International Equity Fund

2Q 2019 Commentary

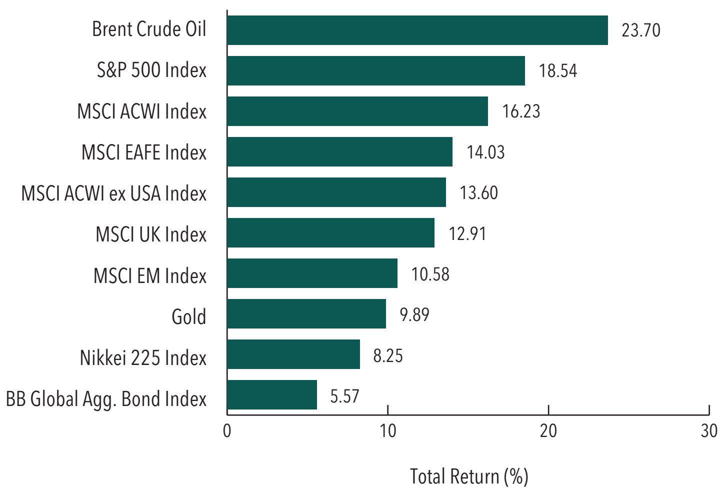
(All index returns are shown net and in U.S. dollars unless otherwise noted.)

Markets Review

Global Markets (total return) performed as follows:

Index Returns

Year to Date 2019



Source: FactSet

Past performance is not indicative of future results. Please see important disclosures at the end of this document.

Global equity markets posted positive returns during the quarter, although gains were more "modest" as compared to those in the first quarter of 2019. Bonds also rallied, with the Barclays Global Index increasing 3.29% as long-term interest rates fell amid central banks' shift toward easier monetary policy.

The MSCI ACWI Index gained 3.61% in the second quarter, bringing the year-to-date return to 16.23%. Regionally, the United States outperformed while Europe, Emerging Markets, the U.K. and Japan lagged year-to-date. The MSCI EAFE Index gained 3.68% for the quarter as strength was again broad-based (11 of 11 sectors produced positive returns), leaving the Index up 14.03% year-to-date.

A myriad of events garnered headlines during the quarter, including but not limited to, the continuation of Brexit drama including Theresa May's resignation as Prime Minister, geopolitical tensions (i.e., Iran-U.S. following oil tanker attacks in the Persian Gulf), potential new tariffs on various goods, the U.S. decision to place significant restrictions on Chinese telecom-equipment maker Huawei, and potential actions or inactions of central bankers.

Performance and Attribution Summary

For the second quarter of 2019, Aristotle International Equity Fund (ARSFX) posted a total U.S. dollar return of 6.56% at NAV, outperforming the MSCI EAFE Index, which returned 3.68%, and the MSCI ACWI ex USA Index, which returned 2.98%.

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.

Outperformance relative to the MSCI EAFE Index resulted primarily from security selection, consistent with our bottom-up approach; sector allocations also positively contributed to outperformance. Security selection in the Industrials and Materials sectors benefited relative returns the most. Conversely, security selection in the Energy and Information Technology sectors detracted the most. Regionally, security selection was responsible for the entirety of outperformance and strength was broad-based; regional allocations detracted modestly. Security selection added value in developed Asia, particularly Japan, while our allocation to Canada detracted.

Contributors and Detractors for 2Q 2019

(Fund Contribution to Return)

Largest Contributors	Largest Detractors
LVMH	Carnival
Sony	Cameco
Experian	Close Brothers Group
KDDI	Schlumberger
Amundi	Reckitt Benckiser

Japanese telecom provider KDDI and conglomerate Sony, maker of the PlayStation videogame console, were primary contributors. Coincidentally, both companies reversed their prior quarter declines to become top contributors.

KDDI shares advanced following a competitor's announcement of better than expected mobile phone rates. Readers may recall Japanese mobile phone providers have faced pricing pressures in recent periods. News of better than expected pricing may be a sign of improved industry behavior, resulting in better economics for all participants, including KDDI. In addition to the pricing news, KDDI announced a new medium-term plan that included details of their 5G rollout, which calls for a coverage area of nearly 95% within five years, as well as encouraging targets for the company's Life Design business.

Shares of Sony rose as investors seemed to welcome management's message during the company's yearly investor day, which highlighted progress toward the group's medium- and long-term strategic goals. In the past, Sony's segments tended to operate in silos, with little collaboration between divisions. Management has set to change this and to increase synergies between divisions. During the quarter, management provided current examples of ongoing collaboration between Games, Music and the Electronics divisions as examples of the strategic purpose of all units. In addition, Sony and Microsoft announced that they would "explore a strategic partnership" to develop cloud solutions for gaming streaming services, leveraging Microsoft Azure data center solutions. The partnership would potentially also involve cooperation in semiconductors and Artificial Intelligence.

