Global Opportunities Fund

1Q 2018 Shareholder Letter

Summary

- ❖ Following an extended period of calm, the stock market finally experienced a bout of volatility this quarter. In contrast to the panicky narrative that ensued in the media, we believe these corrections are normal, healthy and often provide opportunities.
- ❖ (page 2) The energy sector hovers near its lowest share of the S&P 500 Index on record, in sharp contrast to the darling status it held in 1980 when it represented over a quarter of the Index. Despite its shortcomings, with the right people and the right assets, it can be a beautifully straightforward business of turning rocks into cash flow.
- ❖ (page 3) While its stock has been one of the Fund's largest detractors over the previous five quarters, Peyto is one company that meets our investment criteria and, in our view, has proven itself through multiple market cycles over the last few decades.
- ❖ **Performance Review** (page 4): The Aristotle/Saul Global Opportunities Fund returned -0.83% at NAV in the quarter, while the MSCI ACWI Index (net) returned -0.96%.
- ❖ **Investment Activity** (pages 5-7): During the first quarter, four new investments were added to the Fund: Ecolab, Microchip, Mitsubishi UFJ and Oshkosh. No positions were fully exited in the quarter.

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 performance information current to the most recent month-end, please call (844) 274-7868.

April 1, 2018

Dear Fellow Shareholders,

Following an extended period of calm, the stock market finally experienced a bout of volatility this quarter. In contrast to the panicky narrative that ensued in the media, we believe, these corrections are normal, healthy and often provide opportunities. A dispassionate fundamental investor with a long-term investment horizon should not be concerned with understanding the day-to-day gyrations in stock prices. These distractions are best left to those who regard stocks solely as pieces of paper to be traded back and forth.

While we prefer to focus on businesses as opposed to stock prices, extreme movements in the latter can provide a window into understanding the psychology of others. Investors are constantly fighting the last war. We are emotional creatures, and it is human nature to allow our decision-making process to be guided by what we wish we had done in the last market cycle or how the herd is positioned. We see the continued pessimism toward the energy sector as a good example of both recency bias and herd mentality. Investors in the oil and gas business have experienced two dramatic cycles over the last decade, and continued underperformance of the equities relative to the broad markets has reinforced the narrative that you can't make money in this business.

The energy sector hovers near its lowest share of the U.S. market (6% of the S&P 500 Index) on record, in sharp contrast to the darling status it held in 1980 when it represented over a quarter of the Index. The 1970s was a decade of rampant inflation in the United States, stoked by the end of the Bretton Woods monetary system and the Arab oil embargo. By the end of the decade, the public was convinced that inflation could not be defeated. Investors began to believe the only way to protect wealth was through energy and other real assets. The market psychology of the time was well depicted in the now infamous August 1979 cover of BusinessWeek entitled, "*The Death of Equities*." This cover did not age well, as a three-decade-long bull market in equities and bonds began in short order. The herd mentality was wrong—as it was in the late 1980s with Japan, in the late 1990s with technology and in the mid-2000s with financials.

The importance of energy to our daily lives cannot be overstated. Without the power generation that electrifies our homes and offices, or the transportation fuels that propel our automobiles, trucks, ships and aircrafts, the global economy would come to a screeching halt. The juxtaposition of this insatiable, inelastic demand for energy with the current cynicism directed toward investment in the sector as part of a diversified equity portfolio is intriguing.

Admittedly, we believe the reasons for investors to be skeptical about investing in the energy business aren't merely psychological. It is capital intensive and prone to boom-bust cycles. Companies are price takers, as products are sold based on prevailing market prices. Prudent capital allocation by management teams has been more the exception than the rule; production growth and resource acquisitions were prioritized over profits and returns. More often than not, any free cash flow generated was immediately put back in the ground to accelerate development and increase the net present value of the asset base.

So why invest in this business? Despite these shortcomings, with the right people and the right assets, it can be a beautifully straightforward business of turning rocks into potential cash flow. The winners are those who achieve this feat in the most efficient way and manage the business in a prudent manner. While its stock has been one of the Fund's largest detractors over the previous five quarters, Peyto is an example of a company that meets these investment criteria and, in our view, historically has proven itself by consistently earning their cost of capital through multiple market cycles over the last few decades.

Peyto Exploration and Development

The people. Darren Gee joined Peyto in 2001 and took over as Chief Executive Officer in 2007. He is a top-10 shareholder and has never sold a share. In our view, he is a rare breed in the oil and gas business. Peyto's management team recognizes this is a capital-intensive, cyclical business and believes one must maintain a strong balance sheet and be low cost. We think, management is prudent, returns focused and invests aggressively when industry activity is slow and costs are low. The result has been strong returns (average return on invested capital of 17% over the last 18 years) and profitable growth. Peyto is one of the few oil and gas companies that generates profits on a full-cycle basis and shares those profits with shareholders. Most plow every dollar of cash flow back in the ground to grow as fast as possible. Another distinction of the long-term strategy has been to invest in infrastructure. The company owns and operates essentially all its gathering and processing facilities; most companies outsource these activities to third parties, essentially swapping capital costs for operating costs. In our opinion, these key investments have resulted in an industry-leading cost structure and allowed the management team to capture a greater share of the value chain.

