

2020-2021 Annual Report

DIVERSITY, EQUITY AND INCLUSION





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OVERVIEW

Diversity refers to the traits and characteristics that make people unique. At Aristotle,¹ we strive to have team members represent different abilities, ages, countries, ethnicities, experiences, genders, learning styles, races, sexual orientations and other dimensions.

We are committed to creating a culture of honesty, hard work, integrity and intellectual curiosity. We seek employees who represent a wide breadth of backgrounds, experiences and outlooks on the world, as we believe this is critical for growth and allows us to provide excellent service to our clients.

We have ...

Formed the Diversity, Equity and Inclusion (DEI) Council to actively listen to employees on DEI needs and expectations, bring more DEI awareness and education to the firm, measure and monitor progress toward our goals as a firm, and spearhead initiatives to promote social justice and mobility in our communities. Since its formation, the DEI Council has organized a Diversity 101 webinar on unconscious bias, cultural education, and allyship; distributed a four-part education series on Black history; organized a mentorship-focused women's panel, and; has provided various newsletters with educational literature and resources related to DEI topics requested by employees.

We are committed to ...

Ensuring Aristotle is a workplace where every employee feels welcomed, respected, supported and valued. We seek to embrace diversity and create the conditions for everyone to thrive. We are committed to improved communication implementing a quarterly newsletter and an annual report, producing more DEI education opportunities, and collaborating more with employees to ensure Aristotle's culture is inclusive for everyone. An annual survey will be distributed along with the DEI annual report inviting new members and volunteers.

We continue to ...

Explore ways to improve our data reporting and transparency to better evaluate our DEI progress within our workforce and applicant pool on an ongoing basis. We plan to use our findings combined with our research to guide our policy recommendations on recruitment and retention. We also continue to expand our supplier diversity. For example, we currently have seven minority- and women-owned brokerage firms on our approved counterparty list and hope to increase the number of these relationships in the future. Further, the DEI Council is also working on a comparative analysis between engaging with consultants versus bringing on a dedicated DEI mid-level manager to assist with development of DEI policies and procedures as well as the expansion of the DEI strategic roadmap.

¹ The term Aristotle is used to represent the family of affiliates that is comprised of Aristotle Capital Management, LLC (Aristotle Capital); Aristotle Capital Boston, LLC (Aristotle Boston); Aristotle Credit Partners, LLC (Aristotle Credit); and Aristotle Atlantic Partners, LLC (Aristotle Atlantic), which collectively operate under a unified platform known as Aristotle. Each firm is an independent investment adviser registered under the Investment Advisers Act of 1940, as amended. Shared services business functions are conducted by affiliate Aristotle Capital, which supports all Aristotle investment teams.



SECTION I: DEI COUNCIL

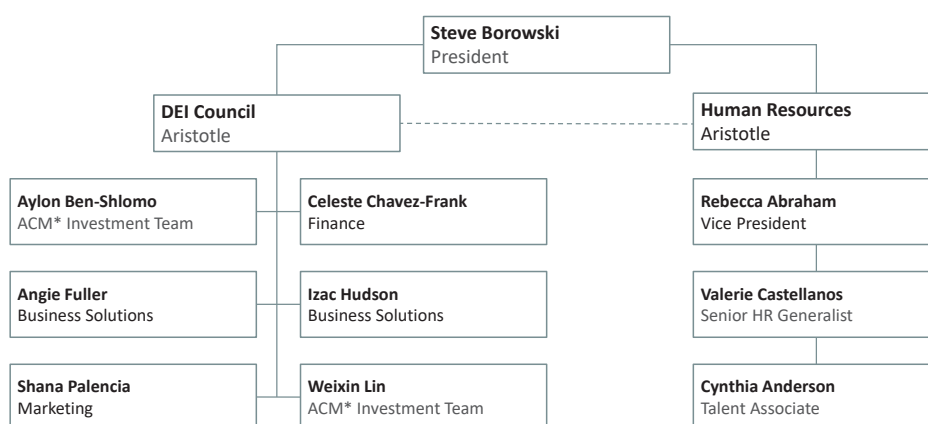
DEI Council Formation and Structure:

The DEI Council was formed on July 15, 2020. The DEI Council was created to better understand, support and promote DEI within Aristotle and our communities.

Membership on the DEI Council is open to all employees of the firm and is voluntary. The individuals on the Council represent many dimensions of diversity at Aristotle, including age, department, ethnicity, gender, level, race, and personal and professional backgrounds. The Council meets regularly, and leadership rotates among its members.

The DEI Council is independent from other departments within Aristotle. It has a direct line of communication with the Board of Managers and liaises with Human Resources (HR) on some collaborative initiatives.

