Small Cap Equity Fund

1Q 2021 Commentary

Small Cap Rally Continues, Leading to Near-Record 12-Month Return

Small cap equities continued to generate robust positive returns in the first quarter of 2021, as the Russell 2000 Index returned 12.70% for the period. While short squeezes had an outsized effect on small cap returns earlier in the quarter (to the dismay of many active managers), the dominant factors that boosted equity prices throughout the period included optimism surrounding the COVID-19 vaccine and a hefty fiscal stimulus package adopted by Congress. Treasury yields rose meaningfully during the quarter (a continuation from the fourth quarter of 2020), with the 10-year yield rising from 0.93% at year-end to 1.74% on March 31, on expectations that increased fiscal stimulus could lead to faster economic growth and higher inflation. Rising rates and a steeper yield curve benefited cyclical, value-oriented segments of the market in the first quarter, as these areas are generally expected to do well in a reflationary environment.

Overall, the pace of the rally over the last year has been nothing short of astounding, with the Russell 2000 Index generating a cumulative total return of 126.87% since the small cap market bottomed on March 18, 2020, compared to "just" 74.49% for the large cap Russell 1000 Index. For the one-year period ending March 31, 2021, the Russell 2000 Index returned 94.85%, the second-highest output for the small cap market in a one-year period (using month- or quarter-end data) since the benchmark's inception. Despite the near-record performance for small caps over this time, history would suggest that forward returns can remain positive going forward. In fact, the Russell 2000 Index has generally produced a strong return in the three-year period following similarly strong rallies, as shown in the table below listing the ten best one-year periods since the benchmark's inception (excluding the first quarter) and their subsequent returns. While history does not always repeat itself, we believe the small cap market continues to provide attractive upside potential, especially for companies with strong fundamentals and reasonable valuations.

Small Cap Market		
1-Year Ending	Russell 2000 Index Return	Subsequent 3-Year Annualized Return
June 1983	97.50	9.95
March 1981	72.13	12.35
September 1983	69.92	7.04
March 2004	63.83	12.00
March 2010	62.76	13.45
March 1983	61.83	15.10
June 1981	48.52	9.87
December 2003	47.25	13.56
December 1991	46.05	11.40
September 1991	45.08	14.20

Source: eVestment

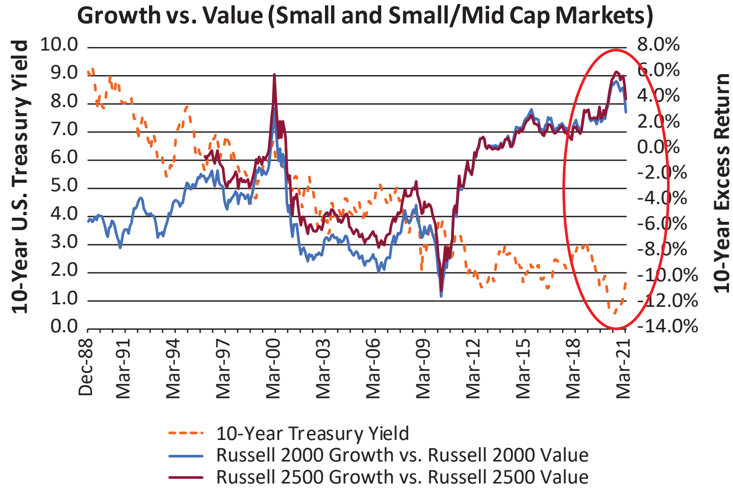
*Percentage represents index sector return for the quarter.

Cyclical, Value-Led Rally in the First Quarter

Every sector in the Russell 2000 Index advanced during the quarter. As previously mentioned, we believe the rising rate environment provided a favorable backdrop for more cyclical, value-oriented securities, with Energy (41.86%*), Consumer Discretionary (26.57%*), Materials (19.95%*) and Financials (18.23%*) leading the way during the period. The Industrials (15.75%*) and Consumer Staples (15.39%*) sectors also contributed positively, outperforming the broader small cap market. Health Care (0.36%*), Utilities (3.36%*), and Information Technology (5.27%*) were the weakest sectors in the first quarter, while Communication Services (9.78%*) and Real Estate (10.04%*) also underperformed despite generating strong absolute returns.

From a style perspective, the Russell 2000 Value Index outperformed the Russell 2000 Growth Index for a second consecutive quarter, with a respective total return of 21.17% versus 4.88% in the first quarter. Much of this outperformance was driven by the sector leadership discussed in the previous paragraph, as these sectors generally have a higher representation in the small cap value benchmark. We have discussed the strong relative performance of longer-duration equities in previous iterations of this commentary. These securities, which are typically described as "growth stocks" given much of their perceived value is derived from future cash flows that may not be realized for a number of years, have outperformed meaningfully since Treasury yields began declining in 2018. While longer-duration assets may promise higher growth in the future, they are also generally more sensitive to movements in interest rates. As expected, longer-duration assets such as those found in the biotechnology and software sectors underperformed in the first quarter given the upward pressure on rates, which has a direct impact on a company's discount rate.

