Principal Payment
May-25	At Home	Retail	579	1,022	1,601	23	27	Payment Default
May-25	Castle Software	Media	1,435	300	1,735	64	44	Distressed Exchange
May-25	EOS Finco SARL	Telecommunications	783		783	38		Payment Default
May-25	Everstream (Midwest Fiber)	Broadcasting	495		495			Filed Chapter 11
May-25	Flexsys (Eastman Tire)	Automotive	461		461	51		Distressed Exchange
May-25	Ivanti Software	Technology	2,690		2,690	67		Distressed Exchange
May-25	Mountaineer Merger Corp	Retail	173		173	65		Payment Default
May-25	Naked Juice LLC (repeat)	Food Producers	580		580	39		Distressed Exchange
May-25	Pixelle Specialty Solutions	Paper/Packaging	509		509			Missed Interest Payment
May-25	Weight Watchers Intl	Food & Beverage	945	500	1,445	24	23	Filed Chapter 11
Jun-25	Altice France	Cable	5,650	9,387	15,037	91	77	Distressed Exchange
Jun-25	Quest Software	Technology	3,498		3,498	49		Distressed Exchange
Jun-25	WellPet (Woof Holdings)	Retail	955		955	60		Distressed Exchange

Source: J.P. Morgan, Bloomberg and Aristotle Pacific Capital as of 6/30/2025. Not an endorsement or recommendation; clients of Aristotle Pacific Capital may maintain positions in securities referenced.

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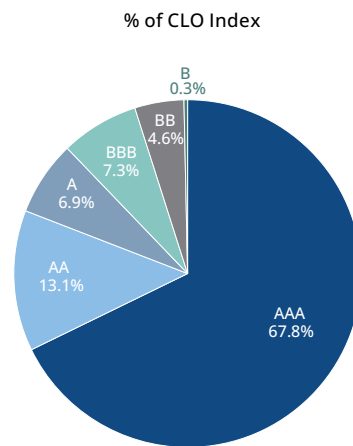
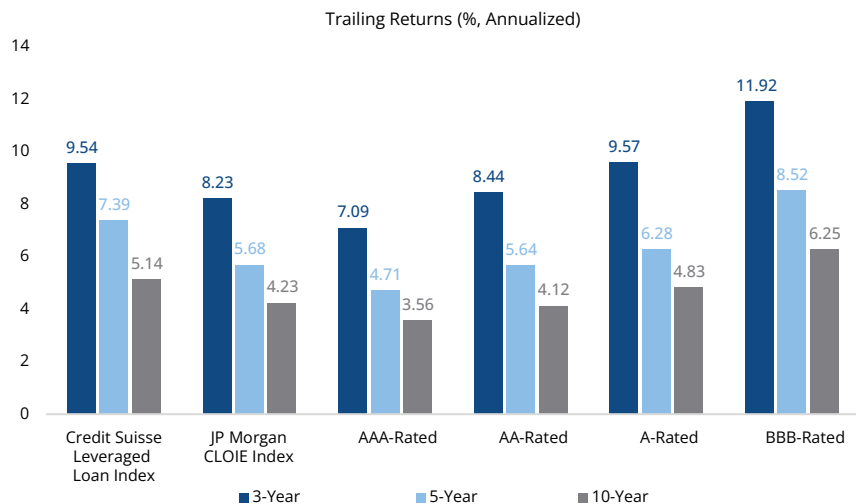
SECTION 8

Returns and Composition
Yield Profile
Issuance
Risk/Return
Impairment and Loss Rates
Ratings Actions



