

# VALUE EQUITY FUND

## CLASS I: ARSQX



ARISTOTLE  
FUNDS

As of September 30, 2017

### Fund Profile

Ticker:	ARSQX
Inception Date:	August 31, 2016
Fund Net Assets:	\$7.4 million
Benchmarks:	Russell 1000 Value Index S&P 500 Index
Minimum Purchase Amounts	
Initial:	\$2,500
Subsequent:	\$100
Expense Ratio	
Gross:	10.12%
Net:	0.78%

### Investment Information

#### Fund Description

- Investment objective is to maximize long-term capital appreciation
- Fundamental, bottom-up stock selection process applied to a universe of companies with market capitalizations typically in excess of \$2 billion at initial investment
- Focused (35-45 positions) strategy tends to be characterized by high active share and low turnover
- Fund is composed mainly of U.S.-based companies and may invest up to 20% in companies based outside the U.S. (ADRs)

**All portfolio holdings must meet the following three criteria:**

#### High Quality

The investment process begins by identifying what we believe to be high-quality companies in great and/or improving lines of business.

*Such quality characteristics may include:* sustainable competitive advantages, attractive business fundamentals, leading products or services, pricing power and experienced management teams.

#### Attractive Valuation

We then assess the value of the company utilizing a private equity approach to public markets, as if we were buying the entire business.

We develop our own financial models, estimating normalized revenues, margins and cash flows. Using multiple valuation metrics, we determine a conservative intrinsic value for the business.

#### Compelling Catalysts

Catalysts are actions/events currently underway that we believe will propel a company to meet its full potential over the next three to five years.

We seek to identify catalysts that fall outside the short-term focus of the market, such as changes in leadership, divestitures/acquisitions, margin improvements and/or productivity gains. We believe catalysts are essential to avoiding "value traps."

### Portfolio Manager



**Howard Gleicher, CFA**  
Industry Experience  
33 Yrs

### Investment Team

- Aylon Ben-Shlomo, CFA
- Alberto Jimenez Crespo, CFA
- Robert Bexton, CFA
- Weixin Lin
- Lauren Caston, PhD, CFA
- Gary Lisenbee
- William Cram, CFA
- Catalina Llinás, CFA
- Jay Cunningham, CFA
- Gregory Padilla, CFA
- Jake Gilden, CFA
- Geoffrey Stewart, CFA
- Howard Gleicher, CFA
- Sean Thorpe
- Victor Hawley, CFA
- Kevin Zhang, CFA
- James Henderson, CFA

### Performance

Trailing (%)	3Q17	1 Year	Since Inception <sup>1</sup>
ARSQX Class I	4.06	21.32	19.00
Russell 1000 Value Index	3.11	15.12	13.68
S&P 500 Index	4.48	18.61	17.10
Calendar Year (%)	2016 <sup>2</sup>		
ARSQX Class I	4.77		
Russell 1000 Value Index	6.45		
S&P 500 Index	3.84		

<sup>1</sup>The Aristotle Value Equity Fund has an inception date of August 31, 2016.

<sup>2</sup>2016 is a partial year period of four months, representing data from August 31, 2016 to December 31, 2016.

Performance data quoted here represent 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 current performance information to the most recent month-end, please call (844) 274-7868.

The Fund's advisor has contractually agreed to waive certain fees and/or absorb expenses through April 30, 2019, to the extent that the total annual operating expenses do not exceed 0.78% 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. A redemption fee of 1.00% will be imposed on redemptions of shares within 30 days of purchase.

**This material must be preceded or accompanied by a prospectus. An investor should consider the fund's investment objectives, risks, and charges and expenses carefully before investing or sending money. This and other important information about the Funds can be found in the fund's prospectus. To obtain more information, please call (844) 274-7868 or visit [www.aristotlefunds.com](http://www.aristotlefunds.com). Please read the prospectus carefully before investing.**

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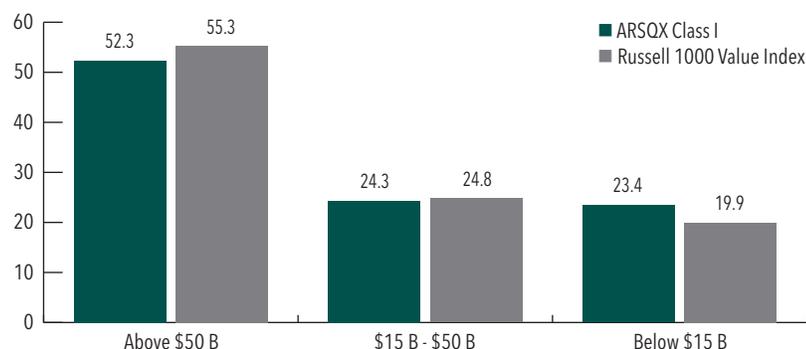
ARISTOTLE  
FUNDS

