International Equity Fund

3Q 2017 Commentary

Markets Review

Major equity markets posted strong gains during the third quarter, despite a number of unsettling headlines around the globe. Overall, global equity markets, as measured by the MSCI ACWI Index (net), were up 5.18% for the quarter in U.S. dollar terms, while the S&P 500 Index rose 4.48%. International stocks did slightly better than U.S. stocks, with the MSCI ACWI ex USA Index (net) posting a total return of 6.16% in U.S. dollars. Emerging markets outperformed developed markets, with the MSCI Emerging Markets Index (net) rising 7.89% in U.S. dollars. Three of the "BRIC" countries did quite well in the quarter, with Brazil, Russia and China all posting double digit returns. India did not fare as well, rising "only" 3.0%. While Brazil exhibited an impressive recovery during the quarter, rising 23.0%, its ten-year performance of negative 1.7% (on an annualized basis!) leaves much to be desired.

The weakening of the U.S. dollar continued to help U.S. investors in foreign companies during the quarter. This is a nice reversal, as the overall strengthening of the dollar has been a headwind. During the quarter, the benefit of currency movements was particularly pronounced in developed Europe, where these effects almost doubled returns when expressed in U.S. dollars. A 3.45% local return for the MSCI Europe Index (net) amounted to a 6.45% return in U.S. dollars.

Within developed Europe, "Brexit" remained at the top of the news, and an important election in Germany captured headlines as the quarter came to a close. In the United Kingdom, the equity market, as measured by the MSCI United Kingdom Index (net), closed 1.82% higher in local terms. For U.S. investors, this return more than doubled, to 5.17%, as the pound strengthened during the quarter. While economic growth held up in the months immediately post-Brexit, the U.K. economy has decelerated in 2017. Macroeconomic data released in July showed that gross domestic product (GDP) growth slowed to 0.3% in the second quarter, only a slightly better figure than the 0.2% growth in the first quarter—both well below the long-term trend. In Germany, voters delivered Angela Merkel's center-right Christian Democratic Union a plurality of the vote in September, handing Merkel her fourth term as German chancellor. It was not all good news for Merkel, however. She will face a fractured parliament, as six parties gained enough seats to enter the national Bundestag, and the challenging task of forming a coalition government among parties with philosophical differences on a wide range of issues. The far-right Alternative for Germany party, campaigning on an anti-immigration and anti-euro platform, fared better than polling predicted, finishing in third place and gaining enough votes to enter parliament for the first time in over 50 years. The local currency return of the MSCI Germany Index (net) was 3.95%, while the return in U.S. dollars was 7.74%.

Equity markets in developed Asia also performed well during the quarter. Currency movements helped returns in developed Asian markets for U.S.-based investors, but not to the extent observed in developed Europe. The MSCI Pacific Index (net) gained 3.48% in local currencies and 3.87% in U.S. dollars. Japan was one of the best performing markets, buoyed by second quarter GDP growth that was much better than anticipated. The Bank of Japan met in July and kept monetary policy steady, indicating no additional stimulus is needed to move toward the central bank's target of 2% inflation. Late in the quarter, Japanese Prime Minister Shinzō Abe called for a snap general election to capitalize on his newfound support within the country. The vote will determine whether he has a mandate to steer approximately ¥2 trillion from a future tax hike to education and social spending. Mr. Abe is also seeking voter support for his tough stance against North Korea by calling for formal recognition of the military in the constitution.

Emerging market equities performed quite well during the quarter, with the MSCI Emerging Markets Index (net) up 7.89% in U.S. dollars, as previously mentioned. Currency impacts were minimal, as local returns were only slightly less, at 7.58%. Equities in Latin America were boosted by stronger-than-expected economic news. The MSCI EM Latin America Index (net) was up 11.71% in local currencies and 15.07% in U.S. dollar terms. In Brazil, stocks hit an all-time high, despite a corruption scandal ensnaring President Temer. Emerging Asian markets also performed well during the quarter, with Chinese stocks posting their best returns since the end of 2015. Driving these returns was government data released in July, revealing GDP growth of 6.9% in the second quarter.