CLOs: Returns and Composition

QUALITY, RETURNS AND TRAILING RETURNS



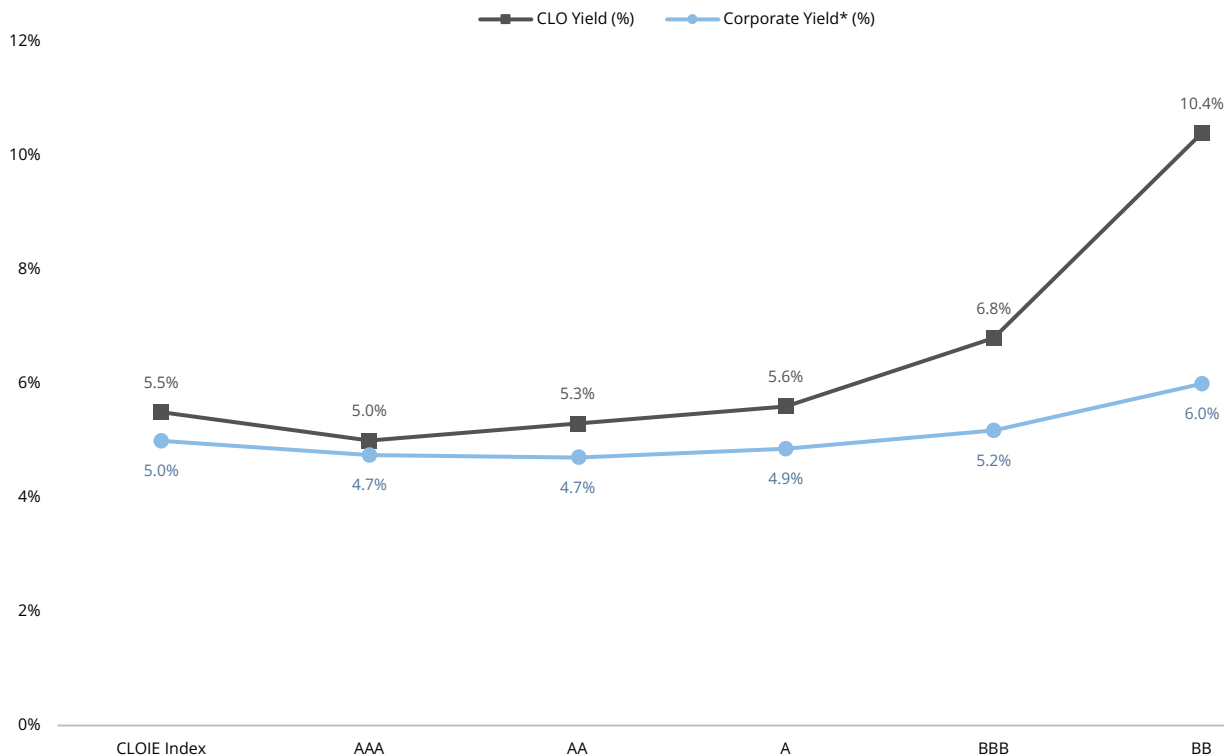
Annual Returns	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 YTD
S&P UBS Leveraged Loan Index	9.88	4.25	1.14	8.17	2.78	5.40	-1.06	13.04	9.05	2.96
JP Morgan CLOIE Index	5.19	4.29	1.27	5.50	3.11	2.37	0.21	10.54	8.31	2.89
AAA-Rated	3.19	2.78	1.66	4.61	2.54	1.40	1.05	8.68	7.06	2.70
AA-Rated	5.41	3.44	1.02	5.95	2.97	2.09	-0.17	10.86	8.18	2.92
A-Rated	6.89	4.36	-0.07	6.72	4.64	3.13	-1.67	13.35	9.25	3.18
BBB-Rated	11.18	8.78	-0.66	8.91	5.47	4.30	-2.77	17.66	11.79	3.20
BB-Rated	20.29	16.97	0.40	10.84	8.04	11.20	-3.82	24.52	19.16	4.40

Past performance does not guarantee future results. Source: Bloomberg, BofA Global Research, Standard & Poors, eVestment, Intex, Pitchbook LCD, and Aristotle Pacific Capital as of 6/30/2025.