The assets. Peyto is primarily focused on natural gas production from the geologically advantaged Deep Basin of Alberta. Located in Western Canada, the Basin has become one of the most actively drilled and economically viable natural gas plays in North America. Interestingly, these deposits were the original source rock of the organic matter that, after being "cooked" for millions of years, transformed into crude oil and migrated up to what we know today as the oil sands. The natural gas that remains in the Deep Basin is trapped in multi-zone, stacked sandstone reservoirs (think of a club sandwich). The multi-zone, stacked aspect is important because it can enable significant drilling efficiencies, as one drilling pad location can target and extract natural gas from multiple stacked zones.

The challenge. Unlike oil that can also be shipped on a train or a truck, natural gas requires a pipeline. Dramatic shifts in North American supply and demand dynamics, compounded by a lack of investment by pipeline companies, has resulted in a temporary imbalance and very weak regional pricing in Western Canada. Some consider the natural gas business, particularly companies operating in this region, as uninvestable given the uncertainties of the current market environment. Full resolution of this transportation bottleneck should occur in the next few years as numerous pipeline expansion projects come online. In addition, Peyto is implementing an innovative marketing strategy to further diversify its regional pricing exposure going forward.

The opportunity. Despite the headwinds, we believe Peyto will still generate significant free cash flow over the next few years. Once the transitory issues are resolved and more normal market conditions prevail, the franchise can generate annual free cash flow that exceeds 15% of its current enterprise value; shareholders receive a 6.7% dividend yield (as of 3/31/2018) while they wait. In our view, an often-overlooked investment attribute is optionality, and it can be a source of strong value creation at little to no cost. We believe an option that exists for Peyto, and Western Canada in general, is the impending final investment decision on LNG Canada. If approved, this massive Shell-led liquefied natural gas project should bring a locationally advantaged new outlet for Canadian gas and global pricing to the Basin.

First Quarter 2018 Performance Review

The Aristotle/Saul Global Opportunities Fund returned -0.83% at NAV in the first quarter, while the MSCI ACWI Index (net) returned -0.96%.

1Q18 Largest Absolute Detractors

Ameriprise Financial | Kinder Morgan | Kroger | Kubota | Peyto

1Q18 Largest Absolute Contributors

Acadia Healthcare | Dassault Systemes | Erste Group | Microsoft | Microchip

The table below provides a detailed breakdown of contribution to the Fund's *absolute* return for the quarter and prior year periods:

	1Q18	2017
Europe/U.K.	0.24%	5.62%
Emerging Markets	-0.08%	1.79%
Canada/Australia	-0.36%	-1.12%
Japan	-0.50%	1.95%
U.S.	-0.63%	5.55%
Portfolio Contribution (Local)	**-1.33%**	**13.78%**
Foreign Currency (Gross)	1.33%	4.54%
Foreign Currency Hedges	-0.58%	-2.03%
Currency Contribution (Net)*	**0.75%**	**2.51%**
Fees/Other	-0.25%	-1.00%
Total Net Return	**-0.83%**	**15.29%**

*Approximately 50% of developed markets currency exposure is systematically hedged through short-duration forward contracts.

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Investment Activity

During the first quarter, four new investments were added to the Fund.

Fund Purchases	
ECOLAB	United States Materials
MICROCHIP	United States Information Technology
MUFG	Japan Financials
OSHKOSH	United States Industrials

Fund Sales
None

One of our objectives is to clearly articulate our intent and actions to fellow shareholders. As such, below is a detailed explanation of the purchases in the quarter. No positions were fully exited in the quarter. The four new purchases were funded by trimming a handful of the Fund's larger positions and with cash on hand.

As of March 31, 2018

Ecolab

- $39 billion market capitalization; U.S. company
- Founded in 1923 as **Eco**nomics **lab**oratory
- Global leader in water, hygiene and energy technologies and services that protect people and vital resources
- Over 1 million customer locations serviced by 48,000 employees across over 170 countries

ECOLAB

NALCO Water An Ecolab Company

KAY An ECOLAB Company

MICROTEK MEDICAL MALTA Ltd A division of ECOLAB

High Quality	Attractive Valuation	Compelling Catalysts
▪ Demonstrated ability to gain market share via service, innovation and product depth ▪ Significant scale, ~2x #2 player ▪ High recurring revenue (>90%) ▪ Critical supplies at low % of costs ▪ Asset-light operations	▪ Offering a high single-digit free cash flow yield on the existing business, we believe valuation is compelling given the predictable nature of revenues and exposure to attractive end markets	▪ Higher margins, particularly in Europe, and Energy segments ▪ Organic and M&A market share gains on benefits of turnover at several key competitors ▪ Increased customer penetration and cross-selling

Sources: Company Annual Reports, Bloomberg

As of March 31, 2018

Microchip Technology

- $21 billion market capitalization; U.S. company; Founded in 1989
- Develops, manufactures and sells microcontrollers (MCUs) and analog semiconductors
- MCUs are semiconductors that act as the brains within a wide variety of common electronic devices, from remote controls to electric razors and many other products in between.

