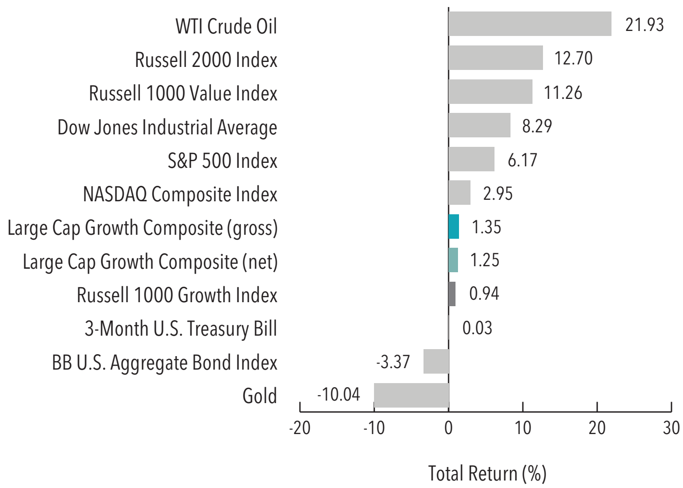
Large Cap Growth

1Q 2021 Commentary

Markets Review

Markets (total return) performed as follows:

Year to Date Returns



Sources: SS&C Advent, Bloomberg
Past performance is not indicative of future results. Aristotle Large Cap Growth Composite returns are presented gross and net of investment advisory fees and include the reinvestment of all income. Aristotle Atlantic Composite returns are preliminary pending final account reconciliation. Please see important disclosures at the end of this document.

The U.S. equity market rose during the first quarter, making it the fourth consecutive quarter of positive performance. Overall, the S&P 500 Index gained 6.17% during the period. Concurrently, the Bloomberg Barclays U.S. Aggregate Bond Index fell 3.37%. In terms of style, the Russell 1000 Value Index outperformed its growth counterpart by 10.32% during the quarter, the second straight quarter that large-cap value stocks led large-cap growth stocks.

On a sector basis, eight of the eleven sectors within the Russell 1000 Growth Index finished higher for the quarter, led by Energy, Communication Services and Real Estate. The decliners were Consumer Discretionary, Consumer Staples and Information Technology.

The U.S. continued to make significant progress in combatting the spread of the COVID-19 virus, as the number of new daily cases fell to as low as ~39,000 in mid-March from its high of ~315,000 in early January. In addition to the ongoing rollout of the Pfizer and Moderna vaccines, the FDA issued emergency use authorization for Johnson & Johnson's single-shot vaccine. The CDC reports that, in the U.S., over 180 million vaccine doses have been delivered, over 140 million doses have been administered, and almost 30% of the population has received at least one dose to date.

On the political front, the Democratic party secured control of the Senate after the Georgia runoffs, paving the way for Congress to pass another round of stimulus. The $1.9 trillion American Rescue Plan issued $1,400 in direct payments to millions of individuals, extended unemployment benefits, expanded the child tax credit, continued eviction and foreclosure moratoriums, and provided additional funds for states, small businesses, schools, vaccine distribution and testing.

The size of the latest round of stimulus and expectations of a rapid recovery sparked fears of inflation and contributed to a sharp increase in the 10-year Treasury yield, although at 1.74% as of March 31, 2021, the 10-year yield remains low. In a continuation of prior actions, the Federal Reserve remains accommodative, citing the need for a full labor market recovery and sustained levels of higher inflation before a potential re-evaluation of policy.

Performance and Attribution Summary

For the first quarter of 2021, Aristotle Atlantic's Large Cap Growth Composite posted a total return of 1.35% gross of fees (1.25% net of fees), outperforming the 0.94% total return of the Russell 1000 Growth Index. Since its inception on November 1, 2016, the Large Cap Growth Composite has posted a total return of 24.60% gross of fees (24.11% net of fees), while the Russell 1000 Growth Index has reported a total return of 23.38%.

Performance (%)	1Q21	1 Year	3 Years	Since Inception*
Large Cap Growth Composite (gross)	1.35	65.45	24.29	24.60
Large Cap Growth Composite (net)	1.25	64.80	23.79	24.11
Russell 1000 Growth Index	0.94	62.74	22.77	23.38

**The Large Cap Growth Composite has an inception date of November 1, 2016. Past performance is not indicative of future results. Returns are presented gross and net of investment advisory fees and include the reinvestment of all income. Aristotle Atlantic Composite returns are preliminary pending final account reconciliation. Please see important disclosures at the end of this document.*

During the first quarter, the portfolio's outperformance relative to the Russell 1000 Growth Index can be attributed primarily to security selection, while allocation effects modestly detracted from relative results. Security selection in Consumer Discretionary, Communication Services and Financials contributed the most to relative performance. Conversely, security selection in Information Technology and Health Care along with an underweight in Communication Services detracted the most from relative returns.

