

Spotlight Fund of the Month

Quick Facts

Aristotle Floating Rate Income Fund (PLFDX)

Morningstar --- ☆☆☆☆☆

Category --- US Fund Bank Loan

Total Assets --- \$3.9 billion



Why We Like This Fund

The Aristotle Floating Rate Income Fund (PLFDX) seeks steady streams of current income through exposure to leveraged corporate loans. A strong foundation in deep fundamental credit research, complemented by savvy tactical trading across liquid, large-cap loans, allows the fund to avoid significant drawdowns and capitalize on meaningful price dislocations. Despite focusing on the lower-quality segments of the leveraged loan market (typically B and CCC), the strategy looks beyond agency ratings to evaluate factors like management strength, industry position, and competitive dynamics – wholistically assessing overall business quality through Aristotle’s own lens of fundamental credit due diligence. The deep credit research and comprehensive liquidity assessments, which have become hallmarks of the Fund, afford management the opportunity to take selective exposure to lower-rated credits and increase portfolio yield without substantially increasing portfolio risk. The experienced team, which named two long-time analysts to the roster of portfolio managers for the strategy earlier this year, has consistently limited downside capture and exposure to distressed credits and defaults relative to peers while participating fully on the upside. The Fund ranks in the top quartile of category peers on an absolute basis over trailing 3-, 5-, and 10-year periods and easily outpaces the category on a risk-adjusted basis with substantially higher Sharpe ratios.

Where to Use

The Aristotle Floating Rate Income Fund (PLFDX) nicely complements traditional, core fixed income exposures by adding calculated credit exposure and significant yield enhancement without increasing portfolio duration.

What are the Top-Rated Funds Lists?

The Top-Rated Mutual Funds and Exchange Traded Funds (ETF) Lists are resources that feature a list of equity, fixed income, and alternative mutual funds or ETFs that are selected by Osaic Research using proprietary screening criteria and selection methodology. The lists are designed to help you narrow the wide universe of funds available to a more manageable selection of higher-quality funds. Spectrums of asset class categories are covered. In most categories, you will find at least one risk-averse fund option and one option where the focus is geared more toward alpha generation, with the potential for higher volatility.

You can access the Top-Rated Funds Lists by visiting the Market Research page through Vision2020 or by reaching out to Research@Osaic.com.

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