Small Cap Equity Fund

4Q 2020 Commentary

2020 in review – a year unlike any other

With virtually no risk of hyperbole, 2020 is sure to go down in history as a year unlike any other. The defining chapter was the ongoing COVID-19 crisis, as the spreading pandemic led to unprecedented restrictions on businesses, travel, and social gatherings, which all pale in comparison to the significant health toll it created. Everyday life was impacted in a way most would have thought impossible, and in a way that will surely have long-lasting effects on the way businesses operate and people behave going forward. This alone would have made last year wholly unlike any other in the past century, but 2020 was as relentless as it was unique. In addition to the pandemic, 2020 will be remembered for civic unrest and the beginning of the largest social justice movement since the 1960s, an acrimonious and divisive U.S. presidential election, the most active recorded wildfire season in history, and a slate of other notable events too numerous to list individually.

But as 2020 ended with no measure of fondness for the year it was, we believe the fourth quarter showed at least some optimism for 2021 and the year it could be. As investors looked forward to stability following the results of the presidential election and the world received good news on multiple COVID-19 vaccine candidates, equity prices rallied significantly to end the year. Riding the wave of this optimism to its best month ever in November, the Russell 2000 Index concluded 2020 with its best quarter on record, posting a total return of 31.37% during the period. This marked the third straight positive quarter for the small cap market, which rebounded from its worst quarter ever in the first quarter to generate a total return of 19.96% for the full one-year period.

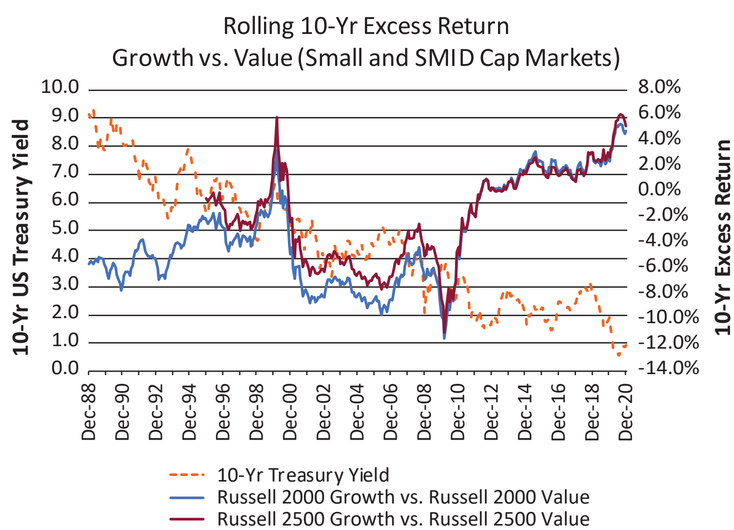
Small Caps surge to end the year; Despite recent, albeit limited outperformance from value, growth dominated the market in 2020, as did low-quality.

After experiencing its worst quarter on record in the first quarter, the Russell 2000 Index quickly rebounded from its March lows to rally for the last three quarters of 2020, ending with its best quarter on record in the fourth quarter. Despite the continued spread of COVID-19 throughout the U.S. and around the globe, news of successful vaccine candidates boosted equity prices during the quarter and renewed optimism for curbing the pandemic in 2021. Overall, the Russell 2000 Index returned 31.37% during the quarter and 19.96% for the full year.

Top 5 Best Quarterly Returns for Russell 2000 Index	
Q4 2020	**31.37%**
Q1 1991	29.74%
Q4 1982	26.47%
Q2 2020	**25.42%**
Q1 1987	24.32%

Top 5 Worst Quarterly Returns for Russell 2000 Index	
Q1 2020	**-30.61%**
Q4 1987	-29.06%
Q4 2008	-26.12%
Q3 1990	-24.54%
Q3 2011	-21.87%

