Aristotle Funds

International Equity Fund

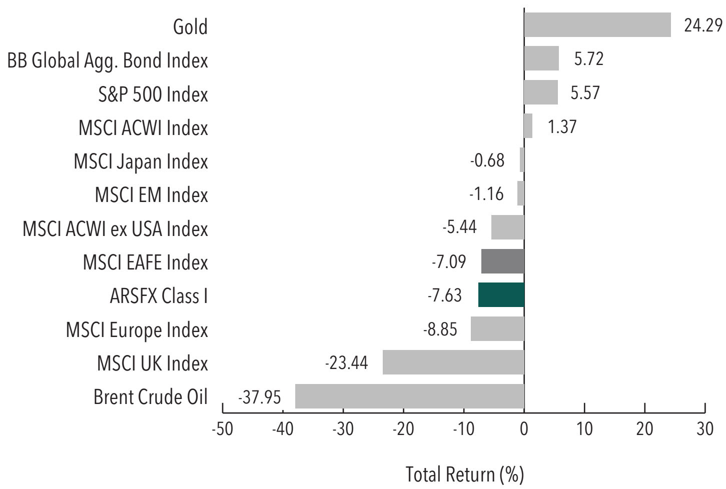
3Q 2020 Commentary

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

Markets Review

Global Markets (total return) performed as follows:

Year to Date Returns



Sources: UMB Fund Services; Bloomberg
Past performance is not indicative of future results. Please see important disclosures at the end of this document.

Global equity markets continued to rise, surpassing pre-COVID-19 levels before declining throughout much of September. Overall, the MSCI ACWI Index rose by 8.13% for the third quarter of 2020. The Bloomberg Barclays Global Aggregate Bond Index also increased, posting a 2.66% gain for the quarter. In terms of style, growth indices continued to outperform their value counterparts. The MSCI ACWI Growth Index outperformed value by 8.03% in the quarter, bringing its year-to-date outperformance to 32.67%, one of the largest margins of outperformance in history.

The MSCI EAFE Index increased 4.80%, while the MSCI ACWI ex USA Index climbed 6.25%. Regionally, among developed markets, Asia and Europe & Middle East were the strongest performers, while the U.K. lagged. On a sector basis, nine of the eleven sectors within the MSCI EAFE Index posted gains, led by Materials, Industrials and Consumer Discretionary. Meanwhile, Energy and Financials had negative returns and were the worst-performing sectors, followed by Health Care.

The tragic impacts of the pandemic continued as the cumulative number of worldwide cases surpassed 33 million and the number of related deaths eclipsed 1 million. While many parts of the world made headway in combating the spread of COVID-19 and reopening their economies, the overall progress was mixed, as parts of Europe experienced a second wave of confirmed cases and emerging market countries, such as Brazil and India, reported major spikes. Nevertheless, the European countries that reported an uptick in cases have refrained from new lockdowns and are instead utilizing targeted measures such as travel restrictions and face-covering requirements. China, by contrast, reported 3.2% second-quarter GDP* growth and showed continued progress toward returning to pre-pandemic activities.

Additionally, stimulus, such as the European Union's passage of a €750 billion package, and various vaccine candidates' progress provided a sense of optimism in the fight against the pandemic during the quarter.

Performance and Attribution Summary

For the third quarter of 2020, Aristotle International Equity Fund (ARSFX) posted a total U.S. dollar return of 5.07% at NAV, outperforming the MSCI EAFE Index, which returned 4.80%, and underperforming the MSCI ACWI ex USA Index, which returned 6.25%.

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.

From a sector perspective, the Fund's outperformance relative to the MSCI EAFE Index can be primarily attributed to favorable sector allocation effects while security selection detracted. An overweight and security selection in Industrials, as well as security selection in Materials, contributed the most to the Fund's relative performance. Conversely, security selection in Communication Services, Health Care and Consumer Discretionary detracted from relative return. Regionally, security selection in the U.K. contributed the most to relative performance, while security selection in Developed Europe & Middle East detracted.