Recent fund addition, Carnival plc (Carnival), and Reckitt Benckiser (RB), a U.K.-based global consumer health company, were leading detractors. Carnival, discussed in depth below, declined shortly after our purchase following weaker than expected quarterly results and reduced guidance. Results and guidance were impacted by softer demand in Europe as well as one-time items. Our long-term view of Carnival is unchanged by one quarter's results. We make no attempts at "timing" short-term events, such as quarterly earnings, and instead focus on the long-term, understanding there may be bumps along the way.

RB shares declined on news its former subsidiary, Indivior, a business that was wholly demerged from RB in 2014, was being investigated for sales practices related to Suboxone, a drug used to treat opioid addiction. Subsequent to quarter end, RB, without admitting any wrongdoing, agreed to pay up to a $1.4B fine to fully resolve all federal (U.S.) investigations. While indeed a hefty fine, we are pleased to see the company take swift action and absolve themselves of any wrongful conduct. In news we view as more material, RB announced Laxman Narasimhan will succeed Rakesh Kapoor as CEO effective September 2019, while also directly leading RB's Health Business Unit. Mr. Narasimhan joins RB from PepsiCo where he served as Global Chief Commercial Officer responsible for integrated long-term growth strategy. We look forward to meeting Mr. Narasimhan and monitoring RB's progress under his leadership as the company continues executing on its RB2.0 initiative.

Recent Fund Activity

During the quarter, we completed the purchases of investments in Alcon and Carnival and the sale of our investment in Astellas Pharma.

Since acquiring a stake in Astellas in April 2016, we believe the company has executed on several of the catalysts we identified at the time of purchase, including expanded indications for cancer drug, Xtandi. While we continue to view Astellas in high regard with catalysts available to close the current discount to intrinsic value, we decided to exit our position in favor of what we view as a more optimal opportunity, Alcon.

Alcon

Founded in Texas in 1945, Alcon is a global leader in the treatment of eye diseases and eye conditions. In 1977, the company was acquired by a subsidiary of Nestlé, went public in 2002 and then in 2010 became part of Novartis. We first "invested" in Alcon when it was within Novartis, an International Equity holding since 2011, and have continued doing research on the business. After years of under-investing in new technology and marketing, a new management team joined in 2016 to turn around Alcon's operations. The company's pipeline was reinvigorated, and Alcon was returned to growth. Alcon spun-off from Novartis in April of this year. Following the spin-off, we purchased additional shares bringing Alcon to a "full" position. We continue to own shares of Novartis.

Today, Alcon serves patients in more than 140 countries through its Surgical and Vision Care divisions. Surgical (~55% of revenues) includes equipment and lenses for cataract, vitreoretinal and refractive laser surgeries. Vision Care (~45% of revenues) includes contact lenses and ocular health products (e.g., dry eye, allergies, redness relievers).

High-Quality Business

Quality characteristics we have identified for Alcon include:

- Meaningful share in the markets where it operates: surgical equipment (~50% value share of cataract and vitreoretinal equipment), surgical lenses (~30% value share), surgical consumables and contact lenses (25% value share and 50% value share of daily disposables);
- Attractive industry fundamentals: oligopoly in contact lenses; expert-driven sales process and relatively consistent demand, even in discretionary categories;
- Highest installed base of cataract surgery systems (long-tailed revenue streams from consumables with approximately five-year contracts); and
- Regarded as an innovative leader in the development of technology for eye surgery and contact lenses.

Attractive Valuation

We believe Alcon's current stock price is offered at a discount to the company's intrinsic value given our estimates for higher normalized operating margins and earnings. Using our estimates of normalized free cash flows to calculate the company's Cash Flow Return on Economic Value (CFRoEV) results in an attractive discount to intrinsic value.

Compelling Catalysts

Catalysts we have identified for Alcon, which we believe will cause its stock price to appreciate over our three- to five-year investment horizon, include:

- Benefits from being a standalone, independently owned enterprise
  - Improved speed to innovate and evolve as a company
  - More efficient allocation of capital
  - Better alignment of management incentives with performance objectives;
- Penetration of premium/more advanced intraocular lenses (e.g., PanOptix — expected to be the first trifocal intraocular lens commercialized in the U.S.);
- Increased penetration of daily disposable contact lenses (with Dailies Total1 in the ultra-premium segment and the introduction of Precision1 for the mass market); and
- Increased awareness for dry eye condition to benefit over-the-counter drops Systane.

Carnival

Carnival is the world's largest cruise line with over 100 ships that can carry over 12 million passengers to more than 700 ports around the globe each year. The company operates a portfolio of nine brands across various price points including well-known brands such as Carnival, Princess Cruises, Seabourn and others.

