SMALL/MID CAP EQUITY

ARISTOTLE CAPITAL BOSTON

2Q 2026 Commentary – Wealth Management

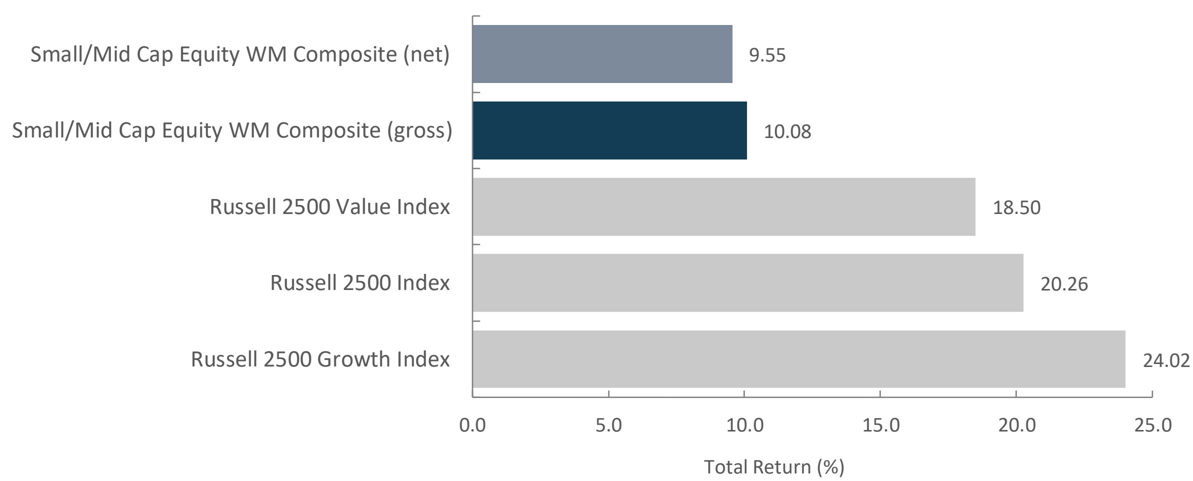
Markets Review

U.S. small/mid cap equities delivered a strong rebound during the second quarter of 2026, outperforming large cap stocks as investor sentiment improved amid resilient economic growth, easing geopolitical tensions, and broadening market participation. The Russell 2500 Index gained 20.26% during the quarter, marking its strongest quarterly return since 2020 and one of the best quarterly performances in its history. Healthy consumer spending, a stable labor market, and generally better than expected corporate earnings reinforced confidence in the economic outlook, while lower energy prices and reduced concerns surrounding Middle East tensions further supported expectations for moderating inflation and continued expansion. As optimism broadened beyond the largest technology companies, investors increasingly rotated into smaller companies poised to benefit from improving economic conditions, accelerating capital investment, and renewed capital markets activity.

Stylistically, growth stocks outperformed their value counterparts during the quarter, with the Russell 2500 Growth Index returning 24.02% compared to the 18.50% return of the Russell 2500 Value index. Performance was driven by AI-related beneficiaries, higher beta companies, and businesses with accelerating revenue growth. Technology was the standout sector, led by significant gains in semiconductors, semiconductor equipment, networking infrastructure, and other AI-enabling hardware, while Industrials benefited from strength in power infrastructure, electrical equipment, engineering, and manufacturing related businesses. Health Care also rebounded, led by biotechnology and life sciences. In contrast, Energy gave back a portion of its first quarter gains as oil prices declined, while traditionally defensive sectors, including Utilities, Consumer Staples, and Materials, lagged. More broadly, investors favored higher growth and economically sensitive companies over higher quality, dividend paying, and more defensive businesses, leaving slower growth retailers, banks, commercial services, and consumer staples among the quarter's relative laggards. Factors that had the strongest payoffs were sentiment and efficiency, while factors such as low volatility, low variability, low leverage, and quality paid off negatively.

At the sector level, almost all sectors paid off positively. The best performing sectors were Information Technology (+65.79%), Health Care (+19.32%), and Industrials (+19.09%) while the worst performing sectors were Energy (-9.72%), Materials (+1.01%), and Utilities (+1.54%).