High Quality

- Market leader in 8-bit MCU with ~30% share
- Diversified revenue and customer bases
- Consolidated industry, sticky customers, high switching costs and low cost as a % of product

Attractive Valuation

- At approximately 16x consensus earnings and 6% free cash flow yield, valuation does not reflect the company's normalized earnings power and market leadership, in our view

Compelling Catalysts

- Market share gains in 16- and 32-bit MCUs, while maintaining leadership in 8-bit MCUs
- Additional industry consolidation
- Growth in total available market as IoT and "smart" devices increasingly require MCUs

Sources: Company Annual Reports, Bloomberg

As of March 31, 2018

Mitsubishi UFJ Financial

- ¥9.6 trillion market capitalization; Japanese company
- Original entity founded in 1880 and MUFG formed through 2005 merger of Mitsubishi Tokyo Financial Group and UFJ Holdings
- Largest of Japan's "megabanks" and 8th largest bank in the world (by assets)
- ¥300 trillion in assets and operations in 40 countries

High Quality

- Conservative loan to deposit, and non-performing loan ratio
- 2nd largest project finance company in the world
- Acquired 22% of Morgan Stanley during Global Financial Crisis

Attractive Valuation

- We believe the current valuation does not reflect the competitive positioning of the company globally or the on-going improvements in corporate governance

Compelling Catalysts

- Continued success expanding outside Japan
- Business mix is shifting to higher margin products such as investment products and consumer finance

Sources: Company Annual Reports, Bloomberg

As of March 31, 2018

Oshkosh

- $5.8 billion market capitalization; U.S. company; Founded in 1917
- Global leader in designing and building of specialty trucks, truck bodies and access equipment




High Quality

- Leading market share in nearly every business segment
- Diversified customer base and product line
- High barriers to entry
- Consistently positive cash flow and very little use of debt

Attractive Valuation

- We believe the current valuation does not fully appreciate earnings power of the current enterprise and its well-positioned end markets
- 10x price to normalized earnings

Compelling Catalysts

- Manufacturing efficiencies can result in higher margins
- Market share gains across all segments via innovation
- Adoption of aerial platforms as global safety standards increase
- New markets with JLTV

Sources: Company Annual Reports, Bloomberg

Conclusion

As always, we continue to focus our time on gaining a deeper understanding of businesses and industries and on searching for new opportunities in what we believe to be unique companies—companies in which we have a well-founded, differentiated view of the business or its earnings power.

We look forward to communicating with you again in the summer.

Warm regards,

The Global Opportunities Team

Focus on the horizon, not the waves.

Source: www.harborhawaii.org

Aristotle/Saul Global Opportunities Fund (Class I)

Performance Update March 31, 2018

Total Return	1Q18	YTD	1 Year	3 Years	5 Years	Since Inception (3/30/12)	Gross/Net Expense Ratio
ARSOX Class I	-0.83%	-0.83%	8.08%	7.91%	5.69%	6.10%	1.33%/1.00%
MSCI ACWI Index (Net)	-0.96%	-0.96%	14.85%	8.12%	9.20%	9.42%	N/A

Performance results for periods greater than one year have been annualized.

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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 0.98% 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.

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 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 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 Capital 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 the Fund. 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 Capital 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. Holdings in the last 12 months are available upon request.

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 and 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 that, 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.

Definitions:

- The MSCI All Country World Index (ACWI) captures large and mid capitalization representation across 23 developed markets and 21 emerging markets countries. With over 2,400 constituents, the Index covers approximately 85% of the global investable equity opportunity set.
- 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.
- You cannot invest directly into an index.

The volatility (beta) of the Fund may be greater or less than that of the benchmark. An investor cannot invest directly in this index.

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 companies identified herein are examples of holdings and are subject to change without notice. The companies have been selected to help illustrate the investment process described herein. A complete list of holdings is available upon request. This information should not be considered a recommendation to purchase or sell any particular security. It should not be assumed that any of the holdings listed have been or will be profitable, or that investment decisions made in the future will be profitable. Aristotle Capital reserves the right to modify its current investment strategies and techniques based on changing market dynamics or client needs.

As of March 31, 2018, the 10 largest holdings in the Fund and their weights as a percent of total net assets were: Samsung Electronics, 4.56%; Microsoft Corp., 3.56%; LVMH Moët Hennessy Louis Vuitton, S.A., 3.45%; Dassault Systemes SE, 3.07%; Erste Group Bank AG., 2.94%; Experian plc, 2.93%; PayPal Holdings, Inc., 2.79%; Ameriprise Financial, Inc., 2.74%; Givaudan SA., 2.72%; Vivendi S.A., 2.71%.

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

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