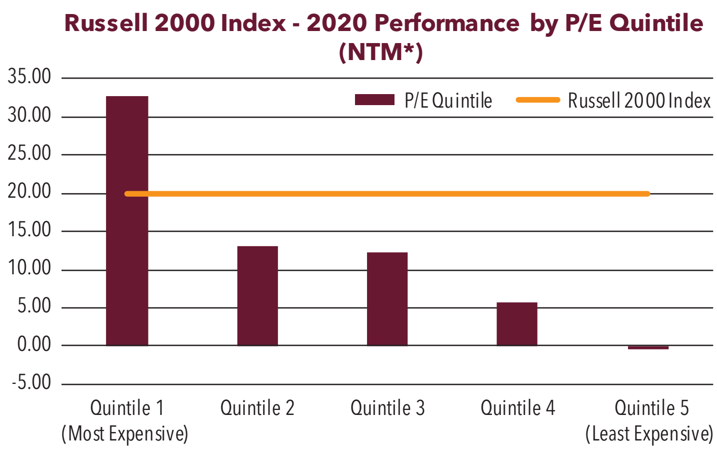
From a style perspective, the Russell 2000 Growth Index dominated the small cap market in 2020, with a full-year return of 34.63% versus the 4.63% return of the Russell 2000 Value Index. This 30% one-year return differential is the largest since the dot-com bubble and continues a stretch of unprecedented relative outperformance for the Russell 2000 Growth Index, whose 10-year excess return moved past the heights of the dot-com bubble in 2020. Within the Russell 2000 Index, the most expensive Price/Earnings (P/E) quintile (based on consensus earnings estimates over the next 12 months) was the only P/E quintile to outperform the overall index in 2020 and did so with an excess return of 12.68%. Despite the difficult year, value-oriented investors looking for a silver lining may point to the fourth quarter as a reason to be optimistic, as the Russell 2000 Value Index outperformed the Russell 2000 Growth Index for the first time in five quarters and only the second time in the last seven. Unfortunately, this outperformance was not as widespread as one might have hoped, as much of value's recovery was limited to the three trading days with announcements of successful vaccine candidates. Overall, growth continued to outperform more often, and the new trend of growth outperforming on "down" days also continued throughout the fourth quarter. That being said, we are certainly pleased that more reasonably valued stocks began catching up to the most expensively traded companies, and we are hopeful that this pattern will continue as the vaccine becomes more readily available and the market environment normalizes.

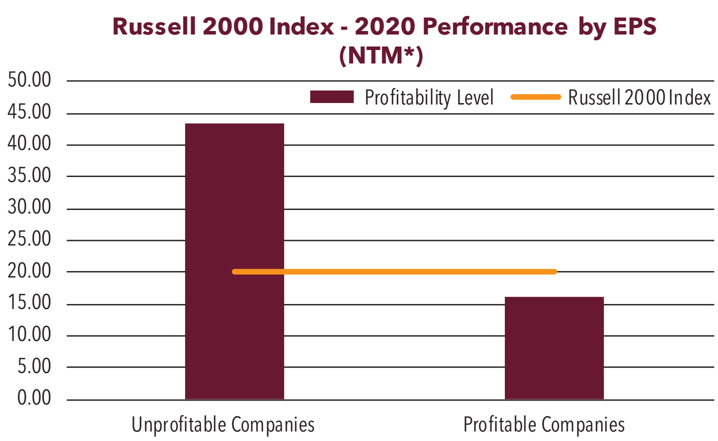


Source: FactSet
Past performance is not indicative of future results. Please see important disclosures at the end of this document.

While the fourth quarter marked at least a near-term disruption of growth's dominance versus value, the same cannot be said for the relationship between money-losing and profitable companies. Companies expected to lose money (based on consensus earnings estimates) over the next twelve months returned an average of

40.39% in the fourth quarter versus the 30.90% return for those with positive earnings expectations. For the full year, companies that began 2020 with negative earnings expectations returned 43.43%, while those with positive earnings expectations returned only 16.08%, a stunning one-year excess return of 27.35%. Another way to look at the low-quality leadership is to compare the return of the Russell 2000 Index to that of the S&P 600 Index, in which index constituents are determined by established criteria for profitability, liquidity and public float, and is therefore considered to be a higher quality index. The 8.67% excess return for the Russell 2000 Index in 2020 was the second-highest calendar year differential ever and only the third time this number has exceeded 3% since the S&P 600 Index was created in 1994, making 2020 one of the strongest low-quality years over the last few decades.





