JULY 2026

# A More Attractive Entry Point for Quality Value

Recent headwinds to **Value Equity** have reflected multiple expansion within a narrowly led benchmark, while portfolio fundamentals remain strong. We believe this creates a compelling opportunity.

## Performance Disclosure

### ARISTOTLE VALUE EQUITY WM COMPOSITE

(As of June 30, 2026)

| | Trailing Performance (%) | | | | | |
|---|---|---|---|---|---|---|
| PERFORMANCE RESULTS | QTD | 1 Year | 3 Years | 5 Years | 10 Years | Since Inception (1/1/2012) |
| Value Equity WM Composite (Pure Gross) | 4.36 | 8.32 | 11.03 | 6.40 | 11.82 | 13.13 |
| Value Equity WM Composite (Net) | 3.85 | 6.20 | 8.86 | 4.28 | 9.60 | 10.67 |
| Russell 1000 Value Index | 13.84 | 27.09 | 17.78 | 11.17 | 11.52 | 11.86 |
| S&P 500 Index | 15.20 | 22.33 | 20.61 | 13.41 | 15.51 | 14.61 |

**Past performance is not indicative of future results.** Performance results for periods greater than one year have been annualized. Returns are presented pure gross and net of the maximum wrap fee. Pure gross returns do not reflect the deduction of any trading costs or other fees and are supplemental to the net returns. Net returns are calculated by subtracting the highest applicable wrap/SMA fee, which includes trading costs and custodial fees, from the pure gross composite return. (From inception to 12/31/2015, the highest applicable wrap/SMA fee is 3.00% on an annual basis, or 0.75% quarterly. From 1/1/2016 to 12/31/2023, the highest applicable wrap/SMA fee is 2.00% on an annual basis, or 0.50% quarterly and 0.17% monthly from 1/1/2024 to present.) Composite and index returns reflect the reinvestment of income. The Aristotle Value Equity WM Composite has an inception date of 10/1/1979. As of 1/1/2024, the inception date was updated to 1/1/2012. This update was implemented to align the start date of the composite track record with the start date of the current decision maker. Performance achieved by the firm prior to that date is available upon request.

#### BENCHMARK DISCLOSURE

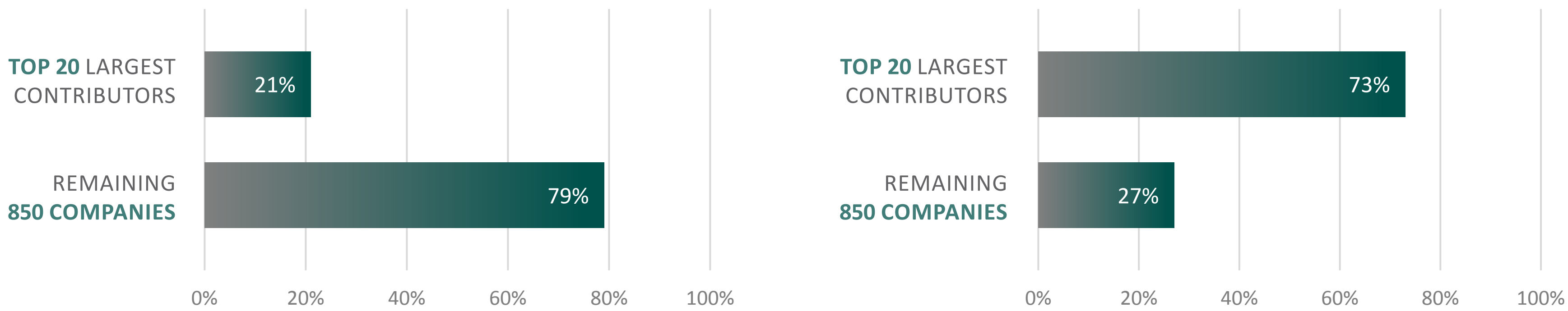
The Russell 1000 Value® Index measures the performance of the large cap value segment of the U.S. equity universe. It includes those Russell 1000 Index companies with lower price-to-book ratios and lower expected growth values. The S&P 500® Index is the Standard & Poor's Composite Index of 500 stocks and is a widely recognized, unmanaged index of common stock prices. The volatility (beta) of the Composite may be greater or less than its respective benchmarks. It is not possible to invest directly in these indices.

