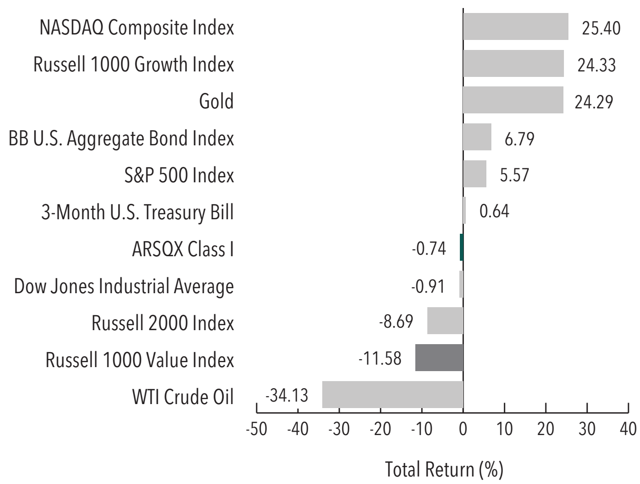
Value Equity Fund

3Q 2020 Commentary

Markets Review

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.

The U.S. stock market continued to advance in July and August but then declined in September after reaching an all-time high early in the month. Overall, the S&P 500 Index posted an 8.93% return for the third quarter of 2020. The Bloomberg Barclays U.S. Aggregate Bond Index also rose, posting a 0.62% quarterly gain. In terms of style, the Russell 3000 Growth Index continued to outperform its value counterpart. The Russell 3000 Growth Index outperformed value by 7.44% in the quarter, bringing its year-to-date outperformance to 35.23%, one of the largest in history.

On a sector basis, nine of the eleven sectors of the Russell 1000 Value Index finished higher for the quarter, led by Consumer Discretionary, Materials and Industrials. The worst performers were Energy and Information Technology—the two decliners—followed by Real Estate.

The tragic impacts of the pandemic continued as the cumulative number of cases in the U.S. surpassed seven million and the number of related deaths eclipsed 200,000. However, the number of reported new daily cases significantly declined during the quarter. Furthermore, various economic data points rebounded, including the unemployment rate, which fell to 8.4%, and consumer spending, which turned positive from its double-digit decline in April. In addition to the improving statistics, several vaccine candidates reported positive early-stage trial results and the commencement of Phase 3 trials.

Meanwhile, the potential for additional fiscal stimulus continued to garner headlines throughout the quarter. While both houses of Congress have made various attempts to pass bills, as of this writing, no proposal has passed.

Lastly, attention increasingly shifted toward the upcoming November elections as President Trump and former Vice President Joe Biden engaged in their first televised debate.

Performance and Attribution Summary

For the third quarter of 2020, Aristotle Value Equity Fund (ARSQX) posted a total return of 7.78% at NAV, outperforming the 5.59% return of the Russell 1000 Value Index and underperforming the 8.93% return of the S&P 500 Index.

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.

The Fund's outperformance relative to the Russell 1000 Value Index this quarter can be attributed to security selection, while allocation effects partially offset the outperformance. Security selection was strongest in the Information Technology, Health Care and Communication Services sectors. Conversely, an overweight in Information Technology and security selection in Financials and Industrials detracted from relative return. (Relative weights are the result of bottom-up security selection.)

Twitter, the digital news platform, was a top contributor this quarter. Twitter's shares advanced during the period as the company experienced strong user growth and improving trends in advertising demand. The company saw a significant increase in the average monetizable daily active users (mDAU) on its network, higher levels of engagement from those users and a decline in the cost per engagement. We believe that these positive developments are a testament to Twitter's dedication to optimizing its interface, providing relevant content and improving the overall health of the conversation. While these individual data points are encouraging signs, we prefer to focus on Twitter's potential long-term success of establishing its network as the "place to go" for news, its efforts on improving the "health of the platform" and its investments in technologies that can provide advertisers with a compelling value proposition.