Carnival was founded in 1972 by the late Ted Arison, the father of current Chairman and former CEO Micky Arison, with a secondhand ship that made a one-way voyage from Miami to San Juan. Today, the company produces nearly $20 billion in annual revenue of which ~75% is generated from passenger tickets and ~25% from onboard items such as food and beverages.

The company (and its peers) have benefited from consolidation in the cruise industry and at shipyards. We believe consolidation may have reached a point such that returns on invested capital (and volatility of results) could improve systematically over time. Furthermore, we believe, perceived risks (e.g., increasing capacity, the need for more "eco-friendly" propulsion) may actually work toward further consolidating the industry in a virtuous cycle of improving returns.

High-Quality Business

Carnival possesses numerous characteristics we deem to be high quality, including:

- Scale and number one market share position (>40% of capacity) in a consolidated industry (top-three account for almost 75%);
- Well-known brands (as noted above);
- Barriers to entry are high, given the capital required to build new cruise ships coupled with limited shipbuilder capacity;
- Diversified business by brands and regions; and
- Demonstrated improvement in returns on invested capital (ROIC) and shareholder-friendly stewardship.

Attractive Valuation

We believe Carnival's current stock price is offered at a material discount to the company's intrinsic value, given our estimates for higher normalized operating margins and earnings. Using our estimates of normalized free cash flows to calculate the company's Cash Flow Return on Economic Value (CFRoEV) results in an attractive discount to intrinsic value.

Compelling Catalysts

Among the catalysts we have identified for Carnival, which we believe will cause its stock price to appreciate toward our estimate of intrinsic value within our three- to five-year investment horizon, are:

- Improvement in net yields (aka pricing) via better revenue management systems (Yoda) and higher onboard spending (Ocean Medallion), helping to close the gap between Carnival and its peers;
- Share gains from land-based alternatives, as the company's product offerings benefit from the increase in consumer "experiential" spending (particularly with Millennial consumers);
- Further improvements in ROIC as newer, more efficient ships enter the fleet; and
- Value-accretive deployment of FREE cash flow.

Outlook

We realize the myriad and varied reports and pontifications on the troubling "news of the day." Be it "Brexit"; Iran nuclear; Korea nuclear; China trade tariffs; Mexico trade tariffs; illegal cross-border immigration; Middle East relations; environmental issues; debates on "Capitalism" vs. "Socialism;" largely ineffective and often paralyzed governments the world over; an "aging" U.S. economy (while most of the rest of the world has yet to recover); growing (or continuing) classism/racism/xenophobia; rapidly changing technology resulting in rapidly changing business models — with education systems that apparently cannot keep pace. While being cognizant of macroeconomic and geopolitical events, the goal of our investment team is to focus on studying businesses, assessing their quality and analyzing them with a long-term and global perspective. We believe such focus will best serve our clients over complete market cycles.

Aristotle International Equity Fund (Class I)

Performance Update June 30, 2019

Total Return	2Q19	YTD	1 Year	3 Years	5 Years	Since Inception (3/31/14)	Gross/Net Expense Ratio
ARSFX Class I	6.56%	17.51%	4.43%	8.91%	2.64%	3.33%	1.36%/0.80%
MSCI EAFE Index (Net)	3.68%	14.03%	1.08%	9.11%	2.25%	2.92%	N/A
MSCI ACWI ex USA Index (Net)	2.98%	13.60%	1.29%	9.39%	2.16%	3.02%	N/A

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The Fund's advisor has contractually agreed to waive certain fees and/or absorb expenses, through April 30, 2021, to the extent that the total annual operating expenses do not exceed 0.80% 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 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 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 Brent Crude Oil Index is a major trading classification of sweet light crude oil that serves as a major benchmark price for purchases of oil worldwide.
- The Nikkei 225 is a price-weighted equity index, which consists of approximately 225 stocks in the 1st section of the Tokyo Stock Exchange.
- The Bloomberg Barclays Global Aggregate Bond Index is a flagship measure of global investment grade debt from 24 local currency markets. This multi-currency benchmark includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers.
- The MSCI United Kingdom Index is designed to measure the performance of the large and mid cap segments of the UK market. With nearly 100 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in the UK.

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 June 30, 2019, the 10 largest holdings in the Fund and their weights as a percent of total net assets were: LVMH Moët Hennessy Louis Vuitton SE, 3.63%; Heineken NV, 3.46%; Accenture plc, 3.44%; Brookfield Asset Management, Inc., 3.24%; Compass Group plc, 3.21%; Nidec Corp., 3.19%; Coca-Cola European Partners plc, 3.13%; Safran SA, 3.11%; Dassault Systèmes SA, 3.06%; Unilever NV, 3.06%.

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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