Performance Review

For the quarter ended September 30, 2017, the Aristotle International Equity Fund (ARSFX) returned 4.68% at NAV (in U.S. dollar terms), underperforming the 5.40% total return of the MSCI EAFE Index (net) and the 6.16% of the MSCI ACWI ex USA Index (net).

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

At the aggregate level, during the third quarter, security selection detracted from the Fund's return against the MSCI EAFE Index (net), while sector allocation, a residual of our bottom-up security selection process and not a tactical decision, benefited performance. Stock selection in the Consumer Discretionary, Consumer Staples and Energy sectors detracted from relative performance. Conversely, stock selection decisions in the Industrials, Materials and Information Technology sectors added value.

From a regional perspective, strong security selection in developed Asia was offset by stock selection in developed Europe. Companies based in Japan were a key contributor within our developed Asia holdings. Within developed Europe, companies in the United Kingdom, Ireland and the Netherlands detracted the most.

The top five and bottom five best-performing holdings during the quarter can be seen in the table below:

Top Performers	Bottom Performers
Nidec	Medtronic
Toray Industries	Reckitt Benckiser Group
BASF	Shinsei Bank
Cie Financière Richemont	Coca-Cola European Partners
Erste Group Bank	Kimberly-Clark de México

At the individual security level, the two worst performers during the quarter were Medtronic plc, a medical device company domiciled in Ireland, and Reckitt Benckiser Group plc, a British multinational consumer goods company.

Shares of Medtronic declined after the company announced lower revenue in its Diabetes segment, mainly the result of short-term supply constraints on sensors for its blood glucose monitors. While we continue to hold Medtronic in high regard, we exited our position during the quarter to make room for two new investments discussed in the Recent Fund Activity section.

Shares of Reckitt Benckiser came under pressure after the company fell victim to a global cyberattack, causing a temporary drop in sales and limiting visibility. As long-term investors, we choose not to focus on short-term news, but rather on the fundamentals of the business and the longer-term prospects for the company. Short-term headwinds notwithstanding, we believe Reckitt Benckiser retains several catalysts, including integration of the £13-billion acquisition of Mead Johnson and a continued shift toward the attractive health and hygiene segment, as evidenced by the recent sale of the French's food unit.

The two best performers during the quarter were Japan-based Nidec Corporation, a maker of electric motors and related components, and Toray Industries Inc., the world's largest producer of carbon fiber, as well as textiles and other chemical products.

Nidec shares advanced as the company experienced increased demand for its wide range of products, including power-efficient motors utilized in various industries. In addition, margin expansion is occurring more quickly than anticipated as Nidec successfully integrates Leroy-Somer, which was acquired earlier this year.

Meanwhile, shares of Toray Industries strengthened after Boeing and Airbus each announced increases in production rates for two of the company's key aircraft. Boeing will be increasing its production of the 787 Dreamliner from 12 per month to 14, and Airbus will be increasing the production of its A350 from 10 per month to 13. Both of these increases could likely drive an increase in demand for Toray's carbon fiber products, which should help drive profitability within this key segment.

Recent Fund Activity

During the quarter, we completed two purchases and two sales in the Fund. In order to purchase Westfield Corporation and Coca-Cola European Partners plc, we chose to sell our shares in Medtronic plc and National Grid plc. While both catalysts and upside remain in each of these companies, several of the catalysts had been realized, and we feel that the Fund is more optimally positioned with the new purchases discussed below.

Coca-Cola European Partners plc

Coca-Cola European Partners plc, based in the United Kingdom and operating in 13 Western European countries, is a multinational bottling company that is dedicated to the marketing, production and distribution of Coca-Cola products. The company was created in 2016 as a result of the merger of the three main bottling companies in Western Europe: Coca-Cola Enterprises, Coca-Cola Iberian Partners, S.A. and Coca-Cola Erfrischungsgetränke AG.

High-Quality Business

- The world's largest independent Coca-Cola bottler based on revenue;
- An established base of over 300 million consumers;
- Dominant share of the carbonated soft drink market in Western Europe, an area in which its main competitor, Pepsi, is fairly weak, and is thus able to drive pricing power;
- Scale and world-class sales, production and distribution networks;
- Strong and consistent profitability and cash flow generation; and
- A strong management team.

