Strategic Credit Fund

3Q 2021 Commentary

Summary

U.S. corporate credit markets inched higher in the third quarter, led by bank loans and high yield bonds. Bank loans and high yield bonds gained 1.13% and 0.89% as measured by the Credit Suisse Leveraged Loan Index and the Bloomberg U.S. Corporate High Yield Bond Index, respectively. Investment grade corporate bonds ended the quarter flat with the Bloomberg U.S. Corporate Bond Index returning 0.00%, erasing earlier gains as U.S. Treasury yields rebounded from the August lows.

Growth momentum began to slow in the third quarter as the more contagious Delta variant of COVID-19 spread throughout the country. In line with the uncertain backdrop, U.S. economic data painted a mixed picture. The August employment report showed the unemployment rate declining to 5.2%, its lowest level since the beginning of the pandemic, but nonfarm employment rose by only 235,000, significantly below expectations and a sharp decline from July's strong number. Inflation also came off the boil with Core Consumer Price Index (CPI) rising just 0.1% in August, the softest monthly increase since February. At the same time, the Federal Reserve (Fed) kept monetary policy unchanged at the September meeting but signaled that it could begin tapering bond purchases as soon as November. On the fiscal policy front, the $3.5 trillion reconciliation bill and a $1 trillion bipartisan infrastructure bill faced several setbacks. Adding further uncertainty to the global macroeconomic outlook, concerns over China's regulatory crackdown and domestic real estate issues also dominated the headlines during the third quarter.

Market Environment

U.S. Treasuries ended the quarter with a weaker tone, led by higher yields in the belly of the curve. The yield on the U.S. 5-Year Note climbed roughly 8 basis points, while the yield on the U.S. 10-Year Note inched a few basis points higher to end the quarter near 1.50% after falling as low as 1.13% in the first half of August. The yield curve flattened further in the quarter as longer duration bonds outperformed. The underperformance of U.S. Treasuries undermined broad bond markets as the Bloomberg U.S. Aggregate Bond Index returned just 0.05% for the quarter, bringing its year-to-date loss to 1.55%.

Corporate credit spreads were modestly wider at the end of the quarter but remain relatively tight by historical standards. After touching the tightest level since 2007 in the first week of July, high yield bond spreads ended the quarter roughly 20 basis points wider, as measured by the Bloomberg U.S. Corporate High Yield Bond Index. Investment grade corporate bond spreads were relatively stable, widening roughly 3 basis points as measured by the Bloomberg U.S. Corporate Bond Index.

With corporate credit spreads and yields at historically low levels for much of the quarter, corporate bond offerings and loan deals continued to surge at a near-record pace. Year-to-date supply in the high yield bond market topped $400 billion in the quarter and is on pace to surpass 2020's record total. Investment grade corporate bond issuance is on pace to surpass $1 trillion for the full year but remains below 2020's record total.

On the demand front, institutional investors continued to absorb record supply as risk appetite remained strong. While high yield bond retail funds experienced their first quarterly inflow for the year, retail investors continued to favor investment grade corporate bonds and bank loans.

Within the high yield bond market, higher quality bonds outperformed by a narrow margin as 'BB's (+1.09%) outperformed 'CCC's (+0.75%) and 'B's (+0.61%). From an industry perspective, the continued rally in commodity markets helped Energy (+1.70%) to outperform for a second quarter in a row, while Real Estate Investment Trusts (REITs) (+0.10%) trailed the broader high yield bond market.

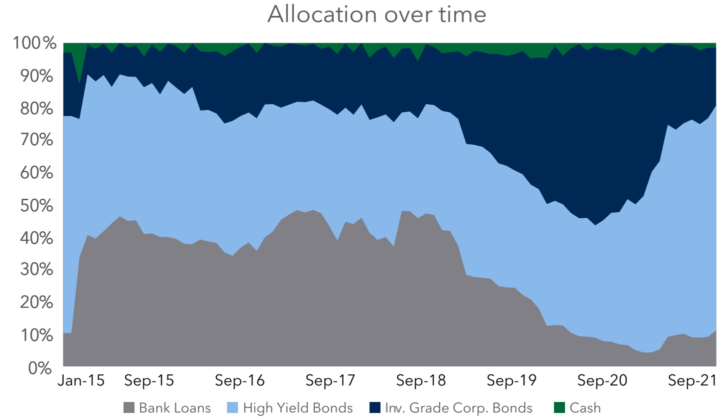
Corporate credit default rates experienced a further decline in the third quarter with high yield bond and loan default rates both falling below 1%. The default rates for high yield bonds and leveraged loans are now on pace to end 2021 at the lowest levels since 2007 and 2011, respectively.