## Concentrated Leadership Has Reached Value Benchmarks

### RUSSELL 1000 VALUE INDEX
(Year to Date as of June 30, 2026)

**Weight in Index**
(% of Russell 1000 Value)

**Contribution to Return**
(% of Russell 1000 Value Return)




The **20 largest contributors** in the **Russell 1000 Value Index**, representing just **2%** of constituents and approximately **21% of index weight**, generated **73% of total index returns year-to-date**.

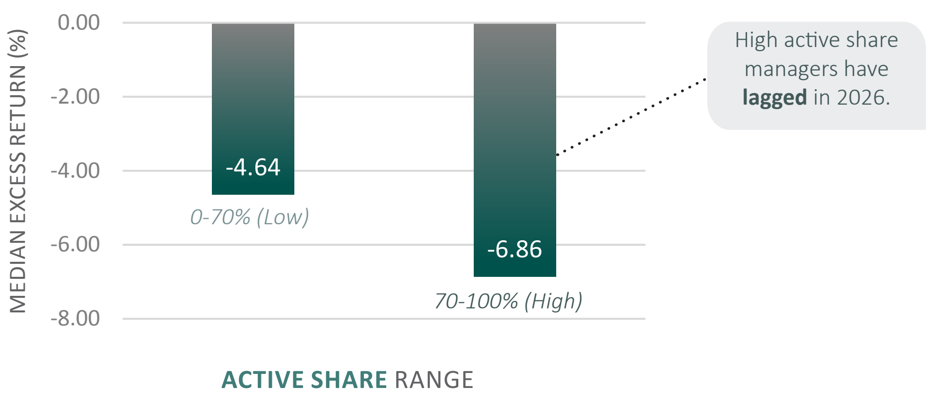
Index-level returns have masked much narrower participation[1] beneath the surface.

**Source:** FactSet, data as of 6/30/2026. [1]For purposes of this analysis, "narrower participation" refers to periods in which a relatively small number of securities account for a disproportionate share of an index's total return.

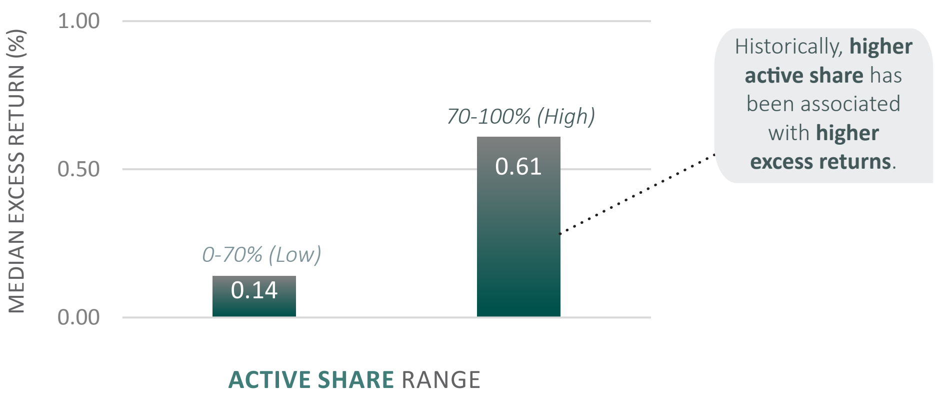
## High Active Share: Recent Pressure, Historical Outperformance

High active share managers have **underperformed year-to-date**, *but historically* they have delivered **greater excess returns** compared to **lower active share strategies**.