*GDP = Gross Domestic Product

Contributors and Detractors for 3Q 2020

(Fund Contribution to Return)

Largest Contributors	Largest Detractors
Nidec	KDDI
Symrise	Hoshizaki
Sony	Amundi
Unilever	Total
AkzoNobel	Erste Group Bank

Japan-based Nidec, a maker of electric motors and related components, was the top contributor this quarter. Shares of Nidec increased after the company reported improved operating margins, the result of its ongoing restructuring. The company also benefited from a resumption in production and higher associated utilization ratios following COVID-19-related shutdowns. An important catalyst we previously identified is Nidec's shift of its core business from IT applications (e.g., hard disk drive motors) to AACI (auto, appliance, commercial and industrial) applications, which have gone from ~25% of revenue in fiscal year 2011 to ~55% in fiscal year 2019. Although we expect the hard drive motor market to contract over our time horizon, we believe Nidec's expertise in other areas should more than offset this decline. For example, we believe Nidec should benefit from the increased demand for higher fuel efficiency and safety features in cars (requiring a larger number of motors per vehicle), as well as from the need for efficient brushless motors in automated factories and low-energy use home appliances.

Symrise, a Germany-headquartered global supplier of flavors, fragrances and food ingredients, was a leading contributor. Shares advanced as the company reported strong sales, margins, earnings and cash flow. Management also increased its profitability target for the full calendar year. The reduction of demand in businesses such as beverages, fine fragrance and sun protection was more than offset by increased demand in other areas, including pet food, flavors for cooking at home and nutrition. Symrise's efforts over the years to diversify its portfolio by geography, customer type and products, in addition to its robust supply chain, have allowed it to successfully adjust to the current environment and supply customers in a reliable manner.

KDDI, Japan's second-largest telecom operator, was the biggest detractor this quarter. Shares declined following reports that Japan's government would renew its efforts to lower mobile service prices. The news of potential price cuts was exacerbated by the announcement of a takeover of DoCoMo, Japan's largest mobile operator, by parent Nippon Telegraph & Telephone (aka NTT), which is 34% owned by the Japanese government. We will continue to monitor the pricing situation in Japan. We expect KDDI will continue (as it has over the years) to diversify away from traditional telecom revenue streams and into new services, which can diminish the risk of pricing pressure in mobile services.

France-based integrated energy company, Total, was one of the bottom detractors. The Energy sector remains pressured by the steep decline in demand and the drop in oil and gas prices. Despite the difficult environment, Total has demonstrated resiliency by preserving its balance sheet strength while it continued to generate FREE cash flow. We believe the company's integrated model (i.e., a mix of upstream, midstream and downstream businesses) provides Total with a relatively stable cash flow generation profile. Moreover, we are encouraged by Total's commitment to a more diverse energy mix and its ongoing shift toward renewable energy sources. At the company's September investor day, management reiterated its ability to sustain the current dividend (a greater than 9% yield at quarter-end) at $40 Brent oil as well as increased contribution from lower-carbon energy sources, such as electricity and renewables.

Recent Fund Activity

Buys	Sells
FANUC	Hoshizaki

During the quarter, we sold our investment in Hoshizaki, and we made a new investment in FANUC.

We originally invested in Hoshizaki, the largest manufacturer of commercial kitchen equipment in Japan, in the first quarter of 2018. At the time, we believed the company was well positioned to capitalize on catalysts such as furthering its presence in Europe, Asia and South America, expanding its product lineup through innovation, and improving its margins by shifting its product mix toward "hot" appliances. Although we still view Hoshizaki as a high-quality business with many of the catalysts we identified still intact, we decided to sell our position in favor of what we view as a more optimal investment in FANUC, which is described in depth below.

FANUC Corporation

FANUC, short for **F**uji **A**utomatic **NU**merical **C**ontrol, is a leading global manufacturer of industrial robots and control systems for machine tools in the world. The company was founded in 1955 as a unit of Fujitsu and became an independent company in 1972. FANUC's founder invented the first computerized numerical control (aka CNC, which serves as the "brains" of machine tools) system used in Japan's private sector. Since then, CNC has remained the core technology of FANUC and the common platform for the company's ever-expanding automation portfolio. The company is headquartered in Yamanashi, west of Tokyo at the base of Mount Fuji.

Through its four divisions (Factory Automation, Robot, Robomachine and Service), FANUC generates ~¥500 billion in annual sales, the vast majority of which are generated in Japan, North

America, Europe and China. FANUC products have a reputation of reliability and consistency, critical characteristics for manufacturing enterprises where downtime is expensive and precision is required. Customers include those operating in the automotive, electronics, machinery and other goods-producing industries.

With a long track record, strong reputation and recognized brand, we believe FANUC is uniquely positioned with the potential to benefit from ongoing trends in global manufacturing (e.g., increased complexity in manufacturing and the need for automation as wages increase and populations age), as well as execute on a number of company-specific catalysts, which are discussed below.