Performance Summary

The Aristotle Strategic Credit Fund, Class I (ARSSX), which primarily invests in high yield bonds, investment grade corporate bonds and bank loans, returned 0.79% at NAV for the third quarter, outperforming the 0.71% return of its blended benchmark of one-third Bloomberg U.S. High Yield Ba/B 2% Issuer Capped Bond Index, one-third Bloomberg U.S. Intermediate Corporate Bond Index and one-third Credit Suisse Leveraged Loan Index.

The Fund's outperformance during the third quarter was led by a further increase in the overweight to high yield bonds and a further decrease in the allocation to investment grade corporate bonds. The allocation to bank loans increased slightly over the past quarter but the Fund remains underweight. The Fund's effective duration was roughly unchanged versus last quarter and remains below that of its blended benchmark.

Aristotle Strategic Credit Fund
Allocation over time



The Aristotle Strategic Credit Fund, Class I (ARSSX) has an inception date of December 31, 2014.

Morningstar rates the Aristotle Strategic Credit Fund, Class I (ARSSX) in the High Yield Bond category. The Fund received a 3-star rating among 630 funds for the Overall period, a 4-star rating among 630 funds for the 3-year period, and a 3-star rating among 552 funds for the 5-year period as of September 30, 2021, based on risk-adjusted returns.

Quarterly Attribution Summary

Security selection was the primary contributor to the Fund's relative performance in the third quarter, led by holdings in Insurance and Media & Entertainment. This was partially offset by negative selection in Transportation and Pipelines & Distributors. Industry allocation had an overall neutral effect on relative performance as the positive effect of overweights in REITs & Real Estate-Related and Retailers & Restaurants was largely offset by the negative effect of small overweights in Automotive & Captive Finance and Metals & Mining.

Sector rotation also had a roughly neutral effect on relative performance as the positive effect of an overweight in high yield bonds and an underweight in investment grade corporate bonds was largely offset by the negative effect of an underweight in bank loans and the allocation to cash.

Top Five Contributors	Top Five Detractors
MetLife	**United Rentals**
RR Donnelley & Sons	**Allegheny Technologies**
Quad/Graphics	**Prudential Financial**
Hughes Satellite Systems	**PBF Logistics**
JetBlue	**Wells Fargo**

***Bold securities held in the Fund**

Outlook and Strategy

We believe the global economy is entering a period of transition that could eventually negatively impact corporate credit markets, although we see both fundamental and technical factors supporting markets in the final quarter of 2021.

While global economic growth slowed from its peak in the second quarter, we continue to expect above-trend growth through the end of the year. With monetary and fiscal stimulus expected to slow from here, we believe global markets will face greater uncertainty going forward. However, we believe continued strong consumer spending in the U.S. will keep growth from falling sharply. We acknowledge persistent inflation could begin to cut into consumer spending and corporate profits, but not yet by enough to derail the economy.

We believe the path of least resistance for U.S. Treasury yields is to the upside, just as we observed in the final few weeks of the third quarter. With inflation proving to be more than just "transitory" in our opinion, we believe the Fed has no choice but to begin tapering before year-end. The absence of Fed buying should result in an upside bias for yields as rate-sensitive institutional demand steps in to replace the Fed. Nonetheless, the global rate environment should keep rates relatively well anchored as global central banks, including the European Central Bank (ECB), maintain expansionary monetary policy for the foreseeable future.