### 2026 YTD Excess Returns (Net) vs. Russell 1000 Value Index
(As of June 30, 2026)




### 10-Year Annualized Excess Returns (Net) vs. Russell 1000 Value Index
(As of June 30, 2026)



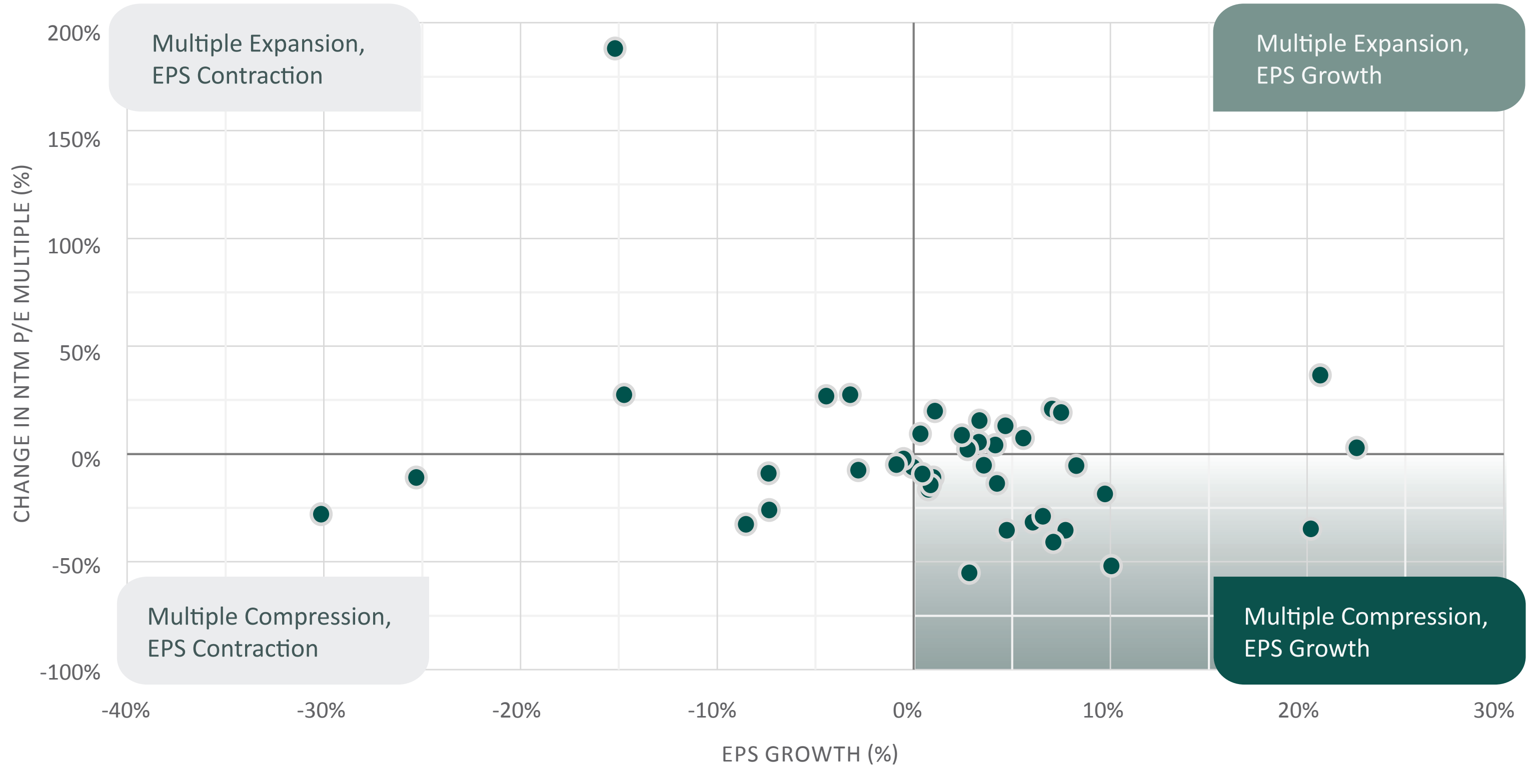

In our view, the recent underperformance of high active share managers appears to be a short-term deviation within a narrow market environment.