2026 Q2 Returns



Sources: CAPS Composite Hub, Russell Investments
Past performance is not indicative of future results. Composite returns are presented gross and net of the maximum wrap fee and include the reinvestment of all income. Net returns are calculated by subtracting the highest applicable wrap/SMA fee, which includes trading costs and custodial fees, from the gross monthly composite return (2.00% on an annual basis, or 0.167% monthly). Composite. Please see important disclosures at the end of this document.

Performance Review

For the second quarter of 2026, the Aristotle Small/Mid Cap Equity WM Composite generated a total return of 9.55% net of fees (10.08% gross of fees), underperforming the 20.26% total return of the Russell 2500 Index. Security selection detracted from performance, while allocation effect aided results. The largest detractors to relative performance were security selection in Information Technology (owning Everforth coupled with not owning SanDisk or quantum computing stocks and non-earning SaaS companies) and Industrials coupled with overweight allocations to Materials and Energy. This was partially offset by security selection in the Utilities and Consumer Staples sectors coupled with underweight allocations to Information Technology and Consumer Discretionary.

Relative Contributors	Relative Detractors
MACOM Technology Solutions	SanDisk (not owned in the portfolio)
Mercury Systems	Alamos Gold
Insmed (not owned in the portfolio)	Huron Consulting Group
Knowles	Range Resources
WillScot Holdings	Permian Resources

CONTRIBUTORS

- **MACOM Technology Solutions (MTSI),** is a designer and manufacturer of high performance semiconductor products. The stock benefitted from strong earnings results and forward guidance featuring continued strong revenue and profitability, driven by accelerating demand across data-center, industrial/defense, and telecom end markets. We maintain our position, as we believe the company's meaningful exposure to growing demand from Data Center and 5G end market applications along with the integration of recent acquisitions and domestic manufacturing footprint should continue to drive shareholder value.

- **Mercury Systems (MRCY),** is a developer of mission critical computing, signal processing, software, and secure electronics technologies used in aerospace and defense applications. The stock was rewarded for the company's successful acceleration of deliveries on several high priority defense programs, alongside continued progress on its restructuring initiatives and cost reduction efforts. We maintain our position as we believe Mercury Systems is emerging from a multi-year operational reset, with improving execution, expanding margins, and lower leverage. In addition, we believe the stock is trading at attractive valuations relative to its normalized earnings power given the strong underlying demand across its aerospace and defense end markets, which should continue to create shareholder value over time.

DETRACTORS

- **SanDisk (SNDK),** engages in the development, manufacture, and provision of storage devices and solutions based on NAND flash technology. Its products include solid state drives, memory cards, and USB flash drives. The stock rallied during the quarter on improving memory cycle sentiment and AI-driven storage demand. The portfolio did not own the position which resulted in a drag on relative performance versus the benchmark.

- **Alamos Gold (AGI),** a Canadian gold producer focused on developing and operating high quality mines in North America, detracted from performance following a reduction in 2026 production guidance driven by operational challenges at its Young-Davidson mine, including seismic activity, lower mining rates, and higher costs. Weaker gold prices during the quarter also weighed on the shares. We believe these headwinds are temporary and continue to view the company favorably given the successful ramp up of the Island Gold District, a robust project pipeline, and attractive long term production growth.

Recent Portfolio Activity

Buys/Acquisitions	Sells/Liquidations
Jones Lang LaSalle	Americold Realty Trust
UMB Financial	Verra Mobility
WesBanco	

BUYS/ ACQUISITIONS

- **Jones Lang LaSalle (JLL),** is a leading global commercial real estate services firm positioned to benefit from a recovery in leasing, capital markets, and investment activity as commercial real estate fundamentals improve. Its diversified business mix, growing recurring revenue streams, and global scale can provide resilient earnings and durable competitive advantages. We believe improving transaction volumes and continued growth in higher value advisory and outsourcing services will support long-term earnings growth and shareholder value.

- **UMB Financial (UMBF),** is a regional bank with a diversified business model spanning commercial banking, institutional asset servicing, private wealth management, healthcare payments, and specialty financial services. Unlike many regional banks, UMB generates a meaningful portion of its revenue from fee based businesses, providing a more stable earnings profile and reducing reliance on net interest income. The company has consistently demonstrated disciplined underwriting, strong credit quality, and a conservative balance sheet, positioning it to perform across economic cycles. We believe UMB is well positioned to benefit from improving loan growth, expanding fee income, and continued market share gains, while its strong capital position and attractive returns on equity support long term earnings growth and shareholder value.

