SUMMARY

- Aristotle Capital is *independently owned*, encourages *independent thought* and nurtures a culture of *meritocracy* and *commitment to excellence.*
- The **Aristotle/Saul Global Opportunities Fund** is *eclectic* and *focused* yet remains *diversified* and can invest across the capital structure in companies of any size in any country.
- While direct exposure is currently less than 5%, approximately 25% of the overall revenue from the 48 investments is generated in emerging markets.
- The Japanese market has taken a pause after a strong run in 2013 but we continue to see potential for improvement in profitability and attractive returns in our 9 Japanese investments.
- Our Canadian investments are resource-rich companies with advantaged assets that allow them to earn a privileged excess return. They benefit from growing demand for scarce resources in emerging markets while providing Western corporate governance standards.
- In the U.S. it is becoming increasingly difficult to find compelling investment opportunities. However, the tech industry is going through one of the biggest transitions in its 60+ year history, creating disruptive threats, unique opportunities and extreme sentiment.

April 1, 2014

Dear fellow shareholders,

As this is our first letter since we joined Aristotle Capital in January and began co-managing Aristotle/Saul Global Opportunities Fund later that month, we would like to use this opportunity to address a few more topics than we normally would in a quarterly commentary. We will: 1) provide some first impressions of the Aristotle Capital family; 2) highlight what we believe to be unique aspects of the fund; 3) provide some relevant observations on the environment our companies are operating in around the world; and conclude with 4) a synopsis of an opportunistic investment we currently hold in the fund.

Just as we think like owners of the companies we invest in, we hope you think like an owner of the fund. With that in mind, we have put together an owner's manual to give you a clear understanding of our intent and an overview of our investment beliefs and process. If you have not read the document, we encourage you to visit our website (www.aristotlefunds.com) and download a copy of the manual.

1. *First impressions of the Aristotle Capital family*

We have had the good fortune of working at highly regarded asset management firms throughout our careers and have identified what we believe to be the key ingredients to sustainable success in this people intensive business. We believe Aristotle Capital ticks all the relevant boxes.

The firm is independently owned, has philosophical alignment across strategies, maintains a boutique culture that encourages independent thought and provides what we believe to be best-in-class infrastructure and compliance. Most importantly it has the right people and nurtures a culture of meritocracy and commitment to excellence. We admire the commitment of our Chief Investment Officer, Howard Gleicher, to focus exclusively on further understanding and analyzing businesses and could not be more thrilled to work alongside a team of senior investment professionals with a long history of researching and appraising businesses globally.

While the name Aristotle Capital may be new to some of you, the accomplishments of the founding partners working together is nothing new. More than 20 years of experience at predecessor firms has been led by Chairman Rich Hollander, CEO and CIO Howard Gleicher, Co-CEO and Co-CIO Gary Lisenbee, and many others with whom we now have the pleasure of working.

We have found an amazing home at Aristotle Capital and look forward to what lies ahead over the next few decades.

2. *Unique aspects of the Aristotle/Saul Global Opportunities Fund*

Our goal is to identify what we believe to be good businesses that, for some reason that we can identify, are not attaining their full potential. The company must be sufficiently undervalued and on a path to achieving this full earnings power. This final element of patiently waiting for a specific path (aka: "company-specific catalyst") to full potential is somewhat unique for a value investor and helps us avoid value traps.

The fund is eclectic and focused yet remains diversified, with the largest sector representing less than 20% of the portfolio. We have the ability to invest across the capital structure when the debt provides what we believe to be a more compelling risk-reward profile relative to the equity, in companies of any size, in any country. Importantly, this fund is not managed to track a particular benchmark as evidenced by our active share[1] of 94% versus the MSCI All Country World Index. The portfolio currently consists of investments in 48 companies: 43 equity investments (82% of portfolio) and 5 corporate bonds (11% of portfolio), with the balance in cash (5% of portfolio) and a precious metal ETF (2% of portfolio).

A primary source of differentiation is the fixed income component of our portfolio primarily backed by real assets. Our five corporate bond investments have an average duration[2] of 4 ½ years and offer an equity-like return with a more favorable risk-reward, in our opinion. We believe knowledge and differentiated approach give us the ability to assess value in tangible businesses and obtain yield while minimizing interest rate risk (no current bond holding matures after 2020). In addition, despite the cyclicality of these businesses, strong asset coverage backed by low-cost reserves may provide downside protection.