High-Quality Business

Some of the quality characteristics we have identified for FANUC include:

- Leading global market share in CNC and Robot businesses where the company commands ~50% and ~20% share, respectively;
- Large and growing installed base (>3 million CNCs and >550,00 robots);
- Integrated supply chain, automated manufacturing process (i.e., robots making robots) and scale allow for improved customer service and above-peer profitability;
- Difficult-to-replicate global customer service footprint consisting of more than 260 locations in over 100 countries; and
- Stable and consistent management team (just three CEOs since inception) that has fostered an engineering culture rooted in innovation, quality, independence and customer service while promoting shareholder-friendly capital allocation policies.

Attractive Valuation

We believe FANUC shares are attractively valued based on our estimates for higher normalized operating margins, earnings and FREE cash flow. In recent years, FANUC has doubled its annual R&D spending and increased capital expenditures to support larger manufacturing capacity, investments that we believe are underappreciated within the context of FANUC's normalized earnings power. Using our estimates of normalized cash flow results in a cash flow return on economic value (CFRoEV) in the high single digits, an attractive valuation, in our opinion, for a global leader in factory automation and the robotics industry.

Compelling Catalysts

Catalysts we have identified for FANUC, which we believe will be realized over our three- to five-year investment horizon, include:

- Harvesting of prior investments in the form of new product offerings in the areas of collaborative robots, laser machine tools and next-generation IoT software and services;
- Increased customer and industry diversification, particularly in the Robomachine division, and mix shift toward high-margin Service division; and
- Benefits from increased penetration of factory automation and robots in emerging markets.

Conclusion

As the pandemic continues to impact the world, and with U.S. elections around the corner, there is no shortage of headlines. For Aristotle Capital, what is important to consider is whether such events are analyzable and meaningful for long-term investors or merely interesting conversation topics. Rather than attempting to reposition our portfolios based on an assumption of how the market may react to these events (e.g., election results, timing of a COVID-19 vaccine, size of the next stimulus package), we spend our time trying to identify what we consider to be high-quality companies that have the potential to succeed over the long term. Such long-term thinking, we believe, distinguishes us from our competitors and helps us identify companies that possess sustainable, potentially competitive advantages and appear poised to outperform their peers over a market cycle.

Aristotle International Equity Fund (Class I)

Performance Update September 30, 2020

Total Return	3Q20	YTD	1 Year	3 Years	5 Years	Since Inception (3/31/14)	Gross/Net Expense Ratio
ARSFX Class I	5.07%	-7.63%	-1.22%	2.30%	5.45%	2.28%	1.17%/0.80%
MSCI EAFE Index (Net)	4.80%	-7.09%	0.49%	0.62%	5.26%	2.26%	N/A
MSCI ACWI ex USA Index (Net)	6.25%	-5.44%	3.00%	1.16%	6.22%	2.61%	N/A

Performance data quoted here represents past performance. Past performance is no guarantee of future results. Returns over one year are annualized. 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, 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 from 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, market risk, equity risk, foreign investment risk, currency risk, small-cap, mid-cap and large-cap company risk, value-oriented investment strategies risk, emerging markets risk, management and strategy risk and cybersecurity risk. **Market Turbulence Resulting from COVID-19** – The outbreak of COVID-19 has negatively affected the worldwide economy, individual countries, individual companies and the market in general. The future impact of COVID-19 is currently unknown, and it may exacerbate other risks that apply to the Fund. To learn more about the Principal Risks of Investing in the Fund, please reference the prospectus.

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 country indices: 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 markets countries (excluding the United States) and 24 emerging markets countries. With over 2,300 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 market countries and 24 emerging markets countries. With approximately 3,000 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 the equity market performance of emerging markets. The MSCI Emerging Markets Index consists of the following 24 emerging market country indices: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Peru, the 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 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 MSCI Europe Index captures large and mid cap representation across 15 developed markets countries in Europe. With over 430 constituents, the Index covers approximately 85% of the free float-adjusted market capitalization across the European developed markets equity universe.
- The MSCI Japan Index is designed to measure the performance of the large and mid cap segments of the Japanese market. With over 300 constituents, the Index covers approximately 85% of the free float-adjusted market capitalization in Japan.

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, 2020, the 10 largest holdings in the Fund and their weights as a percent of total net assets were: Nidec Corp., 4.36%; Accenture plc, 4.22%; Symrise AG, 4.02%; Sony Corp., 3.97%; Experian plc, 3.65%; Dassault Systèmes SE, 3.62%; Brookfield Asset Management, Inc., 3.37%; Azko Nobel NV, 3.30%; Rentokil Initial plc, 3.22%; Ashtead Group plc, 3.20%.

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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