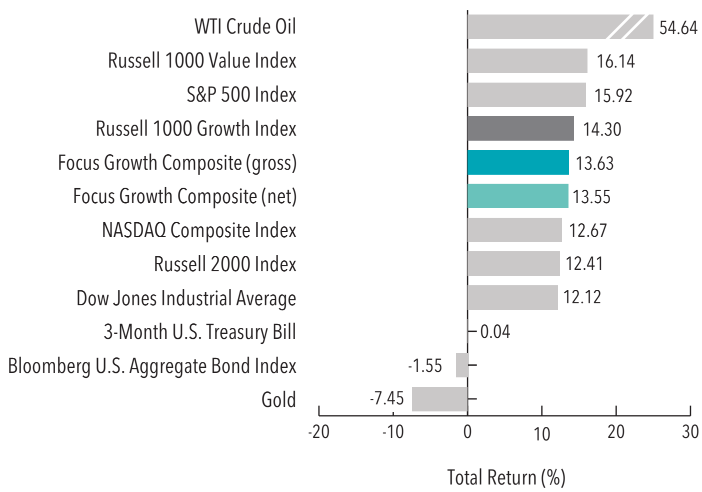
Focus Growth

3Q 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 Focus 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.

While most U.S. equity indices declined during the quarter, the S&P 500 continued its ascent, posting its sixth consecutive quarter of positive performance. Overall, the S&P 500 Index gained 0.58% during the period. Concurrently, the Bloomberg U.S. Aggregate Bond Index finished flat for the quarter. In terms of style, the Russell 1000 Value Index underperformed its growth counterpart by 1.94%.

On a sector basis, eight out of eleven sectors within the Russell 1000 Growth Index finished higher for the period, led by Financials, Health Care and Communication Services. The worst performers were Industrials, Materials and Real Estate.

After making significant progress against the spread of COVID-19 in the first half of the year, Delta, a more contagious variant of the virus, spread throughout the country (and the world) during the quarter. According to the CDC, only ~64% of the total U.S. population (compared to ~54% at the end of June) has received at least one dose of the vaccine. The deceleration in vaccination uptake rates since the spring, coupled with the surge in the Delta variant, resulted in the number of new daily cases rising to as high as ~190,000.

Nevertheless, instead of imposing new restrictions, strategies to encourage vaccination, such as employer vaccine mandates, were utilized. Furthermore, the U.S. Food and Drug Administration amended the emergency use authorization for Pfizer's vaccine to allow for the use of single booster doses in individuals 65 years of age and older and high-risk individuals between the ages of 18 and 64.

In line with the uncertain backdrop caused by the Delta variant, economic data was mixed. The unemployment rate continued to decline, falling to 5.2%, which was the lowest level since the pandemic began. However, nonfarm payroll figures in August fell well below expectations after strong numbers in July. While inflation remains elevated, with core CPI up 4.0% on a 12-month basis, it rose just 0.1% in August, the softest monthly increase since February. Correspondingly, the Federal Reserve kept monetary policy intact but indicated that a tapering of its $120 billion per month asset-purchase plan may soon be warranted.

On the fiscal policy front, conversations surrounding a $3.5 trillion reconciliation bill that would fund social policy and climate initiatives dominated headlines. Corporate, individual and capital gains tax increases are likely required to fund the large spending package. However, disagreements within the Democratic Party have stalled discussions, which could also further delay the passage of a $1 trillion bipartisan infrastructure bill.

Despite the uncertainty regarding the COVID environment, corporate earnings posted an impressive rebound, with year-over-year earnings per share (EPS) growth for S&P 500 constituents eclipsing 90%, the highest figure since the fourth quarter of 2009, with 87% of S&P 500 companies beating EPS estimates. Companies across various industries highlighted strong demand, while topics such as supply constraints, labor shortages and rising input costs were also commonly cited.

Lastly, in geopolitical news, the U.S. completed its withdrawal from Afghanistan, ending its 20-year presence in the country. This has created uncertainty for world governments regarding the future of the country and stability of the region.

