

# SMALL CAP EQUITY FUND

## CLASS I: ARSBX



As of June 30, 2018

### Fund Profile

Ticker:	ARSBX
Inception Date:	October 30, 2015
Assets:	\$40.1 million
Benchmark:	Russell 2000 Index

### Minimum Purchase Amounts

Initial:	\$2,500
Subsequent:	\$100 or more

### Expense Ratio

Gross:	4.97%
Net:	0.97%

### Investment Information

#### Fund Description

- Investment objective is to seek long-term capital appreciation
- Return goal is to outperform the Russell 2000 Index over multi-year time horizons
- Actively managed strategy focused on domestic small cap equities
- Portfolios consist of what we believe to be quality-oriented businesses that are trading at meaningful discounts to their long-term intrinsic values
- Fundamental, bottom-up approach to security selection, typically investing in stocks with market capitalizations greater than \$200 million but less than \$4 billion at time of purchase

#### Experienced Team

The research team consists of six individuals averaging over 20 years of industry experience. The portfolio managers have managed the strategy since inception in 2002.

With equity ownership distributed broadly among the team, the firm's ownership structure is intended to provide organizational stability and align employee interests with those of clients.

#### Long-Term Approach

Our process is based on in-depth company research and incorporates a long-term perspective with the goal of participating in the long-term appreciation and growth of each investment.

We conduct bottom-up, fundamental research to identify what we believe to be quality-oriented businesses trading at meaningful discounts to intrinsic value.

#### Depth of Research

We believe the overall depth and quality of information gathered throughout our research process leads to a more robust platform upon which analysts can better assess business fundamentals and valuation.

The team typically holds 400 to 600 company meetings annually, which are vital to the understanding of company management styles and long-term business dynamics.

### Investment Team

#### Portfolio Managers



**Dave Adams, CFA**  
Industry Experience  
28 Yrs



**Jack McPherson, CFA**  
Industry Experience  
30 Yrs

#### Research Team

- Dave Adams, CFA
- Mark Babka, CFA
- Todd Grady
- James Healy
- Jack McPherson, CFA
- Jeffrey Smith, CFA

#### Client Portfolio Manager

- Brandon Lopez, CFA

### Performance

Trailing (%)	QTD	YTD	1 Yr	Since Inception <sup>1</sup>
ARSBX Class I	6.97	6.39	14.64	14.43
Russell 2000 Index	7.75	7.66	17.57	15.48

Calendar Year (%)	2017	2016	2015 <sup>2</sup>
ARSBX Class I	17.87	18.31	-3.43
Russell 2000 Index	14.65	21.31	-1.93

<sup>1</sup>The Aristotle Small Cap Equity Fund has an inception date of October 30, 2015.

<sup>2</sup>2015 is a partial year period of two months, representing data from October 30, 2015 to December 31, 2015.

Performance results greater than one year are annualized. The Fund returns will fluctuate over long and short-term periods. 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 (844) 274-7868. The Fund's advisor has contractually agreed to waive certain fees and/or absorb expenses through April 30, 2028, to the extent that the total annual operating expenses do not exceed 0.90% 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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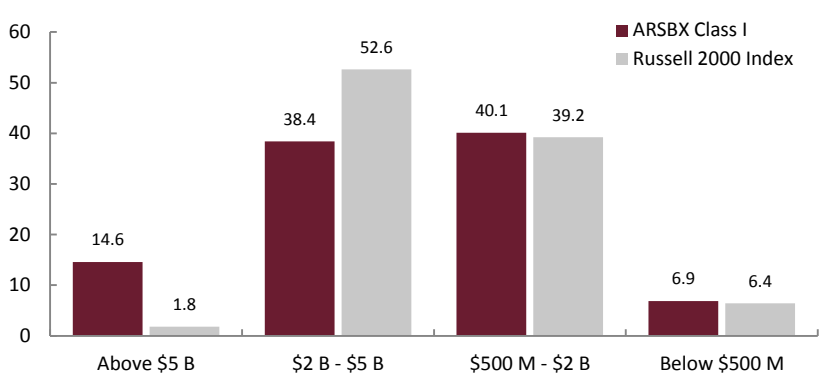
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FUNDS