**NTM is projected earnings over the next twelve months.*
Source: FactSet

At the sector level, all 11 sectors in the Russell 2000 Index generated strong positive returns (all above 20%) in the fourth quarter. Cyclicals performed well during the quarter, with Energy, Materials and Information Technology all posting strong excess returns during the quarter. Utilities, Real Estate and Consumer Staples were the worst performing sectors during the quarter. Six of the 11 sectors outperformed the overall index, indicating a broader market rally during the period. For the full year, Health Care, Information Technology and Consumer Discretionary were the best performing sectors, all generating returns north of 30%. Energy was the worst performing sector with a return of -37.01%. Real Estate and Financials were the next worst performers with returns of -5.37% and -3.89%, respectively.

Performance Review

For the fourth quarter of 2020, the Aristotle Small Cap Equity Fund (ARSBX) generated a total return of 29.62% at NAV, compared to the 31.37% total return of the Russell 2000 Index. Security selection and cash detracted from performance. Security selection within Financials, Information Technology and Industrials added the most value on a relative basis, while Health Care, Real Estate and Consumer Staples were the biggest detractors. From an allocation perspective, an overweight in Information Technology and an underweight in Consumer Discretionary added value, but were partially offset by underweights in Materials and Energy.

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
MTS Systems	Quidel
Acadia Healthcare	US Xpress Enterprises
AerCap Holdings	QTS Realty Trust
Itron	Charles River Laboratories
Advanced Energy Industries	Chemed

CONTRIBUTORS

At the sector level, the Financials, Information Technology and Consumer Discretionary sectors had the largest positive impact on relative performance. At the company level, **MTS Systems** and **Acadia Healthcare** were two of the largest contributors during the quarter.

- **MTS Systems Corporation (MSTC)**, a global supplier of test systems and industrial position sensors, appreciated following the announcement the company would be acquired by Amphenol Corporation, a provider of interconnect, antenna and sensor solutions. We maintain our position following the announcement.

- **Acadia Healthcare Company, Inc. (ACHC)**, a provider of behavioral health and addiction services to patients in a variety of inpatient and outpatient settings, benefited from a strong recovery in its core U.S. business. We maintain a position, as we believe the company is well-positioned to capitalize on a favorable supply/demand outlook for behavioral health, which, along with its ability to successfully divest its U.K. business, should lead to additional value creation for shareholders.

DETRACTORS

At the sector level, the Health Care, Real Estate and Consumer Staples sectors had the largest negative impact on relative performance. Additionally, the Fund's underweight to companies with negative earnings also detracted. At the company level, **Quidel** and **US Xpress Enterprises** were two of the largest detractors during the quarter.

- **Quidel Corporation (QDEL)**, a developer and manufacturer of medical diagnostic tests, declined as positive news for a COVID-19 vaccine led to negative sentiment for companies with positive exposure to asymptomatic testing. We maintain a position, as we believe the company will likely 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.
- **U.S. Xpress Enterprises, Inc. (USX)**, a leading asset-based truckload carrier in the U.S., declined due to lower revenue due to weaker-than-expected truckload utilization. We maintain a position, as we believe the company is well-positioned to potentially 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.

Recent Fund Activity

Buys/Acquisitions	Sells/Liquidations
Armada Hoffler Properties	American Equity Investment Life
BankUnited	First Financial Bancorp
FTI Consulting	Hannon Armstrong Sustainable
Signature Bank	InnerWorkings
Voya Financial	Umpqua Holdings

