SUMMARY

In the fourth quarter, high yield, bank loans and investment-grade credit traded down against a backdrop of increased volatility, lower commodity prices and, at times, a muddled Fed message that preceded the first rate hike since 2006. The Aristotle Strategic Credit Fund (ARSSX) returned –1.51% and trailed the –1.20% return of its benchmark, driven mostly by its greater exposure to bank loans and select high-yield bonds. The benchmark represents a blend of 1/3 Barclays U.S. High Yield Ba/B 2% Issuer Cap Index, 1/3 Barclays Intermediate Corporate Index and 1/3 Barclays U.S. Bank Loan Index.

For the full-year, the Fund returned –2.49%, underperforming the –0.80% return of the blended benchmark.

MARKET ENVIRONMENT

Concerns about global growth persist, with the U.S. economy one of the few bright spots among developed markets.

Chinese economic growth fears continue to be the dominant theme in market direction and volatility. The deceleration in China has pushed commodity prices sharply lower, as well as the currencies and financial markets of commodity producers like Brazil and South Africa. Worries regarding Chinese growth prospects are likely to persist, so will likely be a market driver until energy and industrial commodities encounter an improved supply/demand balance. A stabilized and slightly improving European economy provides a partial counter-weight to Chinese fears.

In the U.S., the economy is underpinned by the strength of the consumer with delevered balance sheets, a strong job market, and modestly improving wage growth. The Services sector continues to be the driver of the employment growth, as the Manufacturing sector continues to face headwinds associated with a stronger dollar, weak international demand, and depressed commodity prices. Overall, we expect U.S. economic growth to be around 2.0% to 2.5% for 2016. This globally-induced, mid-cycle slowdown in the U.S. will likely restrain the Fed from significantly raising rates in 2016.

Significant pullbacks in November and December led to negative quarterly returns for high yield, bank loans and investment-grade corporates.

On the heels of the worst quarter for many global financial markets since 2011, several asset classes—including high yield and investment-grade credit—experienced substantial rallies in October. During the month, investor appetite was boosted by signs of increasingly accommodative monetary policy from global central banks, signs of potential stabilization of Chinese economic data, a solid start to the quarterly earnings reporting season and hopes that commodity prices were nearing a positive inflection point.

Performance data quoted here represents past performance. 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. Current performance may be lower or higher than the performance information quoted. To obtain performance information current to the most recent month-end please call 1-888-661-6691.

This rally was short lived, as a series of negative developments throughout November and December, including renewed weakness in commodity prices, a resetting of Fed expectations and a sharp pickup in retail outflows, led to further price declines for high-yield bonds and bank loans. Additionally, Treasury rates rose in anticipation of Fed "liftoff" in December, creating a headwind for more interest rate sensitive assets, including investment-grade credit. The significant price declines over the last two months of the period placed these markets squarely in the red for the fourth quarter and ensured the first full-year negative return for the high-yield market since the financial crisis.

The Barclays U.S. High Yield Ba/B 2% Issuer Cap Index returned –1.01% for the quarter, weighed down by significant losses in Energy, Metals & Mining and Pipelines & Distributors, which continued to be negatively impacted by falling commodity prices. Those same trends held for bank loans, as the Barclays U.S. Bank Loan Index returned –2.07% over the same time period. In addition to the aforementioned weakness in commodity-related issuers, loan prices were negatively impacted by significant retail outflows from bank loan funds, a somewhat surprising development given the expectation that the Fed would raise rates in December. Investment-grade credit also fell during the quarter, as measured by the –0.42% return of the Barclays Intermediate Corporate Index. Bond prices were negatively impacted by rising Treasury rates along the "belly" of the curve and expectations of significant supply to come in 2016, much of it related to merger and acquisition financing.

PERFORMANCE AND ATTRIBUTION SUMMARY

The Aristotle Strategic Credit Fund returned –1.51% and underperformed the –1.20% return of its blended benchmark, a result that was largely due to asset allocation and positioning in the Energy sector.

Relative to the benchmark, the portfolio was overweight high-yield securities, overweight bank loans and underweight investment-grade corporates. The overweight to the higher-quality segment of the high-yield market added value during the quarter, as this sector outperformed the blended benchmark. However, this positive effect was more than offset by the negative impact of the overweight in bank loans and the underweight in investment-grade credit.

The fund's Energy exposure was another key area of relative weakness. While the portfolio had a near-benchmark weighting in Energy, its Energy holdings were concentrated in high-yield names, which lagged their counterparts in the bank loan and investment-grade markets.

On the plus side, the portfolio's lack of exposure to Metals & Mining was a positive contributor, as was its emphasis on domestically focused, consumer-based cyclicals and issuers that should benefit from lower energy prices. Overweights in Gaming & Lodging, Telecommunications and REITs added value.

OUTLOOK AND STRATEGY

We believe valuations in the credit markets are attractive. Credit spreads reflect recessionary conditions in the U.S., but we do not think the U.S. is headed for a recession.

At year-end, credit spreads traded well within the range of the 2001 recessionary period and also within the range of the 2010-2012 period when the economy was, in our opinion, on much less stable footing. Furthermore, we find that corporate leverage trends compare favorably to long-term norms and both liquidity trends and refinancing risk to be relatively conservative. Therefore, we believe corporate credit valuations to be relatively attractive. However, over the short term, headwinds related to global growth, weak commodity prices and corporate bond supply pressures are likely to keep market volatility higher than normal and credit spreads wider than historical averages. We believe corporate credit will be poised for spread tightening once commodity prices stabilize, and until that time, investors are likely to be rewarded with an attractive yield.