Performance and Attribution Summary

For the third quarter of 2021, Aristotle Atlantic's Focus Growth Composite posted a total return of 0.50% gross of fees (0.48% net of fees), underperforming the 1.16% total return of the Russell 1000 Growth Index. Since its inception on March 1, 2018, the Focus Growth Composite has posted a total return of 21.61% gross of fees (21.25% net of fees), while the Russell 1000 Growth Index has reported a total return of 21.96%.

Performance (%)	3Q21	1 Year	3 Years	Since Inception*
Focus Growth Composite (gross)	0.50	25.60	20.80	21.61
Focus Growth Composite (net)	0.48	25.49	20.48	21.25
Russell 1000 Growth Index	1.16	27.32	21.98	21.96

**The Focus Growth Composite has an inception date of March 1, 2018. 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 third quarter, the portfolio's underperformance relative to the Russell 1000 Growth Index can be attributed to security selection, while allocation effects contributed positively to relative results. Security selection in Information Technology, Health Care and Consumer Discretionary detracted the most from relative performance. Conversely, security selection in Communication Services, Consumer Staples and Materials contributed the most to relative performance.

Relative Contributors	Relative Detractors
Dexcom	Twilio
MSCI	Coupa Software
Salesforce.com	Global Payments
Snowflake	Adaptive Biotechnologies
Costco Wholesale	AMETEK

Top Contributors

Dexcom, Inc.

Dexcom shares were strong in the third quarter after the company reported sizable revenue and earnings beats and raised full-year guidance. The financial strength was driven by the ongoing rise in continuous glucose monitoring awareness and use cases. Investors are anxiously awaiting Dexcom's guidance on the timing of the launch of G7, its next-generation product expected in late 2021 or early 2022 depending on regulatory guidance and manufacturing ramps.

MSCI, Inc.

MSCI outperformed during the third quarter following release of its second quarter results, which exceeded consensus expectations driven by strong revenue growth. The company benefited from higher equity markets and strong investment fund flows, especially into index-linked ETFs. In addition, recurring-revenue sales activity was robust and helped by strong customer retention. MSCI continues to strengthen its ability to offer end-to-end ESG and climate solutions and indexes and remains well positioned to benefit from increased client interest in sustainable investing, in our view.

Bottom Detractors

Twilio, Inc.

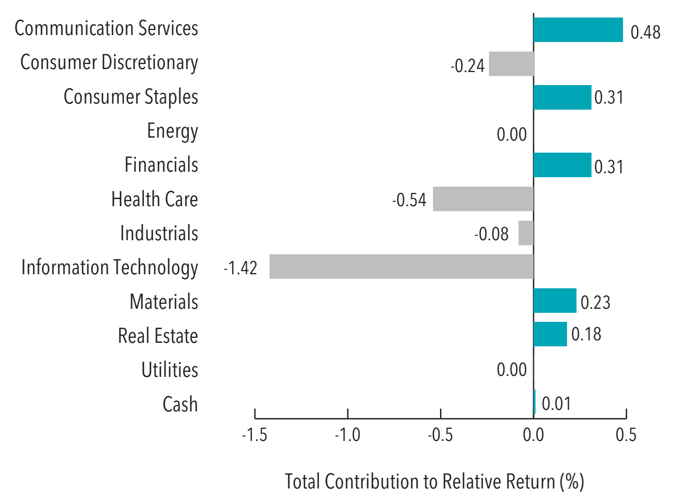
Twilio detracted from performance in the third quarter, as the company's second quarter results saw strong revenue growth but a miss on gross margins. While management reiterated its long-term gross margin guidance, the reported quarterly miss has some investors raising questions about operating leverage in the model in the face of increased competition. We view the gross margin miss as a mix issue in the quarter, which saw higher-than-expected volumes in messaging, a lower gross margin product. This will likely be transitory as Twilio continues to leverage its strong customer and developer base to roll out higher-margin communication software and platforms. In addition, we believe share weakness in the third quarter was due to the overall market pullback in high-valuation growth stocks as investors weighed the risk of inflation and rising Treasury yields.

Coupa Software, Inc.