While high yield bond issuance is on pace for a record year, the majority (approximately 64%) has been used for refinancing activity. There has not been a significant increase in leveraged buyout (LBO) financings, and we do not believe the supply outlook is overly concerning. Nonetheless, companies are flush with cash and our outlook could change if we do see a pickup in mergers and acquisitions (M&A) and LBO-driven issuance. On the investment grade corporate bond side, we believe the supply picture should be more favorable going forward with issuance returning to more normal levels through year-end.

Strategic Credit Positioning

Big picture asset allocation in the Fund remained consistent over the past quarter. We only made marginal changes to positioning and we continue to hold an overweight in high yield bonds and underweights in investment grade corporate bonds and bank loans. We continue to hold a duration underweight in the Fund as we have since the first quarter of 2021.

While we expect longer-term rates to grind higher, we expect shorter-term rates to remain well-anchored and therefore continue to hold an underweight in bank loans in the Fund. Within the Fund's high yield bond allocation, its largest allocation, we continue to favor the front end of the curve.

As of September 30, the Fund was composed of 69.6% high yield bonds, 17.9% investment grade corporate bonds and 11.0% bank loans. Roughly 1.5% was held in cash. At the end of the quarter, the Fund held overweights in Transportation, Lodging & Leisure and Insurance alongside underweights in Technology, Diversified Manufacturing & Construction Machinery and Food, Beverage & Tobacco.

Aristotle Strategic Credit Fund (Class I)

Performance Update September 30, 2021

Total Return	3Q21	YTD	1 Year	3 Years	5 Years	Since Inception (12/31/14)	Gross/Net Expense Ratio
ARSSX Class I	0.79%	2.43%	5.53%	6.01%	4.96%	4.72%	3.22% / 0.62%
Blended Benchmark*	0.71%	2.67%	6.47%	5.82%	4.94%	4.86%	N/A
Bloomberg U.S. Aggregate Bond Index	0.05%	-1.55%	-0.90%	5.35%	2.94%	3.11%	N/A
Bloomberg U.S. High Yield Ba/B 2% Issuer Capped Bond Index	0.92%	3.86%	9.80%	7.47%	6.44%	6.19%	N/A

Performance data quoted here represents past performance. Past performance is no guarantee of future results. There can be no guarantee that any strategy (risk management or otherwise) will be successful. All investing involves risk, including potential loss of principal. 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 its fees and/or pay expenses, through April 30, 2022, to the extent that the total annual operating expenses do not exceed 0.62% 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.

****The blended benchmark represents a blend of 1/3 Bloomberg U.S. High Yield Ba/B 2% Issuer Capped Bond Index, 1/3 Bloomberg U.S. Intermediate Corporate Bond Index and 1/3 Credit Suisse Leveraged Loan Index. The Bloomberg Barclays U.S. High Yield Loans Index was retired on September 30, 2016 and was replaced with the Credit Suisse Leveraged Loan Index effective October 1, 2016.***

Important Information:

Morningstar Rating based on risk-adjusted returns the Aristotle Strategic Credit Fund (ARSSX) in the High Yield Bond category the 3-year received 4 stars out of 630 funds and 5-year received 3 stars out of 552 funds as of September 30, 2021.

The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life sub-accounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive five stars, the next 22.5% receive four stars, the next 35% receive three stars, the next 22.5% receive two stars, and the bottom 10% receive one star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods.

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 commentary 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 Credit 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. Fund 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. 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 Credit 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 in the Fund for 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 fixed income securities, high yield bonds, bank loans, foreign securities and emerging markets. **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.

The prices of fixed income securities respond to economic developments, particularly interest rate changes, as well as to changes in an issuer's credit rating or market perceptions about the creditworthiness of an issuer. High yield bonds are debt securities rated below investment grade (often called "junk bonds"). Junk bonds are speculative, involve greater risks of default, downgrade, or price declines and are more volatile and tend to be less liquid than investment-grade securities. The Strategic Credit Fund's investments in assignments of bank loans may create substantial risk. Although the Strategic Credit Fund expects it will invest in senior and secured bank loans, the Fund may invest in unsecured or subordinated loans. In addition, the Fund may invest in secured and unsecured participations in bank loans. These bank loans will generally be rated below investment grade. 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.