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CLOs: Yield Profile

CLO YIELD CURVE VS. COMPARABLE CORPORATE YIELD*

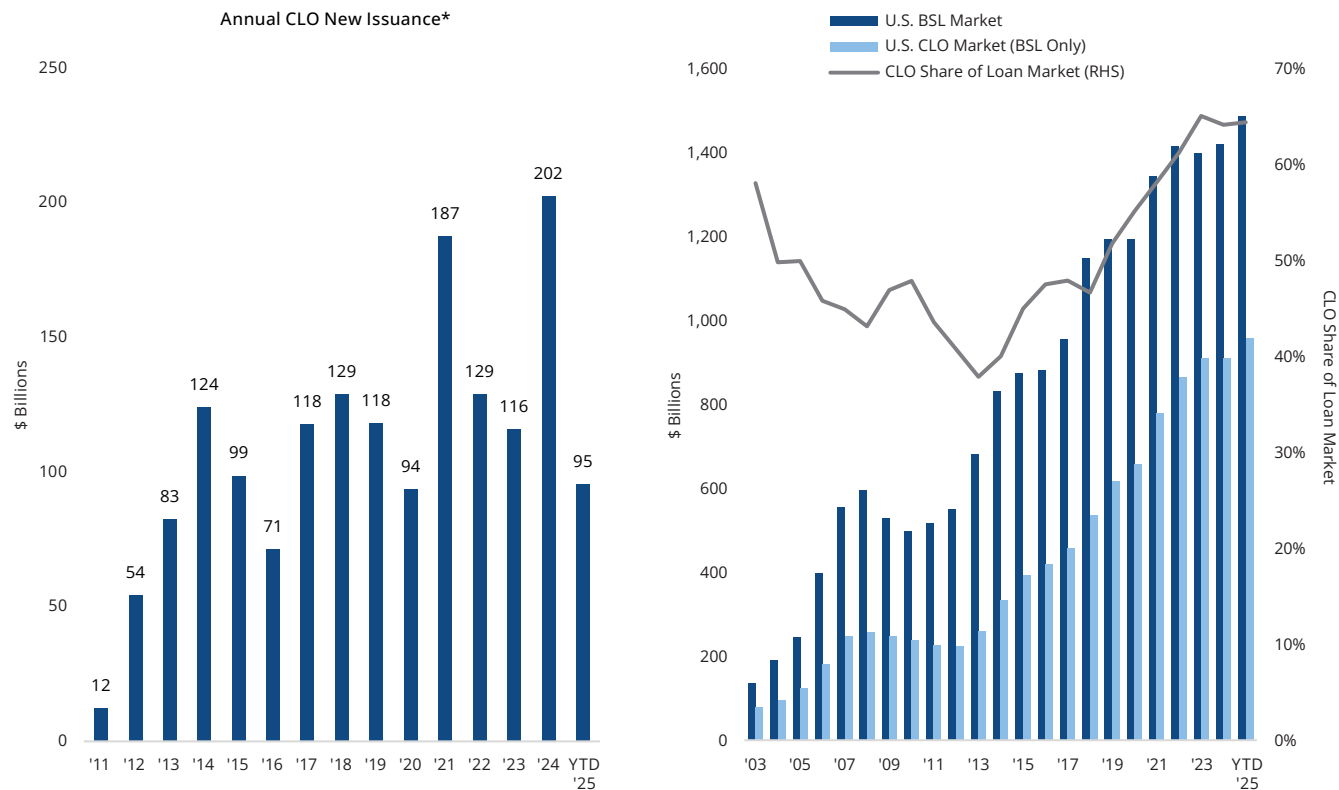


Past performance does not guarantee future results. *Corporate yield: Index, AAA, AA, A = YTW for the Bloomberg U.S. Corporate Bond Index and quality indices; BB = 3Y Yield on the S&P UBS Leveraged Loan Index BB Quality. Source: Bloomberg, Standard & Poors, J.P. Morgan, and Aristotle Pacific Capital as of 6/30/2025.

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CLOs: Issuance

ANNUAL CLO NEW ISSUANCE AND SHARE OF LOAN MARKET



Source: BofA Global Research, Standard & Poors, J.P. Morgan, Pitchbook LCD, and Aristotle Pacific Capital as of 5/31/2025. *Annual CLO New Issuance is as of 6/30/2025.