Coupa's negative performance in the third quarter was a result of the company providing lower-than-expected third quarter guidance for LLamasoft, its recently acquired supply-chain optimization asset. Investor questions continue to focus on the underlying organic growth rate for the business, and the third quarter guide, along with commentary around the sales cycle remaining longer than pre-pandemic periods, contributed to the stock's weakness in the quarter. In addition, the quarter saw an overall market pullback in high-valuation growth stocks as investors weighed the risk of inflation and rising Treasury yields.

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

Third 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
ServiceNow	Coupa Software
Darling Ingredients	Vertex Pharmaceuticals

Buys

ServiceNow, Inc.

ServiceNow provides digital workflows on a single enterprise cloud platform called the Now Platform. The company offers products on the Now Platform and standard applications specially designed forautomating IT, employee and customer workflows. Its main customers are IT departments infinancial services, IT services and health care, among other industries. Customers also use its platformto create custom automation applications for themselves. ServiceNow's Now Platform is a single-cloudplatform with one data model and one architecture, enabling speed, flexibility and innovation. Thecompany's Now Platform also powers three native mobile experiences: Virtual Agent, Now Mobile and Mobile Onboarding.

The company's digital workflow automation initiatives are key enablers of the digital transformation secular shift by both enterprises and small- and medium-sized businesses alike, a trend that has accelerated due to the COVID pandemic. Management's focus on vertical industry solutions continues to gain traction, and we believe this will further underpin increasing contract size per customer and margin expansion through enhanced selling initiatives. We believe the market has taken a more conservative view of ServiceNow's growth prospects and consider the recent second quarter management commentary and outlook as supportive of improving trends and more bullish growth prospects. We find the current valuation an attractive entry point, as we believe the stock will benefit from multiple expansion due to topline growth acceleration and improving free cash flow margins.

Darling Ingredients, Inc.

Darling Ingredients is the largest publicly traded rendering operation in the U.S. The company collects and recycles animal processing by-products and used restaurant cooking oil. The company also provides grease trap collection services to restaurants. Darling processes these raw materials into finished products, such as tallow, meat and bone meal, and yellow grease for sale in the U.S. and overseas. In addition, Darling is a 50% owner of a joint venture with Valero Energy Corporation called Diamond Green Diesel (DGD), which produces renewable diesel. The joint venture is expected to generate approximately $1.6 billion in EBITDA next year.

We believe Darling is focused on reducing CO_2. The strong demand and government tax credits for renewable diesel makes this industry attractive. We expect the Biden administration's focus on green initiatives and the global focus on sustainability to further enhance DGD's business. Darling's large capital expenditures, such as its investment in DGD, should taper offering more free cash flow. The company expects to use this cash influx for M&A and shareholder return. The company also is experiencing increased demand in its base businesses.

Sells

Coupa Software, Inc.

We sold our position in Coupa but continue to maintain a favorable rating on the company and will hold the position in the Large Cap Growth portfolio. The recent Coupa investor day highlighted an attractive overall total addressable market but also provided clarity on the slower-than-expected ramp of Coupa Pay, which we think lowers the overall return profile in the near term.

Vertex Pharmaceuticals, Inc.