DEI Council Organizational Structure



*Aristotle Capital Management

DEI Council Mission Statement:

The DEI Council is committed to promoting a diverse, equitable and inclusive culture at Aristotle. We believe valuing diverse experiences and seeking out different perspectives fosters a sense of belonging, boosts employee morale and improves decision-making.

The DEI Council strives to:

- Increase constituents' awareness of DEI topics
- Provide a safe space to voice DEI-related concerns and serve as a conduit for communication
- Recommend policies to ensure fair and equitable hiring, compensation and promotion, regardless of race, gender, age, nationality, religion, socioeconomic background, sexual orientation, family dynamics, dis(abilities), etc.
- Monitor progress and hold the firm accountable for such policies
- Spearhead initiatives to promote social justice and mobility in our communities

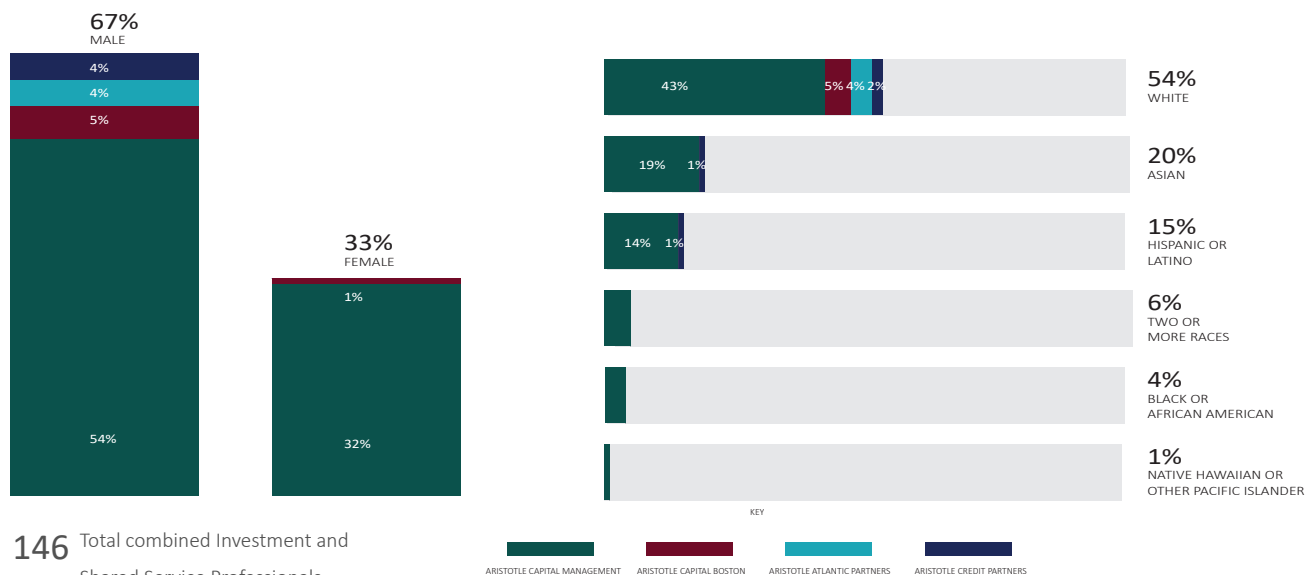