Attractive Valuation

- We believe the market is focusing on "noisy" current earnings, valuing the company at a material discount to our estimate of fair value based on normalized cash flows;
- We believe the company's valuation is also attractive based on our estimates of the company's intrinsic value using market multiples, such as normalized earnings per share; and
- In our opinion, current valuation does not reflect restructuring opportunity, in addition to changes to price and product mix strategy.

Compelling Catalysts

- Increasing synergies from the integration of the new company could increase margins by as much 2%;

- Rising free cash flow on reduction of capital expenditures and restructuring;
- Although "still" drinks—teas, juice-based and energy drinks, and waters—have historically been just a small percentage of sales, CCE has recently placed greater emphasis on these beverages to better position itself globally; and
- Potential addition of new bottling territories.

Westfield Corporation

Based in Australia, Westfield Corporation is a global shopping mall operator with 35 locations throughout the United Kingdom and United States. The company was created in 2014 as a result of Westfield Group separating its Australian and New Zealand businesses from the company's United States and United Kingdom operations. The corporation undertakes ownership, development, design, construction, asset management, property management leasing and marketing activities for the centers that it operates.

High-Quality Business

- Prime locations and hard-to-replicate assets provide significant barriers to entry;
- Strong tenant mix, high occupancy rates and higher sales productivity drive higher rents;
- Seasoned management team with decades of property development experience; and
- A strong financial position and a robust development pipeline.

Attractive Valuation

- Market is valuing the company at a discount to our estimate of net asset value;
- We believe the current share valuation does not fully reflect the value of the development pipeline; and
- A recent decline in company shares provided an opportunity for re-entry into a world-class mall developer and operator.

Compelling Catalysts

- $9.8-billion retail development program, including $3.8 billion of current development activity in California, New York and London;
- Westfield's new development in Milan, which is expected to break ground in 2018, could become one of Italy's largest retail destinations. Milan is one of Europe's strongest and wealthiest markets but currently lacks high-quality retail space;
- By 2020, Westfield will be operating flagship assets in some of the most affluent markets in the world, including New York, Los Angeles, San Francisco, Silicon Valley, Milan and London;
- Expansion into residential development in locations adjacent to existing malls; and
- Increasing rents and portfolio pruning in the markets in which Westfield operates.

Outlook

As we move into the final quarter of the year, we look back on a rather eventful summer and a very interesting year thus far. Many significant events in Europe and Asia have made headlines, yet the markets seem to be relatively unconcerned, with developed markets in both regions posting double-digit returns in local currencies for the first nine months of the year. For U.S. investors, it has been even better, with the MSCI EAFE Index (net) returning approximately 20% in U.S. dollar terms so far this year. We continue to hear about the growth in, and benefits of, passive investing, and the growing armies of robots that will intelligently allocate capital over the coming years. While these topics are certainly interesting, we continue to believe that investing in high-quality companies that are run by competent individuals and trading below their intrinsic values is an approach that will make sense for many years to come. The ability to generate free cash flow and a return on invested capital that exceeds the cost of capital matters much more than whether a given company is included in a particular index. With valuations at current levels, we believe it is more important than ever to be patient, think long term and focus on the fundamentals.

Aristotle International Equity Fund (Class I)

Performance Update September 30, 2017

Total Return	3Q17	1 Year	Annualized 3 Years	Annualized Since Inception (3/31/14)	Gross/Net Expense Ratio
ARSFX Class I	4.68%	13.13%	3.91%	2.26%	2.44%/0.94%
MSCI EAFE Index (Net)	5.40%	19.10%	5.04%	3.69%	N/A
MSCI ACWI ex USA Index (Net)	6.16%	19.61%	4.70%	3.87%	N/A

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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 0.93% 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 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 foreign securities, emerging markets, small-capitalization and mid-capitalization companies.

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 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.

Definitions:

- The MSCI EAFE Index (Europe, Australasia, Far East) is a free float-adjusted market capitalization-weighted index that is designed to measure the equity market performance of developed markets, excluding the United States and Canada. The MSCI EAFE Index consists of the following 21 developed market countries: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the United Kingdom.
- The MSCI ACWI ex USA Index captures large and mid cap representation across 22 of 23 developed market countries (excluding the United States) and 23 emerging market countries. With over 1,800 constituents, the Index covers approximately 85% of the global equity opportunity set outside the United States.