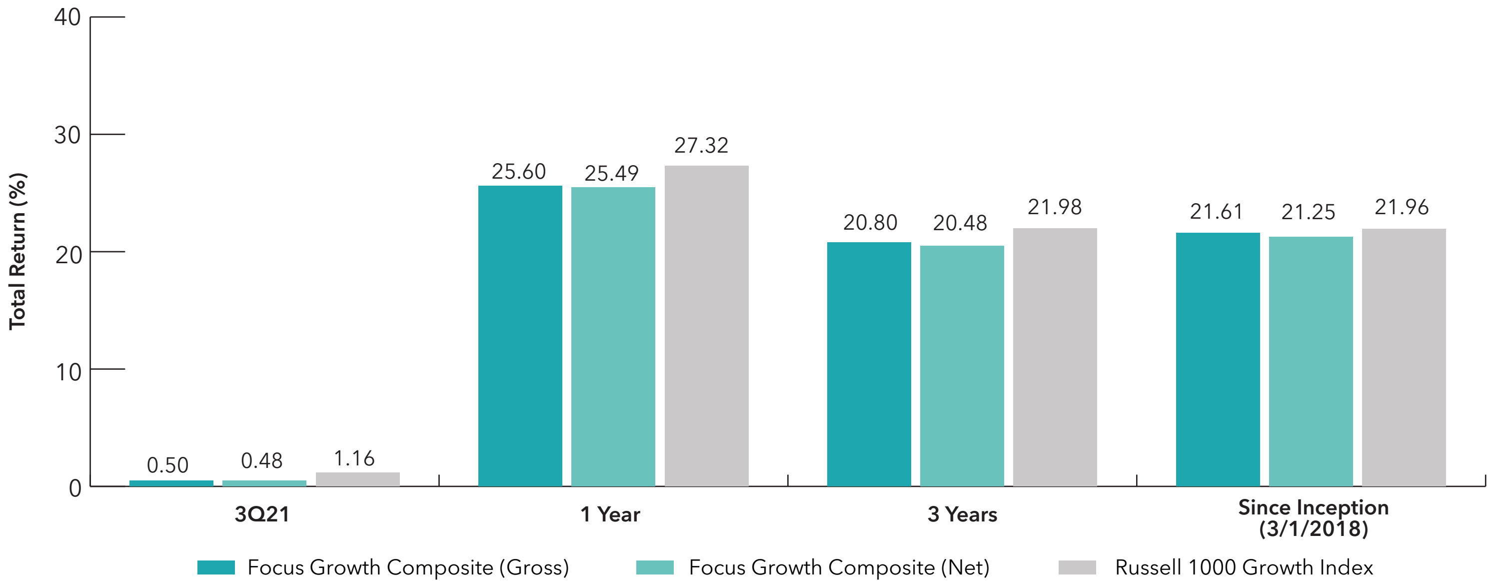
We sold our position in Vertex after a recent pipeline disappointment and on concerns that the market is discounting future losses of patent exclusivity more quickly than we had anticipated. Vertex enjoys a strong IP position on its core cystic fibrosis portfolio; however, recent attempts to diversify the business have been met with pipeline disappointment. We are concerned by the time it will take for more meaningful pipeline catalysts to change investor sentiment on the stock, and we believe that we might see further multiple contraction despite strong growth in its core cystic fibrosis franchises.

Outlook

The U.S. large cap equity market is facing a U.S. Treasury debt limit deadline. As we witnessed in 2011, a discussion of a potential default can put significant pressure on equity markets. There will most likely be some type of resolution to the debt ceiling by year-end. Meanwhile, we believe the market will once again shift its focus to the start date for Federal Reserve tightening. The initial tightening will come in the form of lowering the amount of bond purchases made by the Federal Reserve. This could well happen late in the fourth quarter, but it is on the horizon and will most likely put a cap on the equity market's P/E ratio. The infrastructure and reconciliation spending packages have been delayed, with the latter most likely to be reduced well below the $3.5 trillion proposal. But even with a significant reduction, these fiscal packages will still be sizeable and could fuel further concerns about overheating the economy, adding to inflation fears. This could well put more pressure on P/E ratios. The fourth quarter will mark the last quarter of easy earnings comparisons with the prior year. It will also most likely be the last quarter in which value-oriented sectors' earnings growth rates outpace those of growth-oriented sectors. Given the scope and the magnitude of issues facing the markets, the fourth quarter could very well see increased volatility. Our focus will continue to be at the company level, with an emphasis on companies with secular tailwinds or strong product-driven cycles.

Aristotle Focus Growth Composite Performance

All Periods Ended September 30, 2021



Year	Focus Growth Composite (Gross %)	Focus Growth Composite (Net %)	Russell 1000 Growth Index (%)
2021 YTD	13.63	13.55	14.30
2020	41.80	41.70	38.49
2019	37.59	36.92	36.39
3/1/18 - 12/31/18	-8.97	-9.37	-5.55

Composite returns for all periods ended September 30, 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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