Lennar, one of the nation's largest homebuilders, was also a leading contributor for the quarter. Shares rose as the housing industry experienced strong and improving conditions (i.e., record-low interest rates and a lack of supply of new and existing homes) that have led to a significant recovery. After enduring a weaker sales environment earlier in the year due to COVID-19, Lennar posted a double-digit increase in new home orders, margin expansion and over 30% year-over-year growth in earnings. While the short-term recovery in the housing market can certainly benefit Lennar, the catalysts we have previously identified are company-specific and include its progress toward more of an optioned-lot operating model, stronger operational efficiency, steady reduction of its debt and strong FREE cash flow generation that has continued to be returned to shareholders.

Phillips 66, a diversified refiner, chemicals and midstream energy company, was the largest detractor for the quarter. Shares of Phillips 66 fell as the company continues to combat industry-wide disruptions. As many parts of the country are still in some form of lockdown, demand for the company's refined products, such as gasoline, heating oil and jet fuel, remain well below normal levels. Although these headwinds are likely to persist in the short run, we view the strong recoveries in countries that have not experienced a second wave, such as Germany and Austria, and the initiation of operations at the South Texas Gateway Terminal and Gray Oak Pipeline as encouraging developments. Additionally, the company announced plans to reconfigure its San Francisco refinery to produce renewable fuels. We believe these developments will support Phillips 66's ongoing diversification away from crude oil refining, a catalyst we previously identified.

Walgreens Boots Alliance, one of the largest retail pharmacy destinations across the United States and Europe, was also one of the main detractors. Walgreens' shares declined during the quarter as earnings revealed the adverse effects from the pandemic. Despite headwinds such as lower foot traffic and lower prescription volumes, we believe Walgreens continues to adapt by accelerating its efforts toward digitalization and restructuring its retail offering through product mix shift and the incorporation of drive-thru capabilities. Additionally, the company announced a partnership with VillageMD to become the first national pharmacy chain to offer full-service doctor offices in stores, furthering its strategic plan of creating neighborhood health destinations. Lastly, Stefano Pessina, the architect of the Walgreen Boots Alliance merger and largest shareholder, announced he will step down as CEO. The board will conduct a search for a new CEO and, at the time of the appointment, Mr. Pessina will assume the role of executive chairman.

Contributors and Detractors for 3Q 2020

(Fund Contribution to Return)

Relative Contributors	Relative Detractors
Twitter	Phillips 66
Lennar	Walgreens Boots Alliance
Danaher	Cullen/Frost Bankers
Qualcomm	Chubb
Xylem	General Dynamics

Recent Fund Activity

Buys	Sells
Procter & Gamble	None

During the quarter, we invested in Procter & Gamble.

Procter & Gamble Company

Founded in 1837 and headquartered in Cincinnati, Ohio, Procter & Gamble (P&G) is one of the world's largest consumer goods companies. With over $65 billion in annual sales from over 180 countries, P&G sells a wide range of branded products to various retailers, as well as direct-to-consumer. In 2012, P&G sold its last remaining food brands to Kellogg and, a few years later, continued refocusing its portfolio away from adjacent categories like cosmetics. Today, the company aims to deliver products with superiority that encompasses packaging, brand communication, retail execution and a clear value-added proposition.

P&G's household brands are sold across five segments: Fabric & Home Care (~35% of revenue); Baby, Feminine & Family Care (~25%); Beauty (~20%); Health Care (~10%); and Grooming (~10%). Within these segments, the company boasts leading brands such as Tide, Pampers, Bounty, Olay, Crest and Gillette.

High-Quality Business

Some of the quality characteristics we have identified for P&G include:

- Global scale, with operations in approximately 70 countries, and a well-diversified revenue profile;
- Market-leading positions and a robust portfolio of recognizable brands;
- Demonstrated willingness to innovate, "constructively disrupt" itself and seek to create "scientifically proven superior products;" and
- History of sustainable FREE cash flow generation and corresponding commitment to shareholders, as evidenced by 130 consecutive years of dividend payments and 64 years of dividend increases.