The portfolio continues to be overweight higher-yielding credit sectors, focused on U.S. credits and underweight commodity industries in favor of consumer-based cyclicals and select financials.

On December 31, the asset allocation was approximately 45% high yield, 40% bank loans and 15% investment-grade corporates. Holdings remained focused on domestic credits given the relative strength of the U.S. economy. The portfolio is overweight U.S. consumer-based cyclicals, as we believe these securities could continue to outperform due to the overall strength of the U.S. consumer, low gasoline prices and improvement in the labor market. The fund is also overweight financially improving crossovers and REITs, which should benefit from positive trends in domestic real estate. We have recently increased our allocation to higher-yielding Telecommunications bonds, as we believe fundamentals remain strong and the recent selloff has been more technically based. As we move into 2016, we have taken advantage of the recent dislocation in below-investment-grade credit sectors by adding positions in select high-yield bonds, which offer attractive total return opportunities given current spread levels.

Aristotle Strategic Credit Fund (Class I)

Performance Update December 31, 2015

Total Return	Q4 2015	Year to Date 2015	1 Year (12/31/15)	Annualized Since Inception (12/31/14)	Gross/Net Expense Ratio
At NAV	-1.51%	-2.49%	-2.49%	-2.49%	2.28% / 0.62%

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The Fund's advisor has contractually agreed to waive certain fees and/or absorb expenses, through April 30, 2016, to the extent that the total annual operating expenses do not exceed 0.62% of average daily net assets of the Fund. The Fund's advisor may seek reimbursement from the Fund for waived fees and/or expenses paid for three years from the date of the waiver or payment. Without these reductions, the Fund's performance would have been lower. A redemption fee of 1.00% will be imposed on redemptions of shares within 30 days of purchase.

Returns over one year are annualized; cumulative performance may not be indicative of the Fund's long-term potential. The Fund inception date is December 31, 2014. The Fund returns will fluctuate over long and short-term periods.

Important Information:

There can be no guarantee that any strategy (risk management or otherwise) will be successful. All investing involves risk, including potential loss of principal. The views in this commentary 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 not indicative of future results. You should not assume that any of the securities transactions, sectors or holdings discussed in this report are or will be profitable, or that recommendations Aristotle Credit makes in the future will be profitable or equal the performance of the securities listed in this report. There is no assurance that any securities, sectors or industries discussed herein will be included in or excluded from an account's portfolio. 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. The opinions expressed are as of the date of publication and are subject to change due to changes in the market or economic conditions and may not necessarily come to pass. Aristotle Credit reserves the right to modify its current investment strategies and techniques based on changing market dynamics or client needs. This is not a recommendation to buy or sell a particular security.

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 fixed income securities, high yield bonds, bank loans, foreign securities, emerging markets, short sales, derivatives, 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 December 31, 2015, the Fund's top 10 holdings and their weight as a percent of total net assets were: Diamond Resort Loan 5.500% Due 05-09-21, 2.96%; NVA Holdings Inc Loan 4.750% Due 08-14-21, 2.95%; Midas Intermediate Holdco II, LLC Loan 4.500% Due 08-18-21, 2.93%; Nord Anglia Education Finance LLC Loan 5.000% Due 03-31-21, 2.91%; Ineos Us Finance LLC Loan 4.250% Due 03-31-22, 2.87%; Presidio Inc Loan 5.250% Due 02-02-22, 2.81%; Hilex Poly Co LLC Loan 6.000% Due 12-05-21, 2.65%, Federal-Mogul Loan 4.750% Due 04-15-21, 2.62%; Carestream Health Inc Loan 5.000% Due 06-07-19, 2.52%; Ortho Clinical Diagnostics Inc Loan 4.750% Due 06-30-21, 2.51%.

Definitions:

- You cannot invest directly into an index. The volatility (beta) of the account may be greater or less than the benchmarks.
- The Fund is benchmarked to a blend of three indices: 1/3 Barclays U.S. High Yield Ba/B 2% Issuer Cap Index, 1/3 Barclays Intermediate Corporate Index and 1/3 Barclays U.S. Bank Loan Index.
- The **Barclays U.S. High Yield Ba/B 2% Issuer Cap Index** is an issuer-constrained version of the U.S. Corporate High-Yield Index that measures the market of U.S. dollar-denominated, non-investment grade, fixed-rate, taxable corporate bonds rated Ba/B. The index limits the maximum exposure to any one issuer to 2%.
- The **Barclays Intermediate Corporate Index** is designed to measure the performance of U.S. corporate bonds that have a maturity of greater than or equal to 1 year and less than 10 years. The Index includes investment grade, fixed-rate, taxable, U.S. dollar-denominated debt with $250 million or more par amount outstanding, issued by U.S. and non-U.S. industrial, utility, and financial institutions.
- The **Barclays U.S. Bank Loan Index** provides broad and comprehensive total return metrics of the universe of syndicated term loans. To be included in the index, a bank loan must be dollar denominated, have at least $150 million funded loan, a minimum term of one year, and a minimum initial spread of LIBOR+125. The volatility (beta) of the Fund may be greater or less than the benchmark. It is not possible to invest in these indices.
- Treasuries are negotiable debt obligations of the U.S. government secured by its full faith and credit and issued at various schedules and maturities.
- The **Gross Domestic Product** (GDP) is defined by the Organization for Economic Co-operation and Development (OECD) as an aggregate measure of production equal to the sum of the gross values added of all resident, institutional units engaged in production (plus any taxes, and minus any subsidies, on products not included in the value of their outputs.

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 (844) ARISTOTLE (274-7868) or by visiting aristotlefunds.com and should be read carefully prior to investing.

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