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CLOs: Risk/Return

CROSS ASSET RISK/RETURN MATRIX (10-YEAR)



Index	Return % (10-Year)	Standard Deviation (10-Year)
CLO Index	4.23	3.75
CLO - AAA	3.56	2.26
CLO - AA	4.12	4.05
CLO - A	4.83	5.65
CLO - BBB	6.25	9.31
CLO - BB	9.79	15.89
T-Bills	1.97	0.56
Treasuries	1.20	4.89
U.S. Agg	1.76	5.03
MBS	1.30	5.07
ABS	2.30	2.10
IG Corp	2.94	6.94
HY Corp	5.38	7.54
Bank Loans	5.14	5.38
U.S. Large Cap	13.65	15.50
U.S. Mid Cap	9.25	18.82
U.S. Small Cap	8.02	20.87
U.S. Large Cap Growth	15.95	17.15
U.S. Large Cap Value	10.41	15.63
Global ex-U.S. Equity	6.12	14.98
EM Equity	4.81	17.00

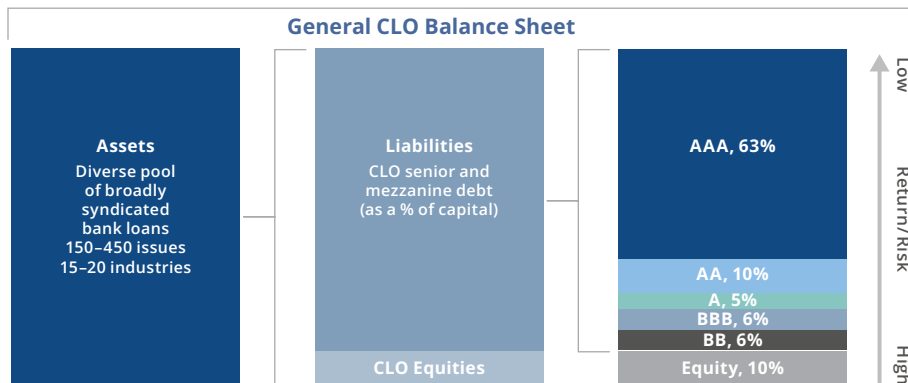
Past performance does not guarantee future results. Source: eVestment, Bloomberg, FactSet, and Aristotle Pacific Capital as of 6/30/2025. CLOIE Indices: J.P. Morgan CLOIE Indices; ABS: Bloomberg Asset-Backed Securities (ABS) Index; HY Corp: Bloomberg U.S. Corporate High Yield Bond Index; IG Corp: Bloomberg U.S. Corporate Bond Index; Lev Loans: S&P UBS Leveraged Loan Index; MBS: Bloomberg U.S. Mortgage-Backed Securities (MBS) Index; T-Bills: Bloomberg U.S. Treasury Bills 1-3 Month Index; Treasuries: Bloomberg U.S. Treasury Index; U.S. Agg: Bloomberg U.S. Aggregate Bond Index; U.S. Large Cap Growth: S&P 500 Growth Index; U.S. Large Cap Value: S&P 500 Value Index; U.S. Large Cap: S&P 500 Index; EM Equity: MSCI EM (Net); Global ex-U.S. Equity: MSCI ACWI ex US Index (Net); U.S. Mid Cap: S&P Midcap 400 Index; U.S. Small Cap: S&P 600 Index

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CLOs: Impairment and Loss Rates

MOODY'S US CLO 10YR CUMULATIVE IMPAIRMENT AND LOSS RATES (1993–2024)

Cohort Rating	Impairment Rates		Loss Rates	
	10yr Cumulative	Annualized	10yr Cumulative	Annualized
AAA	0.0%	0.0%	0.0%	0.0%
AA	0.0%	0.0%	0.0%	0.0%
A	0.0%	0.0%	0.0%	0.0%
BBB	6.4%	0.6%	2.0%	0.2%
BB	13.2%	1.2%	7.6%	0.7%
B	18.4%	1.7%	8.1%	0.8%
CCC	16.6%	1.5%	8.4%	0.8%
Investment Grade	1.8%	0.2%	0.5%	0.1%
Speculative Grade	15.5%	1.5%	8.4%	0.8%
All	4.9%	0.5%	2.3%	0.2%