As of June 30, 2018

### Top Ten Holdings (%)

National Bank Holdings	2.1
Quidel	1.9
On Assignment	1.9
Bottomline Technologies	1.9
Merit Medical Systems	1.9
World Wrestling Entertainment	1.8
AerCap Holdings	1.7
ALLETE	1.6
Euronet Worldwide	1.6
QTS Realty Trust	1.5
<b>Total</b>	<b>17.9</b>

### Market Cap Breakdown (%)

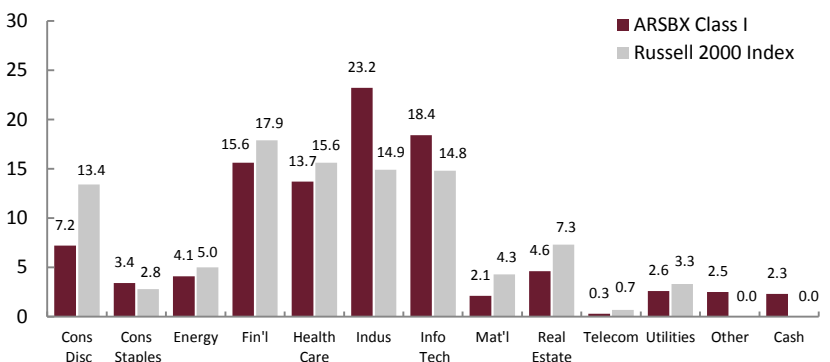


### Characteristics

	ARSBX Class I	R2000 Index
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Number of Holdings	96	2,021
Active Share (%)	95.0	--
Dividend Yield (%)	1.0	1.3
Wtd. Avg. Market Cap (\$B)	2.7	2.3
Price/Earnings (NTM)	20.9x	22.5x
Price/Book Value	2.9x	3.4x
Forward EPS Growth (5 Yrs, %)	13.4	12.9
Return on Equity (5 Yrs, %)	7.4	3.1
Debt/Equity	0.9	1.0
Subsid. 30-Day SEC Yld. (%)	0.24	--
Unsubsid. 30-Day SEC Yld. (%)	-0.16	--

### Sector Weights (%)



Sources: Advent, FactSet, Russell Investments, eVestment

The Top Ten Holdings, Market Cap Breakdown, Characteristics and Sector Weights will change due to ongoing management of the Fund. References to specific securities or sectors should not be construed as recommendations. Holdings are available within the last 12 months. 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 small-cap companies and ETFs. The securities of small-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. In addition, such companies typically are more likely to be adversely affected than large capitalization companies by changes in earning results, business prospects, investor expectations or poor economic or market conditions. The use of ETFs may cause the Fund to have higher expenses than those of other equity funds. The Russell 2000® Index measures the performance of the small cap segment of the U.S. equity universe. The Russell 2000 Index is a subset of the Russell 3000® Index, representing approximately 10% of the total market capitalization of that index. It includes approximately 2,000 of the smallest securities based on a combination of their market capitalization and current index membership. The volatility (beta) of the Fund may be greater or less than that of the benchmark. It is not possible to invest directly in this index. **Active Share** is a measure of the percentage of stock holdings in a manager's portfolio that differ from the benchmark index. **Dividend Yield** is the ratio of a firm's dividends each year relative to its share price. **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. **Price to Earnings** is the ratio of a firm's closing stock price and its trailing 12 months' earnings per share. **Price to Book** is a ratio used to compare a stock's market value to its book value. It is calculated by dividing the current closing price of the stock by the latest quarter's book value per share. **Forward EPS Growth** is the percentage increase or decrease in the next five years' earnings estimates compared to current year's earnings estimates. **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. **Debt to Equity** ratio is used to measure a company's financial leverage, calculated by dividing a company's total liabilities by its shareholders' equity. The ratio indicates how much debt a company is using to finance its assets relative to the amount of value represented in shareholders' equity. **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.

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FOR MORE INFORMATION, PLEASE CONTACT

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