- **WesBanco (WSBC),** is a regional bank with a diversified franchise spanning commercial banking, consumer banking, wealth management, and trust services. We believe the stock is trading at an attractive valuation as the market underappreciates the earnings potential created by the successful integration of Premier Financial, improving operating efficiency, expanding margins, strong capital levels, and robust loan growth.

SELLS/LIQUIDATIONS

- **Americold Realty Trust (COLD),** is a real estate investment trust focused on the ownership, operation, development, and acquisition of temperature controlled warehouses. The position was liquidated due to deteriorating fundamentals.

- **Verra Mobility (VRRM),** is a provider of automated enforcement, tolling, and parking technologies and solutions. We exited the position after the loss of a significant customer contract materially changed our investment thesis, reducing confidence in the company's long term earnings and growth outlook. The proceeds were redeployed into higher conviction opportunities.

Outlook

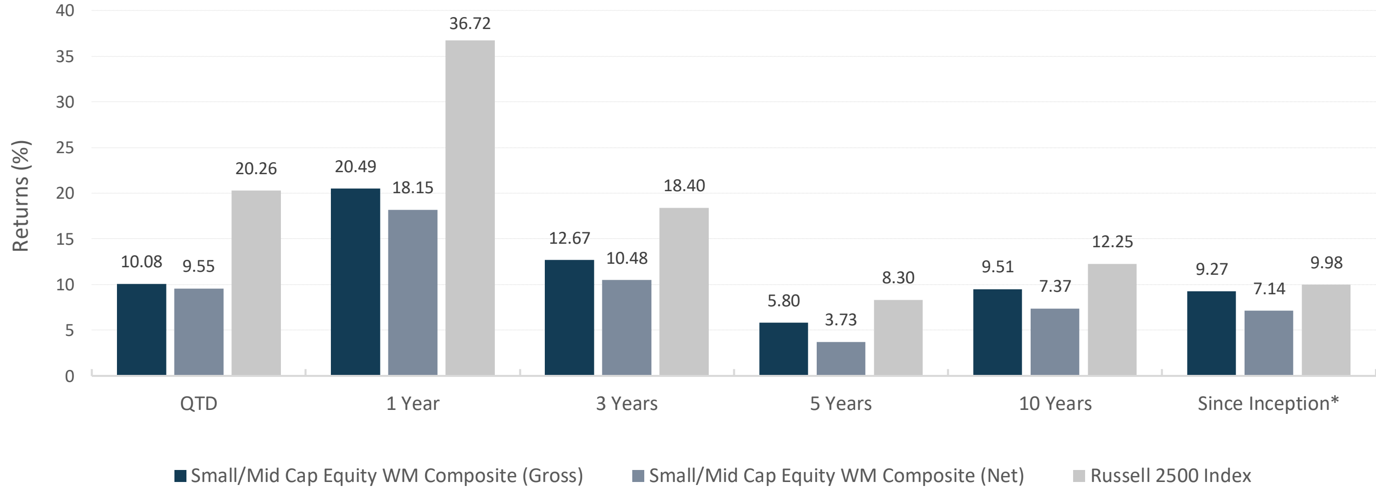
We remain constructive on the long-term outlook for the small/mid-cap segment of the U.S. market. Valuations continue to appear attractive, with the Russell 2500 Index trading near multi-decade lows relative to large caps, while earnings have begun to reaccelerate. Consensus estimates point to small cap earnings growth surpassing large cap growth by late 2026/early 2027. Incremental increase in M&A activity, improving domestic manufacturing trends supported by reshoring and infrastructure investment, and a more favorable regulatory and tariff backdrop should provide longer term tailwinds for the asset class. Near term, we remain cautious as geopolitical risks, including the Iran conflict and related inflationary spillovers, may contribute to elevated volatility. Separately, mid-term election uncertainty has historically been associated with increased market volatility but has often given way to more durable small cap recoveries following the election cycle.

Positioning

Our current positioning is a function of our bottom-up security selection process and our ability to identify what we view as attractive investment candidates, regardless of economic sector definitions. Overweights in Financials and Materials are mostly a function of our underlying company specific views rather than any top-down predictions for each sector. Conversely, we continue to be underweight in Consumer Discretionary, as we have been unable to identify what we consider to be compelling long-term opportunities that fit our discipline given the rising risk profiles of many retail businesses and a potential deceleration in goods spending following a period of strength. We are also underweight in Industrials as we have been unable to identify what we consider to be more compelling long-term opportunities that fit our discipline versus companies belonging to other sectors. Given our focus on long-term business fundamentals, our patient investment approach and low portfolio turnover, the strategy's sector positioning generally does not change significantly from quarter to quarter. However, we may take advantage of periods of volatility by adding selectively to certain companies when appropriate.

