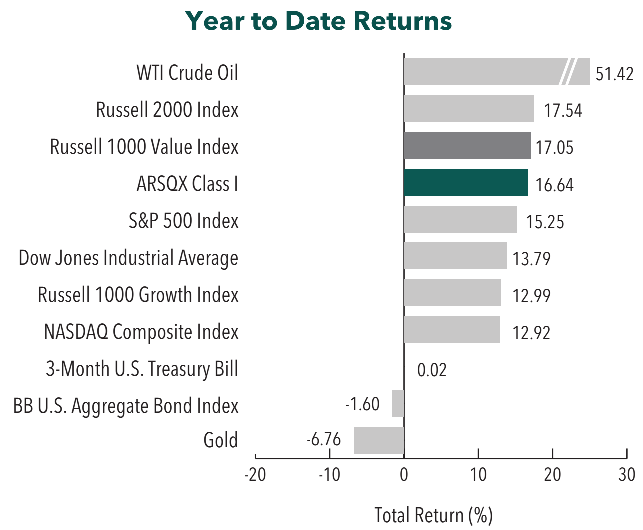
Value Equity Fund

2Q 2021 Commentary

Markets Review

Markets (total return) performed as follows:



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. equity market continued to trend upwards for the fifth consecutive quarter. Overall, the S&P 500 Index gained 8.55% during the period. Concurrently, the Bloomberg Barclays U.S. Aggregate Bond Index increased 1.83%. In terms of style, the Russell 1000 Value Index underperformed its growth counterpart by 6.72% during the quarter.

On a sector basis, ten out of eleven sectors within the Russell 1000 Value Index finished higher for the period, led by Energy, Real Estate and Financials. The worst performers were Utilities (the only sector to post a negative return), Information Technology and Industrials.

Positive momentum in the U.S. regarding the receding spread of COVID-19, vaccination uptake and relaxation of quarantine mandates continued to build during the quarter. According to CDC reports, more than 50% of the country (more than 65% for those 18 and over) has received at least one dose of the vaccine, and the number of new daily cases in the U.S. has fallen to levels unseen since the onset of the pandemic. As a result, various state governments have dropped travel restrictions, capacity limitations, curfews and mask requirements for fully vaccinated individuals, leading to increased economic activity, such as traveler throughput at U.S. airports, which as of June 2021 is approaching pre-COVID levels.

In line with the improving conditions, economic data points were also strong, as May retail sales were up 28.1% year-over-year, the ISM manufacturing index came in above 60 for a fourth consecutive month and the ISM services index hit a record high. Unemployment also continued to decline to 5.8%, the lowest level over the past year.

Additionally, the narrative surrounding inflation continued to capture headlines as the Bureau of Labor Statistics reported a 5% year-over-year increase in the Consumer Price Index, the largest gain since August 2008. While the year-over-year increase was abnormally high, it is important to note that prior year percentage changes were abnormally low. As such, the Federal Reserve reiterated its stance that the near-term price pressures are largely transitory in nature and made no changes to the current rate policy or asset purchase plan.

Lastly, Senate members have been in negotiations with President Biden for a $1.2 trillion, eight-year spending package that would be used to rebuild the nation's infrastructure. The deal, which currently has bipartisan support, could pass the Senate as early as July.

Performance and Attribution Summary

For the second quarter of 2021, Aristotle Value Equity Fund (ARSQX) posted a total return of 6.17% at NAV, outperforming the 5.21% return of the Russell 1000 Value Index and underperforming the 8.55% 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 entirely attributed to security selection, while allocation effects had a slightly negative impact. Security selection in the Information Technology, Industrials and Health Care sectors contributed the most to relative performance. Conversely, security selection in Consumer Discretionary and Materials and an overweight in Information Technology detracted. (Relative weights are the result of bottom-up security selection.)

Leading credit card issuer and lender Capital One Financial was a primary contributor for the quarter. Shares of Capital One advanced as the company posted record earnings for the most recent period, driven by strong credit results and rebounding spending volumes in the Credit Card segment. Furthermore, Capital One reported a significant improvement in its results from the Federal Reserve's simulated nine-quarter stress test that determines required levels of capital. As a result, the company can substantially reduce its capital requirements and deploy the excess capital in shareholder-friendly manners. Lastly, Capital One announced a data-sharing agreement with Plaid and established itself as the exclusive long-term issuing partner for Williams-Sonoma's new credit cards. We believe these types of partnerships will enhance the company's platform and can allow Capital One to gain market share in the long run.

Diversified healthcare-oriented company Danaher was one of the main contributors for the period. Shares rose as the company reported robust revenue, earnings and cash flow growth. The strength was broad-based, although COVID-related tailwinds continued to benefit its Life Sciences (vaccines) and Diagnostics (testing) segments. The company also announced a $9.6 billion agreement to acquire Aldevron, a high-quality plasmid DNA, mRNA and proteins manufacturer serving biotechnology and pharmaceutical customers. This acquisition is in line with Danaher's efforts over the past years to broaden its Life Sciences portfolio. We believe the company has demonstrated an ability to identify attractive acquisition targets, successfully integrate them into the Danaher Business System and bring them to new heights.