Credit quality ratings are sourced from Standard & Poor's (the "S&P"), Moody's and Fitch's. Ratings values are based on the higher of either S&P, Moody's or Fitch's. If none of the rating agencies have assigned a rating the Fund will assign a rating of NR (non-rated security). The ratings represent their (S&P, Moody's, Fitch's) opinions as to the quality of the securities they rate. The ratings from AAA (S&P, Fitch's) or Aaa (Moody's) (extremely strong capacity to meet its financial commitment) to D (S&P, Fitch's) or C (Moody's) (in default). Ratings are relative and subjective and are not absolute standards of quality. The ratings provided relate to the underlying securities within the fund and not the fund itself.

Definitions:

- The Fund is benchmarked to a blend of three indices: 1/3 Bloomberg U.S. High Yield Ba/B 2% Issuer Capped Bond Index, 1/3 Bloomberg U.S. Intermediate Corporate Bond Index and 1/3 Credit Suisse Leveraged Loan Index. The Bloomberg Barclays U.S. High Yield Loans Index was retired on September 30, 2016 and was replaced with the Credit Suisse Leveraged Loan Index effective October 1, 2016.
- The **Bloomberg U.S. High Yield Ba/B 2% Issuer Capped Bond Index** is an issuer-constrained version of the U.S. Corporate High Yield Bond Index that measures the market of U.S. dollar-denominated, non-investment grade, fixed-rate, taxable corporate bonds rated Ba/B. The Index limits the maximum exposure to any one issuer to 2%.
- The **Bloomberg U.S. Intermediate Corporate Bond Index** is designed to measure the performance of U.S. corporate bonds that have a maturity of greater than or equal to one year and less than 10 years. The Index includes investment grade, fixed-rate, taxable, U.S. dollar-denominated debt with $250 million or more par amount outstanding, issued by U.S. and non-U.S. industrial, utility and financial institutions.
- The **Credit Suisse Leveraged Loan Index** is a market-weighted index designed to track the performance of the investable universe of the U.S. dollar-denominated institutional leveraged loan market.
- The **Bloomberg U.S. Corporate Bond Index** measures the investment grade, fixed-rate, taxable corporate bond market. It includes securities publicly issued by U.S. and non-U.S. industrial, utility and financial issuers that are all U.S. dollar denominated. The Bloomberg U.S. Corporate Bond Index is a component of the Bloomberg U.S. Credit Bond Index.
- The **Bloomberg U.S. Corporate High Yield Bond Index** measures the U.S. dollar-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below. Bonds from issuers with an emerging markets country of risk, based on Bloomberg EM country definition, are excluded.
- The **Bloomberg U.S. Aggregate Bond Index** is a broad base, market capitalization-weighted bond market index representing intermediate term investment grade bonds traded in the United States. The Index is frequently used as a stand-in for measuring the performance of the U.S. bond market. In addition to investment grade corporate debt, the Index tracks government debt, mortgage-backed securities (MBS) and asset-backed securities (ABS) to simulate the universe of investable bonds that meet certain criteria. In order to be included in the Index, bonds must be of investment grade or higher, have an outstanding par value of at least $100 million and have at least one year until maturity.

- 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.
- Basis points, otherwise known as bps, are a unit of measure to describe the percentage change in the value or rate of a financial instrument. One basis point is equivalent to 0.01% (1/100th of a percent) or 0.0001 in decimal form.
- 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 the benchmarks. An investor cannot invest directly in these indices.

Fund 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, 2021, the 10 largest holdings in the Aristotle Strategic Credit Fund, Class I (ARSSX) and their weights as a percent of total net assets were: United Airlines 2019-2 Class B Pass Through Trust, 2.72%; United Airlines Holdings Inc, 2.64%; RR Donnelley & Sons Co, 2.60%; Vertex Aerospace Services Corp, 2.56%; AAdvantage Loyalty IP Ltd, 2.51%; Prudential Financial Inc, 2.51%; AMC Networks Inc, 2.25%; Dell Inc, 2.14%; Starwood Property Trust Inc, 2.11%; Allegheny Technologies Inc, 2.09%.

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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