Small Cap Equity Fund

2Q 2020 Commentary

Markets Review

After the COVID-19 pandemic drove a near-record downturn for equities in March, global equity markets rebounded significantly in the second quarter as governments and central banks took measures to combat the effects of the virus and economies began to reopen. In the small cap market, the Russell 2000 Index followed its worst quarter on record with a total return of 25.42%, good for the benchmark's best quarter since 1991 and third best quarter overall since its inception. As expected, economic data showed strong signs of recovery once regional lockdowns were lifted; however, with new cases continuing to increase in the United States and other areas of the globe showing potential for a "second wave," it remains to be seen how long it will take for a full recovery to unfold and whether or not additional lockdowns will occur. As such, we strongly believe that maintaining a disciplined, long-term approach is prudent for investors given this level of uncertainty.

Growth continued to outperform value at nearly unprecedented levels. In the second quarter, the Russell 2000 Growth Index returned 30.58% compared to the 18.91% return of the Russell 2000 Value Index. The quarterly return differential is the fourth largest between growth vs. value since the benchmarks were created and the largest since the dot-com bubble. Combined with the strong relative performance of the growth index in the first quarter, the Russell 2000 Growth Index has outperformed the Russell 2000 Value index by more than 20% year-to-date, which is again the largest six-month differential since the dot-com bubble and the largest overall in a down market.

Similarly, lower quality companies continued to outperform in the second quarter, which may typically be expected in such a significant recovery. Within the Russell 2000 Index, companies with low returns-on-equity, high leverage and negative earnings (even outside of the Health Care and Information Technology sectors) generally outperformed the overall index, while profitable companies generally lagged in the second quarter. We believe the significant decline in interest rates since the end of 2018 has contributed to the extreme relative outperformance of both growth and lower quality factors over the last 18 months, which has provided a boost to many longer duration, money-losing assets.

At the sector level, ten of the eleven sectors in the Russell 2000 Index generated positive (in fact, positive double-digit) returns in the second quarter. Consumer Discretionary delivered the strongest returns during the quarter, followed by Health Care, Materials, Energy, Industrials and Information Technology, all of which outperformed the overall index. Utilities was the lone sector to deliver negative returns; however, Financials, Real Estate, Communication Services and Consumer Staples also lagged the broader market.

Performance Review

For the second quarter of 2020, the Aristotle Small Cap Equity Fund (ARSBX) generated a total return of 24.54% at NAV, compared to the 25.42% total return of the Russell 2000 Index. Sector allocation detracted from performance, while security selection added value. At the sector level, holdings within the Financials, Industrials and Health Care sectors added the most value on a relative basis. Holdings within the Consumer Discretionary, Information Technology and Energy sectors were the lowest contributors on a relative basis. Additionally, underweights in Consumer Discretionary and Health Care detracted, which was partially offset by underweights in Utilities and Financials.

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	Unitil
ASGN	ALLETE
1-800-FLOWERS.COM	Chemed
MACOM Technology Solutions	Ardmore Shipping
Altra Industrial Motion	Matthews International

CONTRIBUTORS

At the sector level, the Financials, Industrials and Health Care sectors had the largest positive impact on relative performance. At the company level, **Quidel** and **ASGN** were two of the largest contributors during the quarter.

- **Quidel Corporation (QDEL)**, a developer and manufacturer of medical diagnostic tests, benefited from continued tailwinds in testing for influenza and COVID-19. We maintain a position, as we believe continued successful execution from the company, driven by a diversified and innovative product portfolio, will create additional value for shareholders as the demand for point-of-care testing continues to increase.

- **ASGN Inc. (ASGN)**, a leading specialty staffing company that places professionals in the technology, life sciences and digital marketing industries, benefited from better-than-expected business trends amid pressures from COVID-19. We maintain a position, as we believe the company's focus on highly skilled segments of the market and the high demand for temporary workers in these end markets should allow for additional shareholder value creation going forward.

DETRACTORS

At the sector level, holdings within the Consumer Discretionary, Information Technology and Energy 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, **Unitil** and **ALLETE** were two of the largest detractors during the quarter.

- **Unitil Corporation (UTL)**, a New Hampshire-based public utility holding company, declined due to weak results driven by mild winter weather, as well as demand concerns related to COVID-19. We maintain a position, as we believe the company has the potential to create value for shareholders as capital investments are incorporated into its regulated rate base, which could allow for future dividend increases.

- **ALLETE, Inc. (ALE)**, a Minnesota-based electric utility with multiple operating subsidiaries, declined due to near-term concerns related to COVID-19's impact on the company's industrial customer base. We maintain a position, as we believe the company is supported by a strong balance sheet and its ability to manage costs in the current environment and will continue to add value through its capital allocation toward wind construction projects.

Recent Fund Activity

Buys/Acquisitions	Sells/Liquidations
Cal-Maine Foods	
Coherus BioSciences	
Evercore	

BUYS/ACQUISITIONS

- **Cal-Maine Foods, Inc. (CALM)**, the largest producer and distributor of fresh shell eggs in the United States, was added to the Fund. We believe favorable supply/demand dynamics and the ability to take share in a consolidating industry should allow the company to create value for shareholders.

- **Coherus BioSciences, Inc. (CHRS)**, a leading biosimilar company engaged in the development and commercialization of biosimilar therapeutics for major regulated markets, was added to the Fund. We believe the company's existing portfolio, attractive near- and long-term development pipeline and strong competitive position within the U.S. biosimilars market can benefit shareholders over the next several years.

- **Evercore, Inc. (EVR)**, a boutique investment bank that provides advisory and wealth management services, was added to the Fund. We believe the company should benefit from market-related turmoil, as businesses look to raise capital and restructure existing debt, and is poised to benefit from increasing M&A and restructuring activity.

SELLS/LIQUIDATIONS

- **None**

Outlook and Positioning

We believe recent macroeconomic events and the resulting downward pressure on interest rates since the end of 2018 have benefited companies with expensive valuations and low-to-negative earnings profiles, leading to a nearly unprecedented relative return relationship between growth and value over this time. Given the outperformance of speculative growth and money-losing companies over the previous eighteen months, we believe our focus on businesses with strong fundamentals and attractive valuations may potentially be rewarded as these relative performance relationships return to more normalized levels.

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, we continue to review key drivers at the company level 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 may 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. Overweights in Industrials and Information Technology are mostly a function of the performance of our holdings in these sectors over the past several 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 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 attractive, long-term investment opportunities that we believe 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 June 30, 2020

Total Return	2Q20	YTD	1 Year	3 Years	Since Inception (10/30/15)	Gross/Net Expense Ratio
ARSBX Class I	24.54%	-16.59%	-13.39%	-1.13%	4.13%	1.21%/0.95%
Russell 2000 Index	25.42%	-12.98%	-6.63%	2.01%	6.23%	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. Recommendations 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.
- Alpha is the excess return of an investment relative to the return of a benchmark index.

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, 2020, the ten largest holdings in the Fund and their weights as a percent of total net assets were: Quidel, 3.25%; QTS Realty Trust, 2.17%; Bottomline Technologies, 2.09%; HMS Holdings, 2.05%; Charles River Laboratories, 2.00%; Merit Medical Systems, 2.00%; Mercury Systems, 1.98%; Chemed, 1.97%; Itron, 1.88%; and ASGN, 1.86%.

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 Small Cap Equity Fund is distributed by IMST Distributors, LLC.

ACB-2007-46

FOR MORE INFORMATION, PLEASE CONTACT
Phone: (844) 274-7868 | **Email**: funds@aristotlecap.com | **Web**: www.aristotlefunds.com

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