Rolling 10-Year Excess Return
Growth vs. Value (Small and Small/Mid Cap Markets)



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

Despite value's recent outperformance, the trailing 10-year relative performance between growth and value (depicted in the chart on the previous page), which eclipsed the extremes of the dot-com bubble in 2020, suggests further normalization will likely occur to the benefit of value-oriented investors. As such, we believe the current environment and the market's reflationary expectations may continue to pressure these longer-duration businesses, which could provide a more favorable backdrop for companies with strong free cash flow characteristics and lower valuations going forward.

Mixed Bag for Quality Factors

While value recaptured a portion of its multi-year underperformance in the first quarter, it was more of a mixed bag for quality. In a welcome change from 2020, companies with positive earnings generally outperformed loss-makers during the period. However, companies with low returns on equity, greater earnings variability, higher leverage and higher betas also outperformed. We believe this is an important factor going forward, especially on the heels of the strong one-year period for the small cap market. While valuation expansion typically drives stock market returns in the early stages of a recovery (as was the case in the last nine months of 2020), later gains are typically driven by earnings growth. We believe this should benefit companies with stronger earnings profiles and less earnings variability going forward.

Performance Review

For the first quarter of 2021, the Aristotle Small Cap Equity Fund (ARSBX) generated a total return of 11.94% at NAV, compared to the 12.70% total return of the Russell 2000 Index. Security selection contributed positively to performance, while sector allocation detracted. Security selection within the Financials, Health Care and Utilities sectors added the most value on a relative basis, while the Consumer Staples, Real Estate and Industrials sectors were the largest detractors. From an allocation perspective, the Fund benefited from an underweight in Health Care and an overweight in Industrials; however, this was offset by an underweight in Consumer Discretionary and an overweight in Information Technology.

The entirety of the Small Cap Equity Fund's underperformance came in the first half of the quarter, as the Fund's underexposure to the most heavily shorted companies in the benchmark detracted during the small cap short-squeeze rally to begin the year. As this noise cleared and the market shifted toward rewarding companies with more attractive valuations, we were pleased to see the Fund outperform the Russell 2000 Index from the middle of February to the end of the quarter.

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.

Relative Contributors	Relative Detractors
Sonos	Quidel
U.S. Xpress Enterprises	Mercury Systems
Customers Bancorp	Bottomline Technologies
CAI International	Chemed
Designer Brands	Itron

CONTRIBUTORS

Security selection added the most value within the Financials, Health Care and Utilities sectors. Additionally, an underweight in Health Care and overweight in Industrials contributed positively to relative performance. At the company level, **Sonos** and **U.S. Xpress Enterprises** were two of the largest contributors during the quarter.

- **Sonos, Inc. (SONO)**, a leading manufacturer of wireless home audio systems, benefited from strong demand for recently launched products driven by continued at-home consumer spending, as well as optimism surrounding the company's first foray into the portable speaker market. We maintain our position as we believe the company's innovative hardware and software offerings have the potential to create shareholder value as demand for smart home products continues to grow.

- **U.S. Xpress Enterprises, Inc. (USX)**, a leading asset-based truckload carrier in the United States., benefited from improvements in the trucking market and continued progress in rolling out its unique fleet digitization platform. We maintain a position, as we believe the company is well-positioned to benefit from strong industry supply and demand dynamics, and that recent company-specific operational efficiency initiatives, such as fleet digitization, can create value for shareholders.

DETRACTORS

Security selection detracted within the Consumer Staples, Real Estate and Industrials sectors. Additionally, the Fund's underweight in Consumer Discretionary and overweight in Information Technology detracted from relative performance. At the company level, **Quidel** and **Mercury Systems** were two of the largest detractors during the quarter.

- **Quidel Corporation (QDEL)**, a developer and manufacturer of medical diagnostic tests, experienced negative near-term sentiment as a result of a mixed earnings report. We maintain a position, as we believe the company will continue to benefit from a market-leading position in influenza testing, strong product innovation and expanded opportunities associated with COVID-19, which are likely to be plentiful despite the development of a vaccine.

- **Mercury Systems, Inc. (MRCY)**, a provider of secure sensor and safety-critical processing subsystems for the aerospace and defense markets, declined despite posting strong operating results and closing on what we view to be an accretive acquisition. We maintain a position, as we believe the company is well-positioned to capitalize on continued outsourcing of subsystem development, strong Mergers & Acquisitions (M&A) opportunities and continued technological innovation.

Recent Fund Activity

Buys/Acquisitions	Sells/Liquidations
Box	RPC
eHealth	
Flushing Financial	

BUYS/ACQUISITIONS

- **Box, Inc. (BOX)**, a technology company focused on cloud content management and file-sharing services for businesses, was added to the Fund. We believe Box's leading cloud content management platform provides significant opportunity for the business to take share as more companies shift content management to the cloud and away from on-premises vendors.

