
SUMMARY

In the first quarter, high-yield bonds, bank loans and investment-grade credit all posted positive returns after credit spreads rallied tighter from the middle of February through the end of March. The Aristotle Strategic Credit Fund (ARSSX) returned 2.98% and outperformed the 2.59% return of its benchmark, driven mostly by positive security selection. 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.

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.

MARKET ENVIRONMENT

Market volatility persisted, with extreme pessimism in the first half of the quarter followed by hope and significant investor repositioning in the second half.

2016 began with a pronounced risk-off tone as worries about the supply glut in oil accelerated the decline in oil and other commodities. This, combined with a muddled message from the U.S. Federal Reserve (the Fed), led to heightened fears of weakening global economic growth. The environment resulted in high-yield bonds experiencing their worst start to a year on record. However, the dovishness of global central banks, including the European Central Bank and the Fed, and lower than feared global oil production quickly turned market sentiment and fueled a massive wave of short covering and momentum buying in corporate credit. The rally carried high-yield bonds, bank loans and investment-grade corporates strongly into positive return territory for the quarter. To put the magnitude of this shift into context, both high-yield bonds and bank loans experienced their largest monthly returns in over four years in March. Investment-grade credit also finished the quarter with one of its strongest monthly returns in years.

Fundamentally, the U.S. economy is underpinned by the consumer sector's de-levered balance sheet, a strong jobs market and modestly improving wage growth. The services sector continues to be the driver of employment growth, as the manufacturing sector faces headwinds associated with a stronger dollar, weak international demand and depressed commodity prices. Overall, we expect U.S. economic growth to slowly improve in the second half of 2016 as the headwinds to the globally induced, mid-cycle slowdown begin to diminish (such as the recent weakness in the dollar). We expect U.S. economic growth to be around 2.0% in 2016, and for the Fed to continue to err on the side of dovishness, making it unlikely that the central bank will raise the Fed funds rate more than once this year.

A significant rally in the second half of the quarter led to strong returns for high yield, bank loans and investment-grade corporates.

The Barclays U.S. High Yield Ba/B 2% Issuer Cap Index returned 3.21% for the quarter, boosted by significant March returns in Energy, Metals & Mining and Pipelines & Distributors, which were positively impacted by the recovery in commodity prices. While commodity-related industries led the charge, gains were broad-based within the Index, as corporate credit as a whole benefited from an improving macroeconomic backdrop. These same trends held for bank loans, as the Barclays U.S. Bank Loan Index returned 1.79% over the same time period. Loan prices were also favorably impacted by the technical environment, benefiting from an increase in collateralized loan obligation (CLO) volume, modest retail inflows and light supply. Not to be outdone, investment-grade credit generated a total return of 2.76%, as

measured by the Barclays Intermediate Corporate Index. Bond prices were boosted by tighter credit spreads and lower Treasury rates.

PERFORMANCE AND ATTRIBUTION SUMMARY

The Aristotle Strategic Credit Fund returned 2.98% and outperformed the 2.59% return of its blended benchmark, a result that was largely due to asset allocation and favorable security selection.

Our focus on the higher-quality tiers of the high-yield market aided absolute returns, as they outperformed the broad high-yield market as well as bank loans and investment-grade corporates. Relative to the benchmark, the Fund's outperformance came in March, when the overweight to high-yield bonds added significant value. For the quarter, security selection added value across multiple industries: Energy, Pharmaceuticals, Utilities, Media Entertainment, Gaming and Telecommunications. These gains were somewhat offset by the Fund's underweight to commodity industries, especially Metals & Mining.

OUTLOOK AND STRATEGY

We believe corporate credit valuations continue to be the most attractive in the fixed-income universe and the only spread-sector valuations to reflect a recessionary environment.

Even after the historic rally in March, credit spreads at the end of the quarter still traded 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 benign. However, over the short term, we are a bit more cautious, as constrained dealer liquidity and global headwinds 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 good carry and an attractive risk/return profile relative to other asset classes.

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 March 31, the Fund was composed of approximately 46% high yield, 38% bank loans and 13% investment-grade corporates, with the balance in cash. 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. As the credit market weakened in the first half of the quarter, we took advantage of the attractive valuations by adding to select credits in the Telecommunications, Autos, Energy and Pipelines & Distributors industries, while reducing allocations in select Banking, REIT and non-cyclical consumer credits. We also marginally increased our exposure to high-yield bonds, which we believe continue to offer more attractive total return opportunities than the other corporate credit sectors.

Aristotle Strategic Credit Fund (Class I)

Performance Update

March 31, 2016

Total Return	Q1 2016	1 Year (3/31/16)	Annualized Since Inception (12/31/14)	Gross/Net Expense Ratio
At NAV	2.98%	-1.26%	0.33%	2.28% / 0.62%

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.

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 March 31, 2016, the Fund's top 10 holdings and their weight as a percent of total net assets were: Midas Intermediate Holdco II, LLC Loan, 4.500%, Due 08-18-21, 2.85%; NVA Holdings Inc Loan, 4.750%, Due 08-14-21, 2.84%; Nord Anglia Education Finance LLC Loan, 5.000%, Due 03-31-21, 2.84%; Ineos U.S. Finance LLC Loan, 4.250%, Due 03-31-22, 2.83%; Diamond Resort Loan, 5.500%, Due 05-09-21, 2.82%; Presidio Inc Loan, 5.250%, Due 02-02-22, 2.74%; Ortho Clinical Diagnostics Inc Loan, 4.750%, Due 06-30-21, 2.70%; Hilex Poly Co LLC Loan, 6.000%, Due 12-05-21, 2.56%; Carestream Health Inc Loan, 5.000%, Due 06-07-19, 2.50%; USAGM Holdco LLC Term B Loan, 4.750%, Due 07-28-22, 2.42%.

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 Federal (Fed) Funds rate is the interest rate charged by banks with excess reserves at a Federal Reserve district bank to banks needing overnight loans to meet reserve requirements. The federal funds rate is the most sensitive indicator of the direction of interest rates, since it is set daily by the market. A collateralized loan obligation (CLO) is a security backed by a pool of debt, often low-rated corporate loans.

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 www.aristotlefunds.com and should be read carefully prior to investing.

ACP-16-071

The Aristotle Strategic Credit Fund is distributed by IMST Distributors, LLC.

© Aristotle Credit Partners, LLC. All rights reserved.