Relative Contributors	Relative Detractors
Expedia	Adaptive Biotechnologies
Bio-Techne	Alteryx
NXP Semiconductors	Coupa Software
Guardant Health	Sage Therapeutics
Ameriprise Financial	Global Payments

Top Contributors

Expedia Group, Inc.

Expedia outperformed during the first quarter as distribution of COVID-19 vaccines accelerated and drove increased expectations for a recovery in travel activity. The company had significantly reduced expenses during the pandemic, which should drive strong operating leverage when travel spending improves.

Bio-Techne Corporation

Bio-Techne shares were strong during the first quarter following fourth quarter 2020 results that exceeded investor expectations, highlighted by greater than 19% organic revenue growth. The company continues to be well positioned to capture the increase in R&D spending associated with COVID-19, as well as broad-based spending in a strong environment for biopharma companies. The reopening of the economy could also bode well for increased liquid biopsy testing in the urology setting.

Bottom Detractors

Adaptive Biotechnologies Corporation

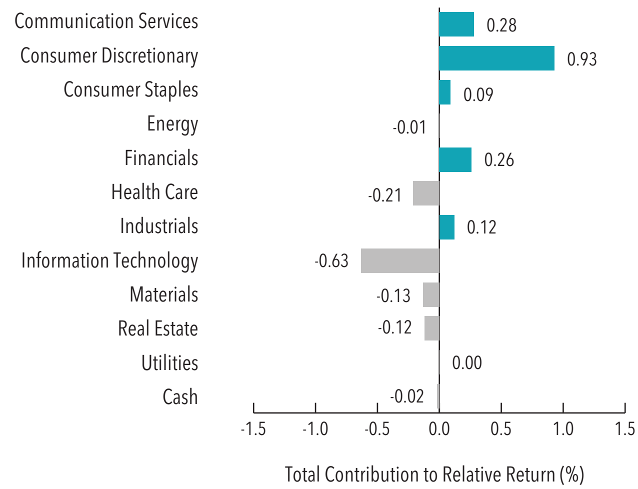
Adaptive Biotechnologies underperformed during the first quarter as higher P/E multiple growth stocks were pressured by the rapid rise in interest rates. Adaptive reported better-than-expected revenues as clonoSEQ assay penetration continued to improve. During the quarter, the company announced that Genentech had decided to halt development of a cancer therapy drug in partnership with Adaptive; however, the decision was based on safety of the target, not a safety issue with the drug. Adaptive noted that the partnership with Genentech continues to proceed with a great deal of excitement from both companies.

Alteryx, Inc.

Alteryx underperformed during the first quarter following fourth quarter 2020 results that were slightly below investor expectations and highlighted continued changes in the company's strategy. The company experienced a greater-than-expected negative impact from the COVID-19 pandemic as the churn rate increased within its small- and mid-sized customer base, while the new customer acquisition growth rate declined. Alteryx's new CEO and management team continue to refocus the company's strategic initiatives, which we believe could drive improved growth in the second half of 2021.

Total Contribution to Relative Return by Sector versus Russell 1000 Growth Index

First Quarter 2021



Source: FactSet

Past performance is not indicative of future results. Attribution results are based on sector returns, which are gross of investment advisory fees and include the reinvestment of all income. Please see important disclosures at the end of this document.

Recent Portfolio Activity

The table below shows all buys and sells completed during the quarter, followed by a brief rationale.

Buys	Sells
MSCI	Intercontinental Exchange
Vertex Pharmaceuticals	Becton Dickinson
Snowflake	Qualcomm
CrowdStrike	

Buys

MSCI, Inc.

MSCI provides investment decision support products and tools, including market indices and analytics for investment portfolios, risk management, ESG/climate and real estate. The company services clients globally, including asset managers, wealth advisors, asset owners and other financial intermediaries. The company operates three main business segments: Index (60% of revenues), Analytics (30% of revenues) and Other (10% of revenues), which includes ESG/climate and real estate. MSCI is the global leader in providing benchmarks to institutional investors, with over 225,000 MSCI-branded benchmarks across multiple asset classes. Its global equity indices are the most widely used benchmarks for international investment funds.

In our view, MSCI is a premium financial services company with financial index and analytics franchises that deliver peer-leading organic growth and margins. Due to the quality of the company's offerings, high switching costs for clients and significant barriers to entry, the company enjoys substantial competitive advantages that continue to drive high customer retention rates across all business segments.

MSCI's Index business, a subscription-based model with recurring revenues and high retention rates, continues to benefit from the shift to passive investing. In addition, rising equity markets and strong net inflows to passive equity-linked ETFs have driven strong growth in asset-based fees over several years. ESG/climate-related indices, data and analytics represent a significant growth opportunity for MSCI, in our view. Comprising less than $160 million in annual run-rate revenues currently, this business is the fastest-growing segment for the company in a potential $2 trillion market opportunity over the next several years. We believe additional opportunities exist for the company in high-growth, high-margin businesses, such as fixed income and private assets (e.g., real estate), as well as new client verticals, including wealth management.