**Source:** eVestment, Universe: US Large Cap Value; 130 strategies included in this analysis.

## Fundamentals Have Held Up Better Than Stock Performance

### VALUE EQUITY EPS GROWTH VS CHANGE IN NTM P/E MULTIPLE

(One Year Ended June 30, 2026)




Many of our portfolio's detractors within the past twelve months* continue to grow earnings, even as their forward P/E multiples compressed. We believe this suggests recent weakness has been driven by valuation resets while underlying business fundamentals remain strong.

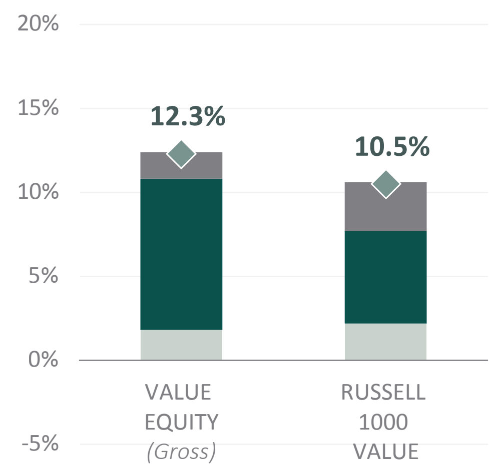
Holdings information is based on the representative account from the Value Equity strategy and excludes MCHP and SONY due to negative earnings. Excluded holdings could have materially different performance or fundamental characteristics.

*For one year ending June 30, 2026.

## Value Equity Return Composition

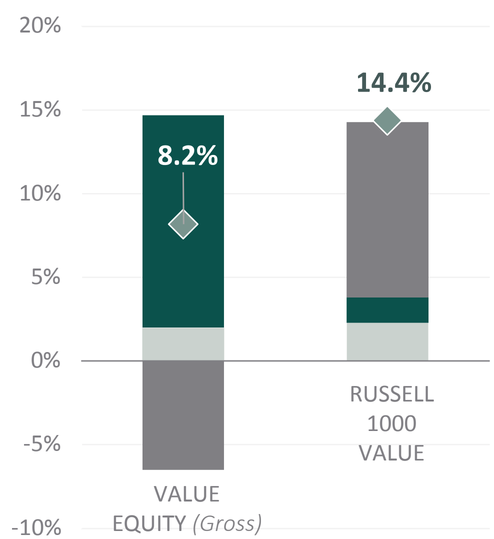
Multiple Expansion | Earnings Growth | Dividend Yield | Total Return

### Trailing 10-year Annualized



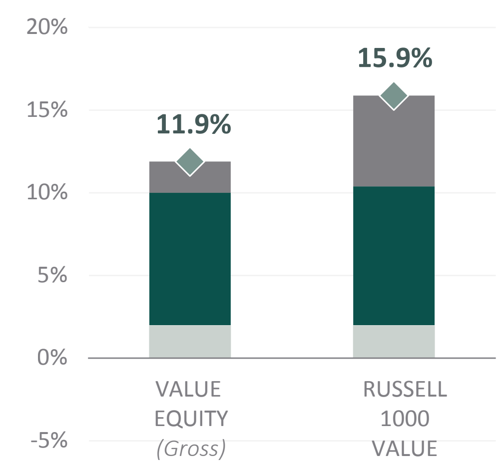

- Over time, we believe earnings and dividends are sustainable— multiple expansion is not.
- We focus on what we believe to be quality companies with sustainable earnings growth.

### 2024




- In 2024, Value Equity experienced double-digit earnings growth, but total return was muted by multiple contraction.
- The Russell 1000 Value Index return was almost entirely driven by multiple expansion.

### 2025




- In 2025, Value Equity and the Russell 1000 Value Index experienced similar earnings growth, but weaker multiple expansion led to our underperformance.
- Long-term, we expect Value Equity's return to be driven by earnings growth and dividend yield, rather than multiple expansion.

We believe the long-term return profile **remains grounded in business fundamentals**, even when valuation changes create near-term performance pressure.