Note: All fund's statistics are as of 3/31/14

3. *Relevant observations on the environment our companies are operating in around the world*

We spend a great deal of time trying to gain a further understanding of our businesses; in this pursuit, we also pay attention to the environment our companies are operating in around the world. Let's start our journey in the Far East and work our way west.

The **Japanese** stock market has been weak recently as uncertainty exists regarding the depth and duration of the anticipated economic slowdown following the first sales tax increase (from 5% to 8%) since 1997 that went into effect April 1. Despite a strong rally in Japanese equities since the implementation of Abenomics in the Fall of 2012, we continue to see compelling risk-reward in our Japanese holdings, which currently represent approximately 14% of the portfolio. Innovation, market leadership, technological edge and fortress-like balance sheets are consistent attributes across our 9 Japanese investments. Many of these companies are also operating in consolidating industries, a dynamic highly conducive to increasing potential profitability and returns. With only 5% of Japanese household assets in equities[3], land prices increasing for the first time in six years, and ½ of the corporations in the Nikkei 225[4] (the index for Tokyo Stock Exchange) operating with net cash on their balance sheets, we see a fertile environment for improvement in profitability and what we feel will be attractive returns after a 20-year bear market.

The **developing world** is a stark contrast to the developed world that is pulling every lever it can to fight off deflationary forces (near 0% interest rates for the past five years and extensive debt monetization). While developed markets reported inflation hovers near historic lows of approximately 1%, out of 189 countries in the IMF's[5] "field of vision," 141 reported inflation rates of 2% or more in 2013, with many emerging markets having inflation rates of well over 5%[6]. Inflation and weakening currencies have forced central banks in these markets to raise interest rates, creating a vicious cycle and further slowing growth. These events have created near-term headwinds for our companies operating in these markets. While these headwinds were no doubt triggered by the perception of an end to easy monetary policies of central banks in the developed world, we continue to believe that many of these emerging economies present significant opportunities for growth, particularly as they transition to more consumption-oriented economies and the middle class expands. While our investment in Samsung Electronics is our only direct emerging market investment, approximately 25% of the overall revenue from our 48 investments is generated in emerging markets. For example, emerging markets represent 55% of food and personal care company Unilever's sales and 42% of leading Scotch producer Diageo's sales. These are global leaders with strong brands that are increasing their presence in underpenetrated markets.

Russia may be the cheapest and most hated market on the planet. We have invested in Russia in the past, traveled to the country numerous times studying companies and met with several oligarchs over the years (though we didn't give them our business cards). We had no direct exposure to Russia going into the recent Ukraine crisis but do have indirect exposure through companies such as Adidas, which has 1,100 retail stores in that country, and Kinross Gold, which owns and operates two gold and silver mines in the country. We have sat down with management of both companies over the last month and are monitoring the situation closely. We acknowledge the Russian stock market may be statistically the cheapest market in the world, and we will be the first to agree that good things (sometimes) happen to cheap stocks, but cheapness alone is not a reason to own a company. We continue to do our homework and have a few companies in particular that we are monitoring closely, patiently waiting for a path to full earnings potential to emerge and balancing the tradeoff between certainty (risk) and value (reward).

Europe is sending us mixed signals. For companies with significant exposure to continental Europe, we continue to monitor recent political developments where certain radical parties may be gaining political acceptance (e.g. France) on the back of unsustainably high EU-wide youth unemployment of 24% (2x adult unemployment)[7]. With central bank intervention, rates have returned to historic lows since they spiked in the summer of 2012. While the market sees this event as affirmation that all is good and risks are behind us, the EU has kicked the proverbial can down the road and avoided needed structural reform in many countries. For example, a structural energy policy crisis is emerging, driven by an ongoing commitment to subsidize solar and wind power that has resulted in uncompetitive power prices. Recent developments in Russia have further exposed the delicate security of supply issues. However, not is all bad across the pond as we are encouraged by the signs of some structural reforms, such as the recent agreement on the terms of a eurozone banking union. Our 12 investments in Europe, representing 22% of the portfolio, have marginal exposure to European energy challenges and our two retail-oriented banks

(Banco Santander and Erste Group) could benefit from what should be less systematic risk in the eurozone banking system should they move ahead with a banking union.