Conglomerate Sony, maker of the PlayStation videogame console, was the quarter's largest detractor. Shares pulled back after the company's full-year 2021 guidance indicated a year-over-year decline in operating profit, heightening concerns surrounding the company's Gaming and Imaging & Sensing segments. Nevertheless, management remained optimistic, as it stated that it still expects to exceed the 14.8 million PlayStation 4 sold in the second year after the product's launch. Additionally, the company continued to invest in the customer experience and offering of its Gaming segment by partnering with Discord, an instant messaging and digital distribution platform popular with gamers, and funding Epic Games, a videogame and software developer. While the company continues to enjoy success in the Gaming segment after its launch of the PlayStation 5, the Pictures segment has dragged due to the restrictions related to the pandemic. However, management has remained active and forward thinking in the space by signing deals with both Netflix and Disney to bring their titles to the streaming platforms. We believe these deals will continue to strengthen Sony's brand and can improve profitability of the business unit. The company believes these investments and partnerships across various business segments will allow Sony to accomplish its long-term goal of integrating technology, entertainment and content to enhance collaboration and synergies across its diverse business units.

Natural gas producer Cabot Oil & Gas was one of the largest detractors for the period. During the quarter, the company reported robust FREE cash flow and net income growth of over 175% year-over-year and announced it would increase its quarterly dividend by 10%. Despite the strong results, shares seemed to have been impacted by macroeconomic factors, specifically the ebbs and flows of oil and natural gas prices, as well as the company's announcement that it plans to merge with Cimarex Energy, an exploration and production company focused on the Permian and Anadarko basins. The combined entity has, in our opinion, a healthy balance sheet and should begin returning cash flow immediately. While a disparate acreage position (Marcellus versus Permian/Anadarko) provides little in the way of operating synergies, the combined entity is targeting $100 million of G&A (general and administrative) synergies within a two-year time frame, and management expects to generate $4.7 billion of FREE cash flow from 2022-2024. We will continue to diligently study the merger and the direction of the new company and any impact it may have on our investment thesis.

Contributors and Detractors for 2Q 2021

Relative Contributors	Relative Detractors
Adobe	Sony
Capital One Financial	Corteva Agriscience
Danaher	Microchip Technology
Microsoft	Cabot Oil & Gas
PayPal Holdings	Lennar

Recent Fund Activity

Buys	Sells
None	None

Consistent with our long-term horizon and low turnover, there were no new purchases or sales completed during the period.

Conclusion

As conditions begin to normalize in the U.S., we have seen a plethora of headlines, such as improving economic figures, inflation and potential policy decisions, capture the market's attention. Although broad economic factors are taken into consideration as part of our analysis, we spend the vast majority of our efforts focusing on individual companies that, in our opinion, possess a combination of qualities which are both sustainable and difficult to reproduce. We will persist in our quest of identifying what we perceive to be high-quality businesses, trading at discounts to our estimate of their intrinsic value, that possess catalysts for appreciation which are within management's control. It is our belief that a diversified portfolio of investments in these companies will hold up best regardless of the environment and can optimize risk-adjusted performance for our clients.

Aristotle Value Equity Fund (Class I)

Performance Update June 30, 2021

Total Return	2Q21	YTD	1 Year	3 Years	Annualized Since Inception (8/31/16)	Gross/Net Expense Ratio
ARSQX Class I	6.17%	16.64%	44.87%	16.75%	15.92%	0.79%/0.69%
Russell 1000 Value Index	5.21%	17.05%	43.68%	12.41%	11.47%	N/A
S&P 500 Index	8.55%	15.25%	40.79%	18.65%	17.39%	N/A

Performance results for periods greater than one year have been annualized.

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 advisor has contractually agreed to waive certain fees and/or absorb expenses, through April 30, 2022, 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, investing in foreign securities, ETFs, small-capitalization, mid-capitalization and large-capitalization companies and value stocks. **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 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.
- ISM Manufacturing (PMI®) and Services (PMI®) – are two of the most reliable economic indicators available, providing guidance to supply management professionals, economists, analysts, and government and business leaders. The reports are issued by the ISM Manufacturing and Services business survey committees.
- Consumer Price Index is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services.
- FREE cash flow is generally calculated as cash flow from operations less capital expenditures.
- Intrinsic value is our measurement of the true worth of a business.

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, 2021, the 10 largest holdings in the Fund and their weights as a percent of total net assets were: Microsoft Corp., 4.26%; Adobe Inc., 4.18%; Danaher Corp., 4.03%; Capital One Financial Corp., 3.31%; ANSYS, Inc., 3.27%; Lennar, Corp., 2.97%; Sony Corp., 2.87%; Corteva, Inc., 2.83%; Microchip Technology, Inc., 2.81%; QUALCOMM, Inc., 2.79%.

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.

The Aristotle Value Equity Fund is distributed by IMST Distributors, LLC.

ACM-2107-208