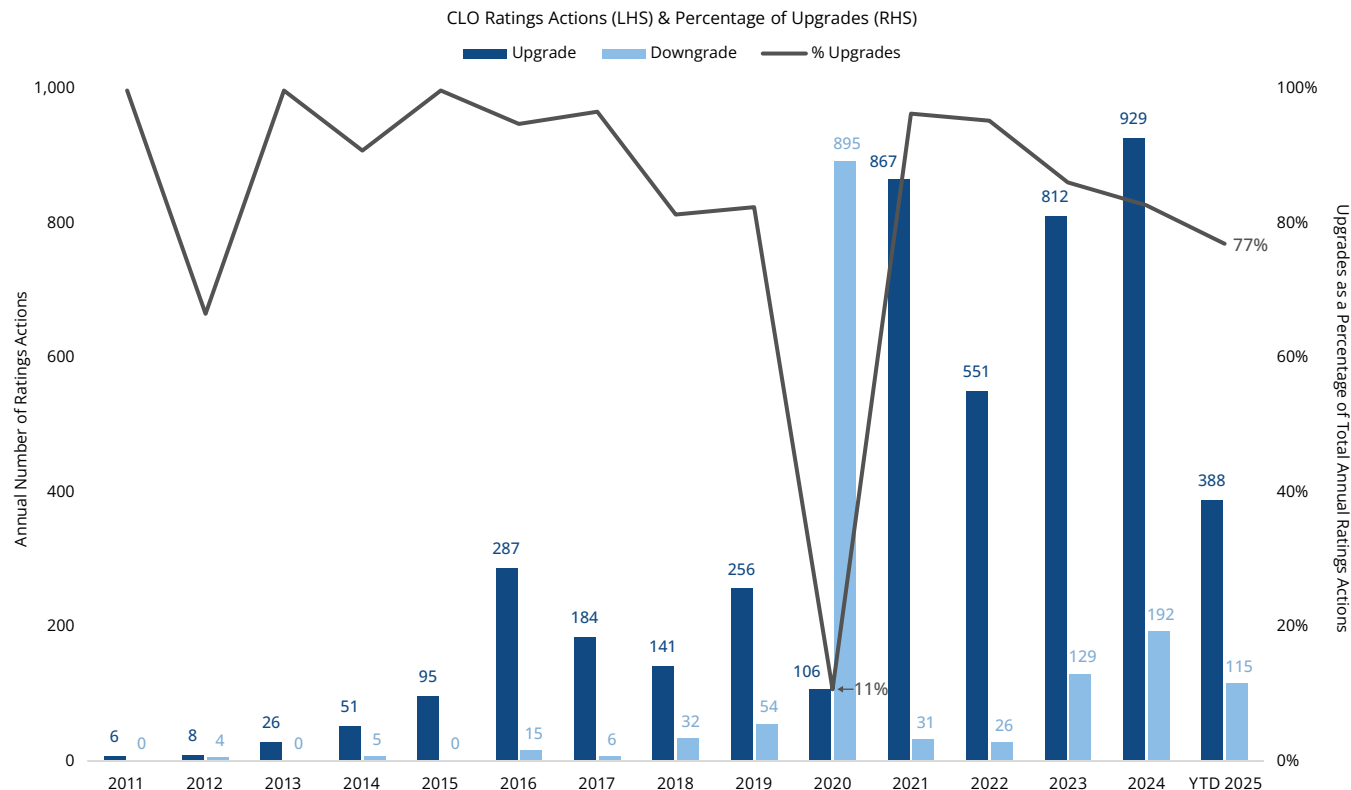


Source: Moody's, Aristotle Pacific Capital as of 12/31/2024.

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CLOs: Upgrades and Downgrades (Annual)

CLO RATINGS ACTIONS (LHS) AND PERCENTAGE OF UPGRADES (RHS)



Source: Moody's, Aristotle Pacific Capital as of 6/25/25.

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Prepared by Dominic Nolan, CFA, Ryan G. Horan, CFA, Whitney Bell, Lauren Liscinsky, Jeanne Kyle and Rachel Baldelli.

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