Relative to many in our industry, we tend to have more of an affinity for **Canadian**-based companies. The resource-rich country has a wealth of asset-rich, tangible businesses run by entrepreneurs that invest alongside their shareholders (a unique, yet important attribute). We believe that our seven investments in Canada, representing 15% of portfolio, are in resource-rich companies with advantaged assets that allow them to earn a privileged excess return. Many of these companies have primary assets all over the world and provide exposure to growing demand for scarce resources in emerging markets while adhering to Western corporate governance standards.

While the business environment backdrop in the **United States** is improving, it is becoming increasingly difficult to find compelling investment opportunities. We are concerned by compressed high yield spreads, record margin debt, record share repurchases (where were they five years ago?) and a rising stock market driven primarily by paying a higher multiple of current earnings. We own 14 companies in the U.S., representing 30% of the portfolio, with the largest exposure in the Information Technology sector. The tech industry is going through one of the biggest transitions in its 60+ year history as software becomes more web-based ("cloud computing"). This transition is creating disruptive threats, unique opportunities and extreme sentiment. Most of our tech investments are market leaders that, while under threat, we believe are well insulated from dramatic market share shifts and are not only growing but generating double-digit free cash flow yields. We believe it is more important than ever to own businesses with strong moats and fortress-like balance sheets that will not only survive should the bad times come, but that will emerge stronger.

4. *Synopsis of an opportunistic investment*

As Spanish descendants, we (Padilla and Jimenez) are fascinated by the legend of El Dorado. The roots come from a tribal chief of the Muisca native people of Colombia who, as an initiation rite, covered himself with gold dust and dove into Lake Guatavita. Later, it became the name of a legendary "lost city of gold" that has fascinated explorers since the days of the Spanish *conquistadores*. Today El Dorado/Eldorado is the name of numerous schools, restaurants, mining towns, films, TV shows, luxurious resorts in Cabo San Lucas, etc. There are as many El Dorados as Elvis impersonators!

In our pursuit of superior business models, as we traveled to more than 60 countries, we came across a company called Eldorado Gold Corp. about 9 years ago. What drew our attention is that while the majority of the gold producers were competing for the same assets and wasting shareholders' money by overpaying in regions considered safer jurisdictions, Eldorado opted for a different business model of buying long-life, low-cost assets in regions of the world where they faced very little competition. As a result, today they have a portfolio of seven low-cost mines in Turkey, China, Greece and Brazil. The market assigns a market value of $4.3 billion for this portfolio that produces about 700,000 ounces of gold per year. This is an example of how to successfully build a competitive advantage and a growing moat in a business in which you are a price taker. It is about capital allocation discipline, owning superior assets and having a good management team.

Because of our opportunistic, private equity-like approach and understanding of the 580 gold deposits with over 1 million ounces around the world, we have been able to recreate the equivalent of two

Eldorados for a fraction of the cost (in memory of the Spanish *conquistadores* Francisco de Orellana and Gonzalo Pizarro, who led the first expedition in 1541 in search of the legendary wealth).

We believe we have been able to build our "synthetic Eldorado" with four mines that have long life, low cost and a history of being operated by competent managers that are large shareholders in their companies. We were able to buy three publicly traded businesses with a combined enterprise value of $2 billion— that is, $2.5 billion market cap with approximately $500 million in net cash. These companies can produce more than 1.4 million ounces of gold per annum and, even at the current depressed gold price of $1,281/oz., can generate $325 million in free cash flow, an implied yield in excess of 15% to business owners. We believe the margin of safety is so wide that we do not need a calculator. These companies are growing and getting better and continue to invest in their organic pipeline of projects that we expect will bring superior returns. In the meantime, many of their peers are struggling to pay their bills and are being forced to liquidate assets to stay in business. The difference between the original Eldorado and ours is that one is legend, while ours is real. We would gladly own these businesses for the foreseeable future even though the businesses operate in a poor industry that is known for not generating significant free cash flow or return on invested capital.

CONCLUSION

As always, we will continue to devote our time to gaining a deeper understanding of our existing businesses and search for new opportunities in what we believe to be good businesses that, for some reason that we can identify, are not attaining their full potential. These new investment opportunities, in our opinion, must be sufficiently undervalued, on a path to achieving their full earnings power and offer a more compelling risk-reward than our existing investments.