- **eHealth, Inc. (EHTH)**, an online broker of Medicare, individual/family, small business and ancillary insurance products, was added to the Fund. We believe the company is well-positioned to benefit from expanding Medicare enrollment trends and its leading position as an omnichannel broker should allow the company to increase its market share as online enrollment and services continue to expand.

- **Flushing Financial Corporation (FFIC)**, a New York-based bank holding company that provides products and services to consumers, businesses and governmental units, was added to the Fund. We believe the company's shares are attractively valued and that a recent acquisition, which provides scale benefits and extends the company's geographical footprint and customer base, along with improving fundamentals should create value for shareholders going forward.

SELLS/LIQUIDATIONS

- **RPC, Inc. (RES)**, an oilfield services company primarily focused on the completion phase of well development in the United States, was removed from the Fund due to concerns that the company's earnings power could be hampered by increasing competitive pressure in the industry.

Outlook and Positioning

Our long-term outlook for the small cap equity market remains positive, and we believe the current environment should provide a favorable backdrop for companies with strong fundamentals and attractive valuations over the next multi-year period. The pandemic environment that drove the markets last year created a headwind for many cyclical areas of the market, leading to a favorable environment for longer-duration growth companies and significant outperformance of money-losing companies relative to profitable businesses. We believe our focus on businesses with strong fundamentals and attractive valuations will be rewarded as these relative performance relationships continue to return to more normalized levels. Additionally, growth in company operating earnings is expected to improve substantially from last year and outpace that of large cap, which we believe provides further upside for the asset class. We believe active managers with a focus on quality should benefit as earnings growth becomes a more dominant driver of equity returns going forward.

Our current positioning is a function of our bottom-up security selection process and our ability to identify what we view as attractive investment candidates, regardless of economic sector definitions. Overweights in Industrials and Information Technology are broad-based with recent purchases across a variety of industries and end markets. Conversely, we continue to be underweight in Consumer Discretionary, as we have been unable to identify what we consider to be compelling opportunities that fit our discipline given the rising risk profiles as a result of structural headwinds for various brick and mortar businesses. We also continue to be underweight in Health Care due to our lack of exposure to early-stage biotechnology companies, which generally do not fit our discipline due to their elevated levels of binary risk. Given our focus on long-term business fundamentals, patient investment approach and low portfolio turnover, the Fund's sector positioning generally does not change significantly from quarter to quarter; however, we may take advantage of periods of volatility by adding selectively to certain companies when appropriate. As always, our focus remains on identifying what we view as attractive, long-term investment opportunities that can create value for shareholders over the next three to five years, which we believe gives us the best opportunity to generate alpha for our clients.

Aristotle Small Cap Equity Fund (Class I)

Performance Update March 31, 2021

Total Return	1Q21	YTD	1 Year	3 Years	5 Years	Since Inception (10/30/15)	Gross/Net Expense Ratio
ARSBX Class I	11.94%	11.94%	82.71%	9.78%	13.00%	11.13%	1.21%/0.95%
Russell 2000 Index	12.70%	12.70%	94.85%	14.75%	16.34%	14.25%	N/A
Russell 2000 Value Index	21.17%	21.17%	97.05%	11.56%	13.55%	12.25%	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 current performance information 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 0.90% 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 Boston 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 Boston 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 made 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 small-capitalization companies and ETFs.

The securities of small-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. In addition, such companies typically are more likely to be adversely affected than large capitalization companies by changes in earning results, business prospects, investor expectations or poor economic or market conditions. The use of ETFs may cause the Fund to have higher expenses than those of other equity funds. **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.

Definitions:

- 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 2000 of the smallest securities based on a combination of their market cap and current index membership.
- The Russell 2000 Growth® Index measures the performance of the small cap companies located in the United States that also exhibit a growth probability.

- The Russell 2000 Value® Index measures the performance of the small cap companies located in the United States that also exhibit a value probability.
- The Russell 2500 Growth® Index measures the performance of the small/mid cap companies located in the United States that also exhibit a growth probability.
- The Russell 2500 Value® Index measures the performance of the small/mid cap companies located in the United States that also exhibit a value probability.
- The Russell 1000® Index measures the performance of the large cap segment of the U.S. equity universe. The Russell 1000 Index is a subset of the Russell 3000® Index, representing approximately 90% of the total market capitalization of that index. It includes approximately 1,000 of the largest securities based on a combination of their market capitalization and current index membership.
- Alpha is the excess return of an investment relative to the return of a benchmark index.
- Cash flows are the net amount of cash and cash-equivalents being transferred into and out of a business.
- Duration is a measure of the sensitivity of the price of a bond or other debt instrument to a change in interest rates.

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 March 31, 2021, the ten largest holdings in the Fund and their weights as a percent of total net assets were: Charles River Laboratories, 2.02%; ModivCare, 1.91%; Merit Medical Systems, 1.87%; Acadia Healthcare, 1.82%; Itron, 1.78%; ASGN, 1.70%; Dycom Industries, 1.69%; CAI International, 1.69%; Advanced Energy Industries, 1.67%; and HMS Holdings, 1.60%.

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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