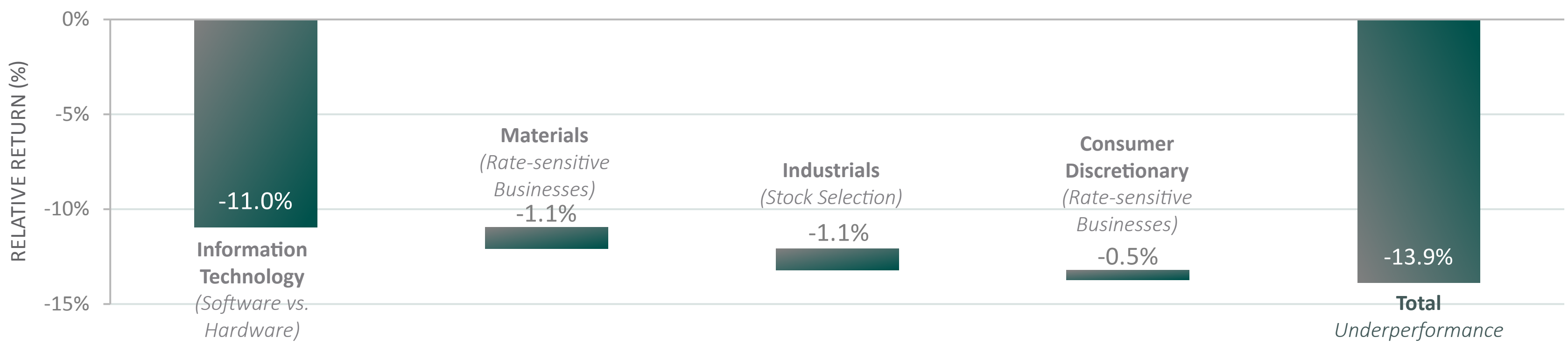
Data as of 12/31/2025. **Sources:** Aristotle Capital, FactSet. **Past performance is not indicative of future results.** Data presented is based on the Value Equity representative account. *This chart is for illustrative purposes only and the performance here may not be representative of your account performance.* Returns are presented gross of fees and include the reinvestment of all income. Gross returns will be reduced by fees and other expenses that may be incurred in the management of the account. Please refer to the gross and net composite returns presented within. Multiple Expansion, Earnings Growth, and Dividend Yield analysis shows how much of the strategy's return came from each factor.

## Underperformance Driven by a Few Identifiable Themes

### CONTRIBUTION TO RELATIVE RETURN

(Year to Date Ended June 30, 2026)

*Data based on the Value Equity Representative Account vs. the Russell 1000 Value Index*




### SOFTWARE vs. HARDWARE

We favor durable platforms where AI may increase value. We are underweight commodity memory companies that have benefited recently from AI enthusiasm.

### RATE-SENSITIVE COMPANIES

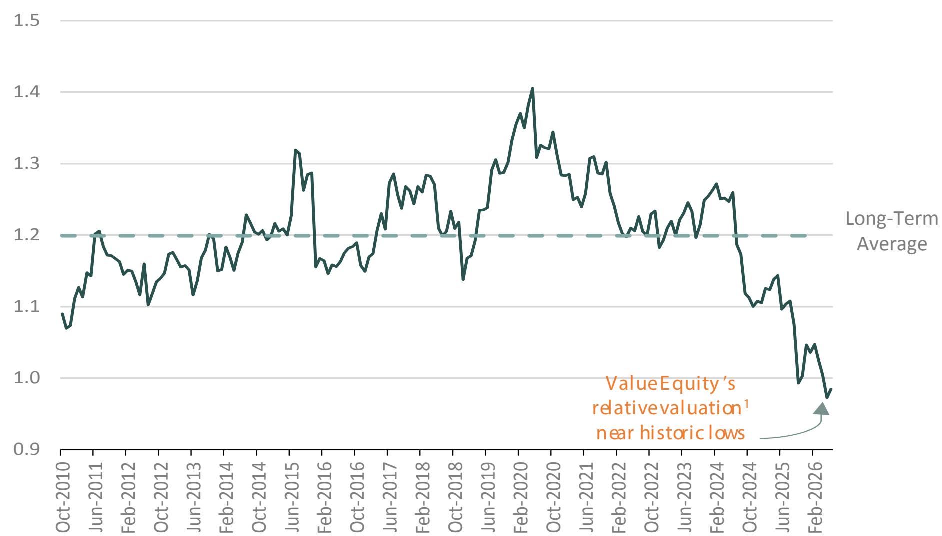
Elevated interest rates weighed on holdings tied to housing and construction end markets, despite continued operational execution.