We wish you all, fellow shareholders, an enjoyable spring and if we do not see you before then, look forward to communicating with you again later this summer in our Q2 commentary, which will include a brief commentary on performance for the first half of the year.

Warm regards,

Alberto and Greg

Disclosures:

[1] *Active Share is a measure of the percentage of stock holdings in a manager's portfolio that differ from the benchmark index.*

[2] *Duration is a measure of the sensitivity of the price (the value of principal) of a fixed-income investment to a change in interest rates. Duration is expressed as a number of years. Rising interest rates mean falling bond prices, while declining interest rates mean rising bond prices.*

[3] *Source: Bank of Japan, ESRI of Japanese Cabinet Office (March 2014)*

[4] *Nikkei 225 is a stock market index for the Tokyo Stock Exchange (TSE). The Nikkei is the most widely quoted average of Japanese equities, similar to the Dow Jones Industrial Average.*

[5] *The International Monetary Fund (IMF) is an organization of 188 countries, working to foster global monetary cooperation, secure financial stability, facilitate international trade, promote high employment and sustainable economic growth, and reduce poverty around the world.*

[6] *Source: IMF (March 2014)*

[7] *Source: Eurostat (February 2014)*

The views in this letter were as of the date stated and may not necessarily reflect the same views on the date this letter is first published or any time thereafter. These views are intended to help shareholders in understanding the Fund's investment methodology and do not constitute investment advice.

Past performance is no guarantee of future results. Investment return and principal value will fluctuate, so that an investor's shares, when redeemed, may be worth more or less than their original cost.

The MSCI All Country World Index captures large and mid cap representation across 23 Developed Markets (DM) and 21 Emerging Markets (EM) countries. With over 2,400 constituents, the index covers approximately 85% of the global investable equity opportunity set. An investor cannot invest directly in an index.

Effective January 17, 2014, Aristotle/Saul Opportunity Fund has been renamed Aristotle/Saul Global Opportunities Fund. In addition, the Principal Investment Strategies has been supplemented with the following: Under normal market conditions, the Fund will invest in at least three different countries and invest at least 40% of its net assets in securities of issuers located outside the United States.

An investment in the Fund is subject to risks and you could lose money on your investment in the Fund. The principal risks of investing in the Fund include, but are not limited to, investing in foreign securities, emerging markets, short sales, derivatives, below investment grade bonds, convertible securities, and ETFs.

Foreign securities have additional risks including currency rate changes, political and economic instability, lack of comprehensive company information, less market liquidity, less efficient trading markets, and differing auditing controls and legal standards.

Investments in emerging markets involve even greater risks. The use of short sales and ETFs may cause the Fund to have higher expenses than those of other equity funds. Short sales are speculative transactions and involve special risks, including a greater reliance on the investment team's ability to accurately anticipate the future value of a security. The Fund's losses are potentially unlimited in a short sale transaction. The Fund's use of short sales and futures contracts leverages the Fund's portfolio. The Fund's use of leverage can make the Fund more volatile and magnify the effect of any losses. There is no assurance that a leveraging strategy will be successful.

The Fund may invest in derivatives which can be highly volatile, illiquid, difficult to value, and changes in the value of a derivative may not correlate with the underlying securities or other securities held directly by the Fund. Such risks include gains or losses which, as a result of leverage, can be substantially greater than the derivatives' original cost. There is also a possibility that derivatives may not perform as intended which can reduce opportunity for gain or result in losses by offsetting positive returns in other securities the Fund owns.

As of March 31, 2014, Samsung Electronics represented 2.5%, Unilever represented 3.1%, Diageo plc represented 2.3%, Adidas represented 1.4%, Kinross Gold represented 1.7%, Banco Santander represented 2.3%, Erste Group represented 1.7%, and Eldorado Gold Corp. represented 0.0% of the Aristotle/Saul Global Opportunities Fund's total net assets. Portfolio composition will change due to ongoing management of the Fund. References to specific securities or sectors should not be construed as recommendations by the Fund, its Advisor or Distributor.

Please consider the Fund's investment objectives, risks, charges and expenses carefully before investing. The prospectus or summary prospectus that contains this and other information about the Fund Is available by calling 1-888-661-6691 or by visiting aristotlefunds.com and should be read carefully prior to investing. ACML-14-195

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