Attractive Valuation

Using our estimates of normalized earnings, we believe P&G's current stock price is offered at a discount to our estimate of the company's intrinsic value.

Compelling Catalysts

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

- Further rationalization of SKUs and repositioning of its product portfolio toward daily-use products in categories where performance drives brand choice (e.g., health, hygiene and cleaning);

- Potential improvements from the company's new organizational structure (one leader per each of six business units has responsibility for product development, promotion and sales);
- E-commerce/digital offering, which at ~$5 billion in annual sales is roughly twice as large as its closest competitor, benefits from the refocused product portfolio and improved logistics; and
- Additional optimization in the use of the media "supply chain."

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 Value Equity Fund (Class I)

Performance Update September 30, 2020

Total Return	3Q20	YTD	1 Year	3 Years	Since Inception (8/31/16)	Gross/Net Expense Ratio
ARSQX Class I	7.78%	-0.74%	7.72%	7.95%	10.78%	0.93%/0.69%
Russell 1000 Value Index	5.59%	-11.58%	-5.03%	2.63%	5.45%	N/A
S&P 500 Index	8.93%	5.57%	15.15%	12.27%	13.54%	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, 2021, to the extent that the total annual operating expenses do not exceed 0.69% 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 since the Fund's inception date 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, value-oriented investment strategies risk, small-cap, mid-cap and large-cap company risk, foreign investment risk, real estate investment trusts (REITs) risk, management and strategy risk, exchange-traded funds (ETFs) 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. The use of ETFs may cause the Fund to have higher expenses than those of other equity funds. 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. On the other hand, larger, more established companies may be unable to attain the high growth rates of successful, smaller companies during periods of economic expansion. Value stocks are those that are believed to be undervalued in comparison to their peers due to adverse business developments or other factors. Value investing is subject to the risk that the market will not recognize a security's inherent value for a long time or at all, or that a stock judged to be undervalued may actually be appropriately priced or overvalued.

Definitions:

- The Russell 1000® Value Index measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000 Index companies with lower price-to-book ratios and lower expected growth values.
- 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.

These indices have been selected as the benchmarks and are used for comparison purposes only.

- The Russell 1000® Growth Index measures the performance of the large cap growth segment of the U.S. equity universe. It includes those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.
- 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 cap and current index membership.
- The Russell 3000® Growth Index measures the performance of the broad growth segment of the U.S. equity universe. It includes those Russell 3000® companies with higher price-to-book ratios and higher forecasted growth values.
- The Dow Jones Industrial Average® is a price-weighted measure of 30 U.S. blue-chip companies. The Index covers all industries except transportation and utilities.
- The NASDAQ Composite Index measures all NASDAQ domestic and international based common type stocks listed on The NASDAQ Stock Market. The NASDAQ Composite includes over 3,000 companies, more than most other stock market indexes.
- The Bloomberg Barclays U.S. Aggregate Bond Index is an unmanaged index of domestic investment grade bonds, including corporate, government and mortgage-backed securities.
- The WTI Crude Oil Index is a major trading classification of sweet light crude oil that serves as a major benchmark price for oil consumed in the United States.
- The 3-Month U.S. Treasury Bill is a short-term debt obligation backed by the U.S. Treasury Department with a maturity of three months.

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: Danaher Corp., 4.85%; Adobe Inc., 4.59%; Microsoft Corp., 4.35%; ANSYS, Inc., 4.00%; Amgen Inc., 3.25%; Lennar, Corp., 2.97%; Sony Corp., 2.96%; Microchip Technology, Inc., 2.87%; Qualcomm, Inc., 2.74%; Medtronic PLC, 2.56%.

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 www.aristotlefunds.com, and should be read carefully prior to investing.

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