Themes based on Aristotle Capital's internal research. The chart is intended to illustrate selected themes affecting relative performance and should not be viewed as a complete representation of returns. Returns are presented gross of fees and include the reinvestment of all income. Gross returns will be reduced by fees and other expenses that may be incurred in the management of the account. Please refer to the gross and net composite returns presented within.

## THE CURRENT OPPORTUNITY: HIGHER QUALITY TODAY AT MORE ATTRACTIVE RELATIVE VALUATIONS

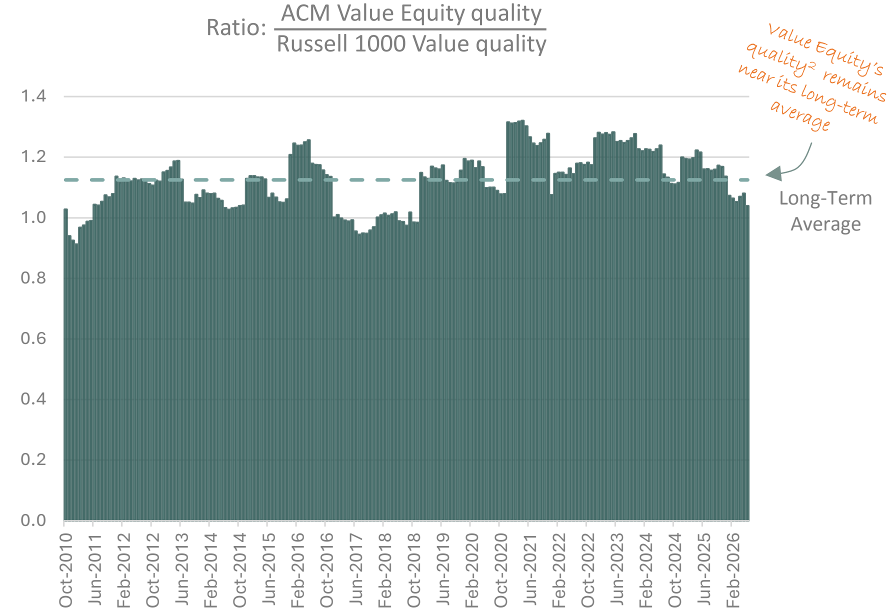
(As of June 30, 2026)

Ratio: ACM Value Equity *current* valuations / Russell 1000 Value *current* valuations




**There is Value In Value Equity Today**

Ratio: ACM Value Equity quality / Russell 1000 Value quality




- Value Equity's **relative** valuations near all-time low
- While portfolio absolute valuations are **16% higher than long-term average**, Russell 1000 Value Index is **41% richer** today over same period.

- Value Equity's quality metrics **remain above** those of the Russell 1000 Value Index.

We believe the portfolio's durable fundamentals and more attractive valuation profile support compelling long-term return potential.

Data as of 6/30/2026. **Sources:** Aristotle Capital, FactSet, FTSE Russell. **Past performance is not indicative of future results.** *This is not a recommendation to buy or sell a particular security. Value Equity quality and valuation metrics are based on the Value Equity representative account.* [1]Relative current valuations are calculated using an equal mix of price-to-earnings, price-to-book, price-to-sales, price-to-cash flow, and price-to-dividends. [2]Quality is calculated using an equal mix of ROE, operating margin, and cash earnings margin.

## DISCLOSURE

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ACM-2608-35