BUYS/ACQUISITIONS

- **Armada Hoffler Properties, Inc. – AHH (Real Estate)**, a self-managed real estate investment trust that develops, builds, acquires and manages office, retail and multifamily properties located primarily in the Mid-Atlantic and Southeastern U.S., was added to the Fund. We believe the company's strategic initiatives, including reducing its real estate exposure and increasing multifamily exposure, along with future development initiatives should create value for shareholders going forward.
- **BankUnited, Inc. - BKU (Financials)**, a bank holding company that provides commercial and consumer banking services in select regions nationally, was added to the Fund. In addition to shares being attractively valued, we believe management's ability to take market share through continued expansion into various markets should create value for shareholders.
- **FTI Consulting, Inc. - FCN (Industrials)**, a global business advisory firm that provides a variety of consulting services to large corporations, was added to the Fund. We believe the firm's global reach and management efforts to rationalize and optimize the business can create value for shareholders going forward.
- **Signature Bank – SBNY (Financials)**, a full-service commercial bank with offices in New York, California and North Carolina, was added to the Fund. We believe shares are poised to recover as the New York economic recovery continues to progress and believe the company has the potential to be successful in growing at above-market rates both organically and inorganically, which should create additional value for shareholders.
- **Voya Financial, Inc. – VOYA (Financials)**, a financial services company that provides retirement, investment and insurance solutions, was added to the Fund. We believe the company's efforts to divest its Individual Life insurance business, which should allow for additional debt retirement and share buybacks while also improving the company's cash flow generation abilities, can create value for shareholders.

SELLS/LIQUIDATIONS

- **American Equity Investment Life Holding Company – AEL (Financials)**, a provider of fixed-rate annuities as well as life and health insurance, was removed from the Fund following reports of a takeover offer for the company, which drove the share price to levels where we believed a sale was justified.
- **First Financial Bancorp – FFBC (Financials)**, a bank holding company that provides commercial, retail and private banking services in Ohio, Indiana and Kentucky, was removed from the Fund due to the narrowing risk-reward opportunity of the investment.
- **Hannon Armstrong Sustainable Infrastructure Capital, Inc. – HASI (Financials)**, a real estate investment trust that provides debt and equity financing for sustainable energy infrastructure projects, was removed from the Fund on the belief that shares were fully valued.
- **InnerWorkings, Inc. – INWK (Industrials)**, a provider of print procurement services to global corporations, was removed from the Fund by virtue of its acquisition by HH Global Limited, a global outsourced marketing execution provider.
- **Umpqua Holdings Corporation – UMPQ (Financials)**, an Oregon-based bank holding company with branches in the Pacific Northwest, California, Idaho and Nevada, was removed from the Fund on the belief that shares were fully valued.

Outlook and Positioning

Prior to the onset of COVID-19, the small cap market was already characterized by a nearly unprecedented relative return relationship between growth and value, which we believe was driven by various macroeconomic events and their resulting downward pressure on interest rates. The pandemic environment, which created a headwind for many cyclical areas of the market, led to even larger extremes between growth and value, as well as significant outperformance of money-losing companies relative to profitable businesses. We believe our focus on businesses with strong fundamentals and attractive valuations may be rewarded as these relative performance relationships return to more normalized levels. Additionally, given the strong recovery in equity prices after March's lows compared to that of the overall economy, which continues to face near-term challenges due to the pandemic, it is not unreasonable to think that lofty expectations are priced into many stocks, especially those with higher valuations. This disconnect could lead to heightened volatility in 2021 if company earnings disappoint, which may provide opportunities for active managers with a valuation discipline to add value.

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 Information Technology and Industrials 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 December 31, 2020

Total Return	4Q20	YTD	1 Year	3 Years	5 Years	Since Inception (10/30/15)	Gross/Net Expense Ratio
ARSBX Class I	29.62%	9.31%	9.31%	5.53%	10.39%	9.29%	1.21%/0.95%
Russell 2000 Index	31.37%	19.96%	19.96%	10.24%	13.24%	12.36%	N/A
Russell 2000 Value Index	33.36%	4.63%	4.63%	3.72%	9.64%	8.76%	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 S&P 600® Index measures the small cap segment of the U.S. equity market. The index is designed to track companies that meet specific inclusion criteria to ensure that they are liquid and financially viable.

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 December 31, 2020, the ten largest holdings in the Fund and their weights as a percent of total net assets were: Itron, 2.15%; Providence Service, 2.14%; Charles River Laboratories, 2.04%; Merit Medical Systems, 1.94%; HMS Holdings, 1.86%; Advanced Energy Industries, 1.82%; Acadia Healthcare, 1.79%; Quidel, 1.76%; Mercury Systems, 1.75%; and Bottomline Technologies, 1.74%.

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-2101-68

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