Aristotle Small/Mid Cap Equity WM Composite Performance

All Periods Ended June 30, 2026



Year	Small/Mid Cap Equity WM Composite (Gross %)	Small/Mid Cap Equity WM Composite (Net %)	Russell 2500 Index (%)
YTD 2026	13.94	12.84	22.71
2025	3.90	1.87	11.91
2024	14.04	11.82	11.99
2023	8.34	6.23	17.42
2022	-12.05	-13.80	-18.37
2021	18.50	16.20	18.18
2020	10.23	8.07	19.99
2019	23.73	21.34	27.77
2018	-10.22	-12.00	-10.00
2017	13.98	11.77	16.81
2016	22.73	20.35	17.59
2015	3.77	1.74	-2.90
2014	2.91	0.89	7.06
2013	38.34	35.69	36.82
2012	16.49	14.23	17.88
2011	0.00	-1.97	-2.51
2010	28.17	25.70	26.70
2009	28.88	26.40	34.38
2008	-30.53	-31.94	-36.78

Sources: CAPS Composite Hub, Russell Investments
Composite returns for periods ended June 30, 2026, are final.
**The Aristotle Small/Mid Cap Equity WM Composite ("Composite") has an inception date of January 1, 2008, at a predecessor firm. During this time, Jack McPherson and Dave Adams had primary responsibility for managing the strategy. Performance starting January 1, 2015, was achieved at Aristotle Boston. The Composite includes all discretionary accounts managed in this strategy and is based on the institutional composite track record. The composite currently consists of only institutional accounts and does not contain any fully bundled fee wrap portfolios. Past performance is not indicative of future results. Performance results for periods greater than one year have been annualized. Composite returns are presented gross and net of the maximum wrap fee and include the reinvestment of all income. Net returns are calculated by subtracting the highest applicable wrap/SMA fee, which includes trading costs and custodial fees, from the gross monthly composite return (2.00% on an annual basis, or 0.167% monthly). Please see important disclosures enclosed within this document.*

DISCLOSURES:

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Composite returns are presented gross and net of the maximum wrap fee and include the reinvestment of all income. Net returns are calculated by subtracting the highest applicable wrap/SMA fee, which includes trading costs and custodial fees, from the gross monthly composite return (2.00% on an annual basis, or 0.167% monthly)All investments carry a certain degree of risk, including the possible loss of principal. Investments are also subject to political, market, currency and regulatory risks or economic developments. International investments involve special risks that may in particular cause a loss in principal, including currency fluctuation, lower liquidity, different accounting methods and economic and political systems, and higher transaction costs. These risks typically are greater in emerging markets. While Large-capitalization companies may have more stable prices than smaller, less established companies, they are still subject to equity securities risk. In addition, large-capitalization equity security prices may not rise as much as prices of equity securities of small-capitalization companies. Securities of small- and medium-sized companies tend to have a shorter history of operations, be more volatile and less liquid. Value stocks can perform differently from the market as a whole and other types of stocks. The material is provided for informational and/or educational purposes only and is not intended to be and should not be construed as investment, legal or tax advice and/or a legal opinion. Investors should consult their financial and tax adviser before making investments. The opinions referenced are as of the date of publication, may be modified due to changes in the market or economic conditions, and may not necessarily come to pass. Information and data presented has been developed internally and/or obtained from sources believed to be reliable. Aristotle Boston does not guarantee the accuracy, adequacy or completeness of such information.

The Russell 2500® Index measures the performance of the small to mid cap segment of the U.S. equity universe. The Russell 2500 Index is a subset of the Russell 3000® Index. It includes approximately 2500 of the smallest securities based on a combination of their market cap and current index membership. The Russell 2500 Growth® Index measures the performance of the small/mid cap companies located in the United States that also exhibit a growth probability. The Russell 2500 Value® Index measures the performance of the small/mid cap companies located in the United States that also exhibit a value probability. The volatility (beta) of the composite may be greater or less than the benchmarks. It is not possible to invest directly in these indices.

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