Small Cap Equity Fund

1Q 2020 Commentary

Markets Review

Equity markets fell sharply in the first quarter as investors attempted to understand the health and economic impacts of the COVID-19 pandemic, which brought large parts of the global economy to a halt in a matter of weeks. The first quarter represented the worst on record for the Russell 2000 Index, as small cap equities declined 30.61% during the period. While down markets are nothing new for equity investors, and many would have agreed that we were in the later stages of the recovery heading into 2020, likely nobody would have predicted such an abrupt shock to both the economy and the stock market. As federal, state and local governments across the globe have issued stay-at-home orders to curb the spread of the novel coronavirus, economic activity has declined in an unprecedented fashion. Although recent data in China and other markets show that drastic measures to contain the virus can be effective and eventually lead to a resumption in activity, it is impossible to predict exactly how long it will take for a full recovery to occur and whether or not things will get worse before that happens. As such, we strongly believe that maintaining a disciplined, long-term approach is prudent for investors given this level of uncertainty.

From a factor standpoint, the first quarter was quite different from other bear markets, which are typically characterized by outperformance of companies with more attractive valuations and stronger earnings profiles. This was the opposite in the first three months of the year, as growth outperformed value and money-losing companies outperformed profitable companies within the small cap market. The Russell 2000 Growth Index declined 25.76% compared to the -35.66% return of the Russell 2000 Value Index, while money-losing companies within the Russell 2000 Index outperformed profitable companies by more than 550 basis points during the quarter. This style of leadership is consistent with what was experienced in 2019, despite the market environments being drastically different from one another.

At the sector level, all eleven sectors in the Russell 2000 Index generated double digit losses during the quarter. Defensive sectors such as Utilities, Health Care and Consumer Staples offered the best protection on the downside, while Energy, Consumer Discretionary and Materials experienced the largest declines in the first quarter.

Performance Review

For the first quarter of 2020, the Aristotle Small Cap Equity Fund (ARSBX) generated a total return of -33.02% at NAV, underperforming the -30.61% total return of the Russell 2000 Index. Relative performance for the quarter was driven by security selection. At the sector level, the Fund's exposure within the Real Estate, Consumer Discretionary and Materials sectors added the most value on a relative basis. Holdings within the Industrials, Information Technology and Financials sectors were the lowest contributors on a relative basis.

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
Quidel	AerCap Holdings
QTS Realty Trust	SP Plus
Chemed	InnerWorkings
Mercury Systems	Chefs' Warehouse
ATN International	Customers Bancorp

CONTRIBUTORS

At the sector level, the Real Estate, Consumer Discretionary and Materials sectors had the largest positive impact on relative performance. At the company level, **Quidel** and **QTS Realty Trust** were two of the largest contributors during the quarter.

- **Quidel Corporation (QDEL)**, a developer and manufacturer of medical diagnostic tests, benefited from strong performance in its influenza business as well as positive sentiment regarding its business activities related to COVID-19. We maintain a position, as we believe the company's recent efforts to broaden its product portfolio and diversify the business should result in less volatile operating results and can create additional value for shareholders.

- **QTS Realty Trust, Inc. (QTS)**, a real estate investment trust that owns and operates data centers, benefited from strong demand for its services during the quarter as companies shifted to remote work environments as a result of COVID-19. We maintain our investment, as we believe the company is well positioned to take advantage of strong growth in data center demand nationally.

DETRACTORS

At the sector level, holdings within the Industrials, Information Technology and Financials sectors had the largest negative impact on relative performance. Additionally, the Fund's orientation toward companies with reasonable valuations and avoidance of money-losing companies also detracted. At the company level, **AerCap Holdings** and **SP Plus** were two of the largest detractors during the quarter.

- **AerCap Holdings N.V. (AER)**, one of the world's largest aircraft leasing firms, declined due to negative sentiment associated with the business given its exposure to the airline industry, which faced significant headwinds in the quarter. We maintain our investment in the company, as we believe it is well positioned to weather this period of volatility given its competitive position, pipeline of new aircraft orders and strong balance sheet.

- **SP Plus Corporation (SP)**, a parking management and ground transportation services company, declined during the quarter given the expected impact to the business stemming from government stay-at-home orders related to COVID-19. We maintain a position, as we believe the long-term demand for the company's services should drive additional value for shareholders.

Recent Fund Activity

No new positions were established and no positions were exited during the first quarter.

Outlook and Positioning

As we have done in previous periods of heightened volatility, we are staying true to our discipline and maintaining a long-term perspective. We continue to monitor our holdings (and potential investment opportunities) to understand the fundamental impact of today's market environment and the risks associated with these positions. To better understand the risks associated with the COVID-19 pandemic and its potential secondary effects, we are reviewing key drivers at the company level—loan exposures for regional banks, hedging strategies for energy companies, supply chain disruptions for companies with greater global exposure, etc.—and the potential impact to our long-term thesis. We remain focused on analyzing businesses over a three- to five-year period and believe this long-term perspective will allow us to take advantage of the current market volatility when appropriate, and more importantly, avoid the temptation to overreact in the face of near-term uncertainty.

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. While we do not position our Fund for macroeconomic issues or events, we will attempt to incorporate these factors into our bottom-up fundamental analysis whenever possible. Overweights in Industrials and Information Technology are mostly a function of the performance of our holdings in these sectors over the past few years. Conversely, we 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. The Fund also remains underweight in Consumer Discretionary, as we have been unable to identify what we view as compelling opportunities that fit our discipline given the rising risk profiles associated with many businesses due to the "Amazon effect." Given our focus on long-term business fundamentals, patient investment approach and low fund 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.

Given our bottom-up focus and long-term time horizon, we have not materially repositioned the Fund in the current market environment. We believe building a fund based on strong individual investments that can create value for shareholders over a three- to five-year period gives us the best opportunity to add value for our clients. On the other hand, repositioning our strategies for the novel coronavirus (or other near-term macro events with uncertain outcomes) would essentially amount to guesswork. While quarantines, travel bans, tourism disruptions, etc. will no doubt have a significant and immediate impact on the economy, we believe these disruptions will eventually fade and markets will begin to normalize. Given this, we believe it is prudent for investors to maintain a long-term investment approach focused on businesses with strong fundamentals and attractive valuations.

Aristotle Small Cap Equity Fund (Class I)

Performance Update March 31, 2020

Total Return	1Q20	YTD	1 Year	3 Years	Since Inception (10/30/15)	Gross/Net Expense Ratio
ARSBX Class I	-33.02%	-33.02%	-27.54%	-6.72%	-0.69%	1.50%/0.96%
Russell 2000 Index	-30.61%	-30.61%	-23.99%	-4.64%	1.26%	N/A

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The Fund's advisor has contractually agreed to waive certain fees and/or absorb expenses, through April 30, 2020, 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. 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 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, 2020, the ten largest holdings in the Fund and their weights as a percent of total net assets were: QTS Realty Trust, 3.02%; Quidel, 2.79%; Chemed, 2.35%; Mercury Systems, 2.20%; HMS Holdings, 1.98%; Itron, 1.95%; ALLETE, 1.94%; Bottomline Technologies, 1.87%; Unitil, 1.86%; and Charles River Laboratories, 1.79%.

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.

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