Vertex Pharmaceuticals, Inc.

Vertex Pharmaceuticals discovers, develops and commercializes pharmaceutical products. Vertex is focused on developing treatments for cystic fibrosis (CF) and other life-threatening diseases. The company has four commercial CF drugs: Trikafta, Orkambi, Kalydeco and Symdeko/Symkevi. Other drugs in development include additional CF treatments and medications that address sickle cell disease, beta thalassemia, alpha-1 antitrypsin deficiency, pain and diabetes. The company's medicines are sold in North America, Europe and Australia, with the U.S. comprising approximately 75% of sales.

Vertex is the global leader in the pharmaceutical treatment of CF. Of the estimated 83,000 global patients with CF, the company's medicines are used by about half. With the recent approval of its triple-combination drug Trikafta, the company could address the needs of nearly 90% of CF patients globally. Vertex has built a robust pipeline in several additional therapeutic areas other than CF. Over the past four years, the company has delivered over 40% compound annual revenue growth, with consensus estimates forecasting low double-digit growth over the next few years. The company generates significant free cash flow annually and we believe is well capitalized with over $5 billion in net cash on its balance sheet.

Snowflake, Inc.

Snowflake is a cloud computing-based data warehousing company that offers cloud-based data storage and analytics known as "data warehouse-as-a-service." Snowflake helps client companies manage and analyze data they store on the cloud in support of a variety of use cases. Delivered as a service, the company's platform requires near-zero maintenance, which enables customers to focus on deriving value from their proprietary data rather than managing infrastructure.

Accelerated by the COVID-19 pandemic, digital data creation continues to drive a dramatic increase in demand for tools that store, manage and utilize data for business-enhancement purposes. Snowflake is well positioned to benefit from this trend, in our view, with a cloud-based platform that provides tools for companies to standardize the management, analysis and usage of their proprietary data. In addition, we believe the company is well positioned to benefit from increased corporate IT spending on cloud solutions, as well as the trend for companies to consolidate spending across a smaller number of vendors. We believe the company will command a higher share of IT spending as corporations continue to standardize their cloud operations across the Snowflake platform. Snowflake is benefiting from a strong pipeline of large prospect companies, as well as very high retention of existing customers that, in our view, should continue to drive significant revenue and margin growth over the long term.

CrowdStrike Holdings, Inc.

CrowdStrike provides cybersecurity products and services that offer endpoint protection and threat intelligence solutions, enabling customers to prevent damage from targeted attacks, detect advanced malware and search all endpoints. The company's open cloud architecture enables it and third-party partners to rapidly innovate, build and deploy new cloud modules that can provide customers with enhanced functionality across a myriad of use cases.

The cloud cybersecurity market is positioned to experience strong growth over the next few years, in our view, driven by continued migration from on-premise to cloud-based architecture. We believe CrowdStrike can benefit from this trend due to its early-mover advantage, multiple product offerings and native integrations with leading cloud platforms. In addition, we believe the recent SolarWinds and Hafnium hacks demonstrate an urgent need for key security upgrades across enterprise IT departments and should support increased capital expenditures on next-generation security software.

Sells

Intercontinental Exchange, Inc.

We sold our position in Intercontinental Exchange to fund our new purchase of MSCI. We believed MSCI offered a more attractive long-term organic growth opportunity, driven largely by its ongoing expansion into ESG/climate-related products and analytics.

Becton Dickinson and Company

We sold our position in Becton Dickinson to reduce our overall exposure to COVID-19 testing and to increase the growth profile of the portfolio through the addition of Vertex Pharmaceuticals.

Qualcomm, Inc.