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### Largest Holdings (%)

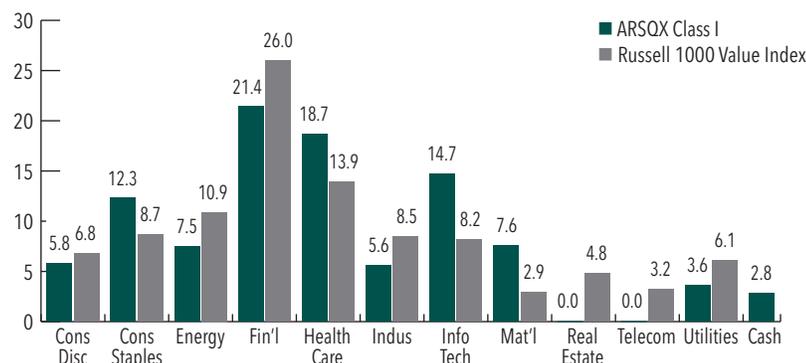
Adobe Systems	3.8
Baxter International	3.5
Bank of America	3.2
Microsoft	3.2
Home Depot	3.1
Microchip Technology	3.1
AbbVie	3.1
Ameriprise Financial	2.9
Oshkosh	2.8
General Dynamics	2.8
<b>Total</b>	<b>31.5</b>

### Market Cap Breakdown (%)



Characteristics	ARSQX Class I	R1000V
Dividend Yield (%)	1.8	2.4
Number of Holdings	42	716
Active Share (%)	89.1	--
Wtd. Avg. Market Cap (\$B)	94.0	119.1
Return on Equity (5 Yrs, %)	15.8	10.7
Sub. 30-Day SEC Yield (%)	0.90	--
Unsub. 30-Day SEC Yield (%)	-1.78	--

### Sector Weights (%)



Sources: Advent, FactSet, Russell Investments, Standard & Poor's, eVestment

Holdings and allocations will change due to ongoing management of the Fund. References to specific securities or sectors should not be construed as recommendations. Holdings are available since Fund inception.

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, ETFs, small-capitalization, mid-capitalization and large-capitalization companies and value stocks.

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. The use of ETFs may cause the Fund to have higher expenses than those of other equity funds. Investments in emerging markets involve even greater risks. The securities of small-capitalization and mid-capitalization companies may be subject to more abrupt or erratic market movements and may have lower trading volumes or more erratic trading than securities of larger, more established companies or market averages in general. On the other hand, larger, more established companies may be unable to attain the high growth rates of successful, smaller companies during periods of economic expansion. Value stocks are those that are believed to be undervalued in comparison to their peers due to adverse business developments or other factors. Value investing is subject to the risk that the market will not recognize a security's inherent value for a long time or at all, or that a stock judged to be undervalued may actually be appropriately priced or overvalued.

The Russell 1000® Value Index measures the performance of the large cap value segment of the U.S. equity universe. It includes those Russell 1000® Index companies with lower price-to-book ratios and lower expected growth values. The S&P 500® Index is the Standard & Poor's Composite Index of 500 stocks and is a widely recognized, unmanaged index of common stock prices. The volatility (beta) of the Fund may be greater or less than that of the benchmarks. It is not possible to invest directly in these indices.

**Dividend Yield** is the ratio of a firm's dividends each year relative to its share price. **Active Share** is a measure of the percentage of stock holdings in a manager's portfolio that differ from the benchmark index. **Weighted Average Market Capitalization** is a dollar-value measurement of the size of companies in a portfolio or index. In such a weighting scheme, an average figure is derived from the market capitalizations of each company (their market prices multiplied by the number of shares outstanding) multiplied by their weights in the portfolio or index. **Return on Equity** is the amount of net income returned as a percentage of shareholders' equity. Return on equity measures a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested.

**Subsidized 30-Day SEC Yield** is computed under an SEC standardized formula based on net income earned over the past 30 days. It is a "subsidized" yield, which means it includes contractual expense reimbursements and it would be lower without those reimbursements. **Unsubsidized 30-Day SEC Yield** is computed under an SEC standardized formula based on net income earned over the past 30 days. It excludes contractual expense reimbursements, resulting in a lower yield. ACML-17-1386

FOR MORE INFORMATION, PLEASE CONTACT

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