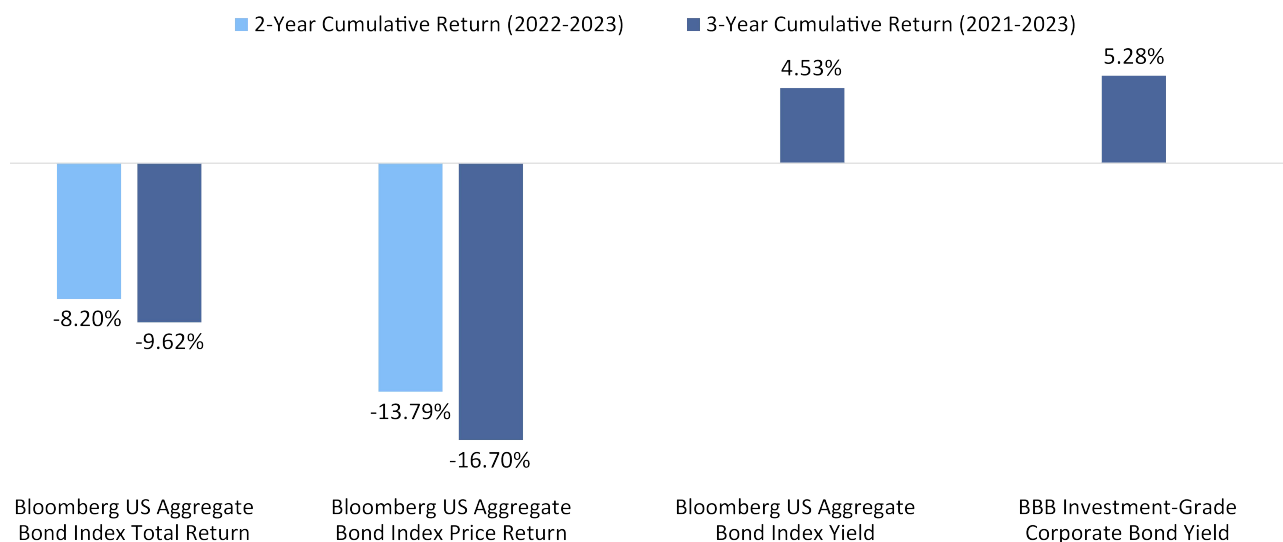


## Can BBB Yields Make Up for Agg Losses?

Despite a rally last year in fixed income, many investors may find themselves in a hole when it comes to their core fixed-income position with the total return for the Bloomberg US Aggregate Bond index over the past three years at -9.62%. When you back out yield and just look at price return, those returns fall to -16.70%. Though the index yield still sits near a multi-decade high of 4.53%, it could take over two years for investors to see positive returns on core fixed-income positions added three years ago. On the other hand, BBB investment-grade corporate bonds could help shorten that breakeven period, as BBB corporates started the year with a yield of 5.28%.

### Can BBB Corporate Bonds Help Make Up for the Agg's Poor Performance in 2021 and 2022?



Source: Morningstar and Bloomberg as of 12/31/23. **The Bloomberg US Aggregate Bond Index (Agg)** 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. **Bond ratings** are grades given to bonds that indicate their credit quality as determined by private independent rating services. Ratings are expressed as letters ranging from "AAA," which is the highest grade, to "D." **Investment grade** refers to a bond whose credit rating is BBB- or higher. **BBB corporate bonds** are represented by securities with a BBB credit rating in the Bloomberg U.S. Credit Index. A **core fixed income strategy** is a value-oriented fixed income strategy that invests primarily in a diversified mix of U.S. dollar-denominated investment-grade fixed income securities, particularly U.S. government, corporate, and securitized assets, including commercial mortgage-backed securities, residential mortgage-backed securities, and asset-backed securities. **Total return** is a performance measure that reflects the actual rate of return of an investment or a pool of investments over a given evaluation period. **Price return** is a measure of how the market value of the asset has changed, excluding any income received. **Yield** is defined as the income return (interest or dividends) on investment.

**Past performance does not guarantee future results.**

Investing involves risk, including loss of principal.

**Investors should consider a fund's investment goal, risks, charges, and expenses carefully before investing. The [prospectuses](#) and/or [summary prospectuses](#) contain this and other information and should be read carefully before investing. The prospectuses can be obtained by visiting [AristotleFunds.com](http://AristotleFunds.com).**

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