- The MSCI ACWI Index captures large and mid cap representation across 23 developed markets and 24 emerging markets countries. With 2,501 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.
- The MSCI Europe Index captures large and mid cap representation across 15 developed markets countries in Europe. With 445 constituents, the Index covers approximately 85% of the free float-adjusted market capitalization across the European developed markets equity universe.
- The MSCI Pacific Index captures large and mid cap representation across 5 developed markets countries in the Pacific region. With 469 constituents, the Index covers approximately 85% of the free float-adjusted market capitalization in each country.
- The MSCI Emerging Markets Index is a free float-adjusted market capitalization weighted index that is designed to measure equity market performance of emerging markets. The MSCI Emerging Markets Index consists of the following 23 emerging market country indexes: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Russia, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates.
- The MSCI Emerging Markets (EM) Latin America Index captures large and mid cap representation across 5 emerging markets countries in Latin America. With 115 constituents, the Index covers approximately 85% of the free float-adjusted market capitalization in each country.
- The MSCI Brazil Index is designed to measure the performance of the large and mid cap segments of the Brazilian market. With 57 constituents, the Index covers about 85% of the Brazilian equity universe.
- The MSCI India Index is designed to measure the performance of the large and mid cap segments of the Indian market. With 77 constituents, the Index covers approximately 85% of the Indian equity universe.
- The MSCI Russia Index is designed to measure the performance of the large and mid cap segments of the Russian market. With 22 constituents, the Index covers approximately 85% of the free float-adjusted market capitalization in Russia.
- The MSCI China Index captures large and mid cap representation across China H shares, B shares, Red chips, P chips and foreign listings (e.g. ADRs). With 150 constituents, the Index covers about 85% of this China equity universe.
- The MSCI United Kingdom Index is designed to measure the performance of the large and mid cap segments of the U.K. market. With 109 constituents, the Index covers approximately 85% of the free float-adjusted market capitalization in the United Kingdom.
- The MSCI Germany Index is designed to measure the performance of the large and mid cap segments of the German market. With 59 constituents, the Index covers about 85% of the equity universe in Germany.
- The MSCI Emerging Markets (EM) Asia Index captures large and mid cap representation across 9 emerging markets countries. With 561 constituents, the Index covers approximately 85% of the free float-adjusted market capitalization in each country.
- Gross domestic product is the monetary value of all the finished goods and services produced within a country's borders in a specific time period.

The volatility (beta) of the Fund may be greater or less than that of the benchmarks. An investor cannot invest directly in these indices.

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.

As of September 30, 2017, the Fund's holdings and their weights as a percent of total net assets were: Accenture plc, 3.47%; AES Corp., 2.04%; Akzo Nobel N.V., 2.78%; Assa Abloy AB, 2.43%; Astellas Pharma Inc., 1.99%; Banco Bilbao Vizcaya Argentaria S.A., 2.88%; BASF SE, 2.51%; Brookfield Asset Management Inc., 3.08%; Cameco Corp., 1.12%; Compagnie Financière Richemont S.A., 2.18%; Coca-Cola European Partners, 2.60%; Compass Group plc, 3.15%; Dassault Systèmes S.A., 2.75%; DBS Group Holdings Ltd., 2.91%; Erste Group Bank AG, 3.00%; Experian plc, 2.82%; Givaudan S.A., 2.83%; Heineken N.V., 3.37%; KDDI Corp., 2.87%; Kimberly-Clark de México, 2.21%; Kubota Corp., 2.61%; LVMH Moët Hennessy Louis Vuitton S.A., 3.46%; Marui Group Co. Ltd., 1.88%; Medtronic plc, 0.00%; National Grid plc, 0.00%; Nidec Corp., 3.16%; Novartis AG, 2.65%; ORIX Corp., 2.23%; Reckitt Benckiser Group plc, 2.79%; Samsonite International S.A., 2.79%; Schlumberger Ltd., 1.98%; Sensata Technologies Holding, 2.67%; Shinsei Bank Ltd., 1.60%; Siemens AG, 2.83%; Toray Industries Inc., 2.83%; Total S.A., 2.05%; UBS Group AG, 2.98%; Unilever NV, 3.27%; Westfield Corp., 2.23%.

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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