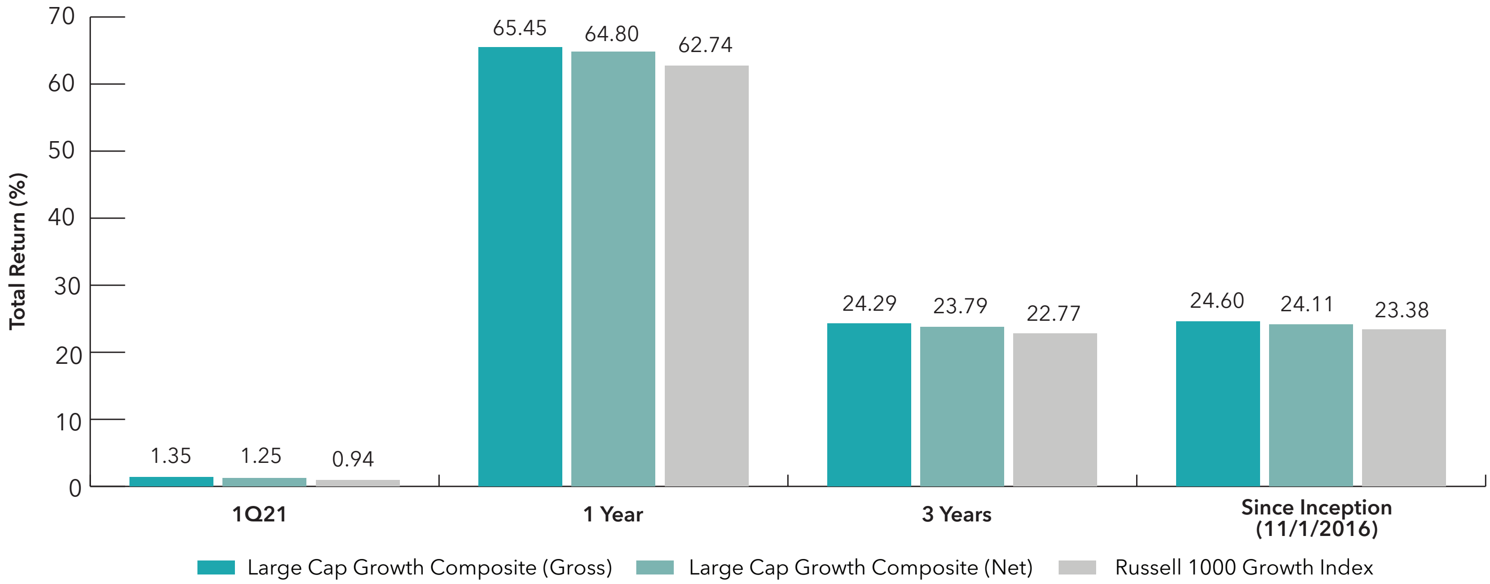
We sold our position in Qualcomm to fund an initial position in CrowdStrike and increase the growth profile of the portfolio. We believed the company would continue to benefit from the 5G upgrade cycle but expect to see increased chipset pricing pressure leading to lower margins for an extended period of time. In addition, risk remains that Apple will develop modem chipsets in-house, thus lowering demand for Qualcomm's products.

Outlook

The outlook for U.S. large-cap equities will likely be driven by a reopening of the economy, steady Federal Reserve monetary policy and additional federal fiscal stimulus. The increase in COVID-19 vaccination levels, coupled with a steep decline in COVID-19-related hospitalizations, has led many states to reopen their economies. We believe these reopenings are the main driver of the recent increase in employment, as well as improvement in various other economic statistics. In our view, the Federal Reserve seems committed to continue to stay on the sidelines with regard to changes in monetary policy as the debate over whether rising inflation represents a material risk takes center stage. The recent increase in inflation has pushed long-term interest rates higher, which is largely responsible for the contraction in P/E ratios of higher-multiple stocks, in our opinion. We believe that the positive offset to higher interest rates is an expectation of more robust earnings growth, driven by states reopening and federal fiscal stimulus. We believe the magnitude of the earnings growth acceleration should be enough to offset the compression in equity P/E multiples. Based upon our expectation that the U.S. economic recovery will be swift in nature, we expect to see a shift in investor sentiment in the back half of the year away from cyclical stocks to the more secular growth stocks. Our focus will continue to be at the company level, with an emphasis on companies with secular tailwinds or strong product-driven cycles.

Aristotle Large Cap Growth Composite Performance

All Periods Ended March 31, 2021



Year	Large Cap Growth Composite (Gross %)	Large Cap Growth Composite (Net %)	Russell 1000 Growth Index (%)
2021 YTD	1.35	1.25	0.94
2020	42.97	42.40	38.49
2019	37.29	36.73	36.39
2018	-0.93	-1.34	-1.51
2017	29.53	28.99	30.21
11/1/16 - 12/31/16	3.49	3.49	3.44

Composite returns for all periods ended March 31, 2021 are preliminary pending final account reconciliation.

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Returns are presented gross and net of investment advisory fees and include the reinvestment of all income. Gross returns will be reduced by fees and other expenses that may be incurred in the management of the account. For example, a 0.5% annual fee deducted quarterly (0.125%) from an account with a ten-year annualized growth rate of 5.0% will produce a net result of 4.4%. Actual performance results will vary from this example.

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. This index has been selected as the benchmark and is used for comparison purposes only. 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 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. 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 indices. 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. While stock selection is not governed by quantitative rules, a stock typically is added only if the company has an excellent reputation, demonstrates sustained growth and is of interest to a large number of investors. The volatility (beta) of the Composite may be greater or less than its respective benchmarks. It is not possible to invest directly in these indices.

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