SECTION II: DIVERSITY AT ARISTOTLE

Aristotle Diversity Statistics

Aristotle Employees

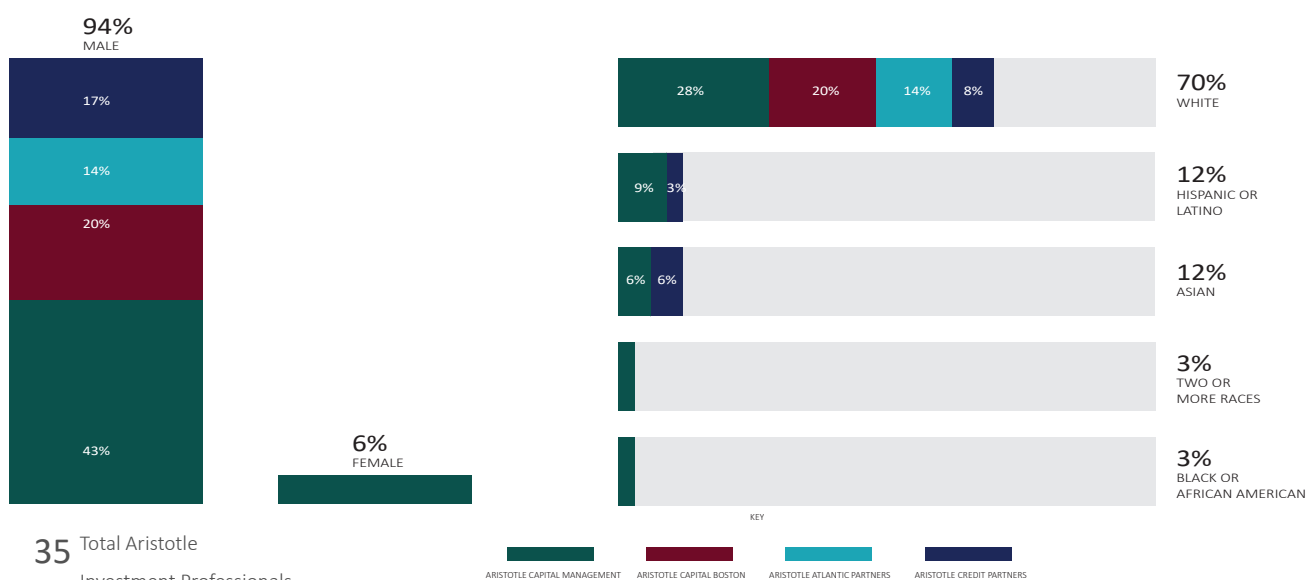
As of June 30, 2021



146 Total combined Investment and Shared Service Professionals.

Aristotle Investment Professionals

As of June 30, 2021



35 Total Aristotle Investment Professionals

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SECTION II: DIVERSITY AT ARISTOTLE *(continued)*

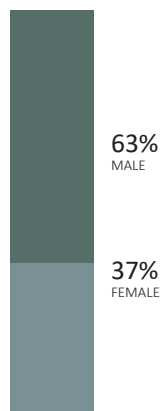
Overall Aristotle Capital Management (ACM) Representation

As of June 30, 2021

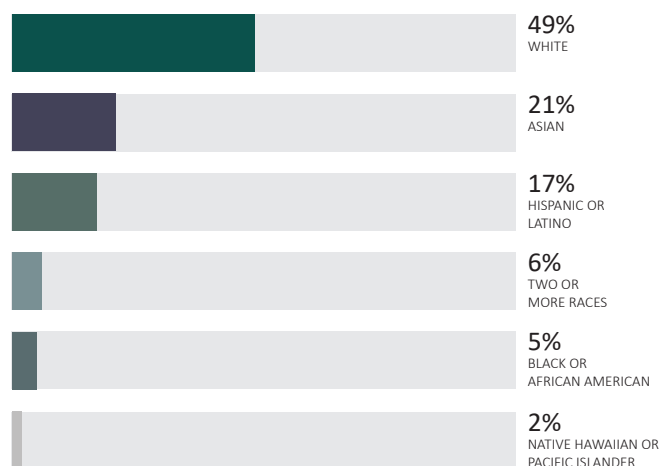
126

Individuals make up all
Aristotle Capital employees.

GENDER (ACM)



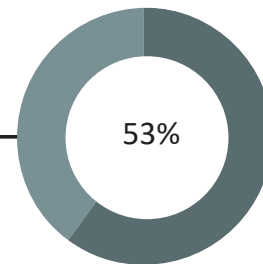
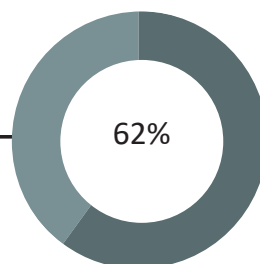
RACE/ETHNICITY (ACM)



All Employees

Managers

Minorities
+ Women



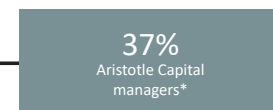
78

Individuals make up
Aristotle Capital minorities
and women.

Minorities
Represent:



Women
Represent:



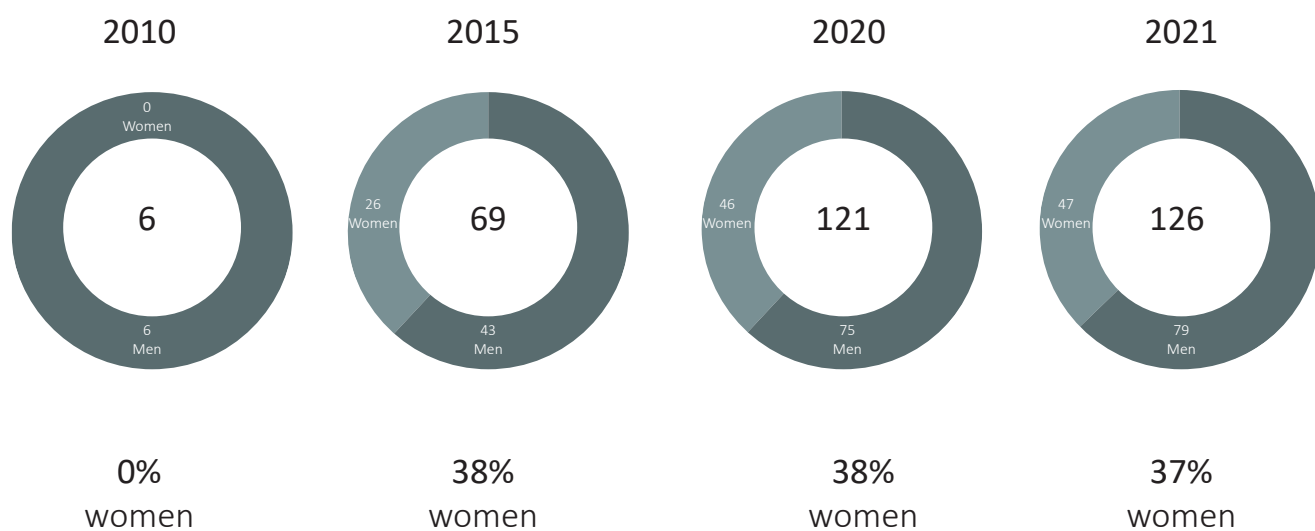
*Includes all employees with title of Vice President and above



SECTION II: DIVERSITY AT ARISTOTLE *(continued)*

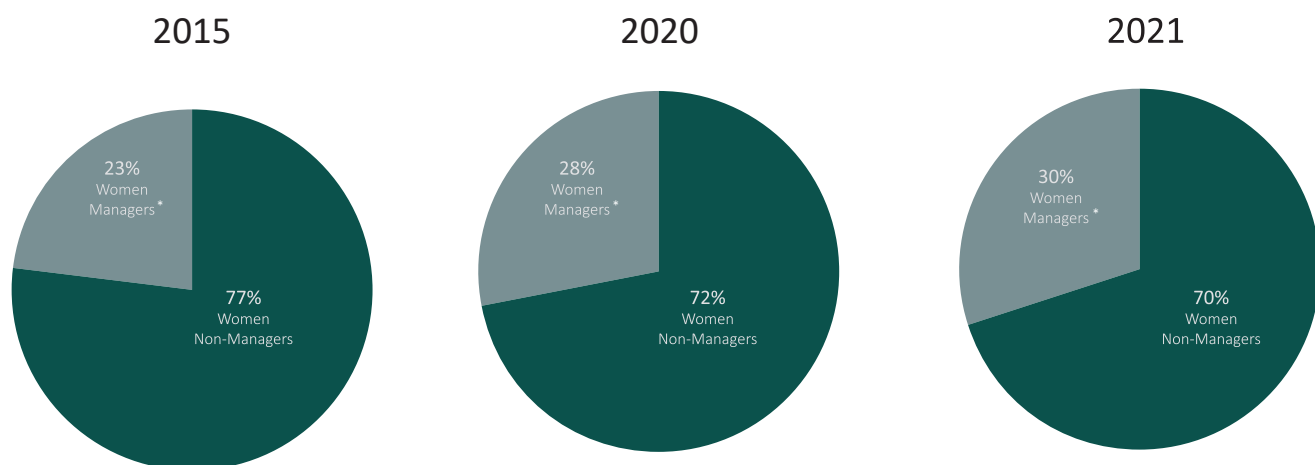
Aristotle Capital Diversity: Growth in Women Employees at Aristotle Capital Over Time

As of June 30, 2021



Aristotle Capital Diversity: Women Employees Breakdown at Aristotle Capital Over Time

As of June 30, 2021



*Includes all employees with title of Vice President and above



SECTION III: ANNUAL REVIEW (JULY 2020-JULY 2021)

June 2020 DEI Initial Employee Survey Themes:

- More opportunities and outlets to speak up authentically
- More education regarding DEI issues firm-wide
- Ensuring a clear and transparent process around career advancement and promotion
- Increasing diversity in recruiting
- More direct and frequent communication from leadership on DEI issues



DEI Council Aspirations:

- Promote a diverse, equitable, and inclusive culture through policy recommendations
- Value and actively seek out different viewpoints/experiences; encourage employees to show up as their authentic selves and focus energy on doing their best work
- Adhere to merit-based and transparent hiring, compensation and promotion
- Provide equitable opportunities regardless of race, gender, age, nationality, religion, socioeconomic background, sexual orientation, family dynamics, dis(abilities), etc.
- Improve employee DEI morale and nurture a feeling of belonging
- Educate constituents on the topics of DEI, serve as a conduit for communication, and examine progress and hold the firm accountable for DEI policies
- Create safe spaces for employees to learn, discuss and take action to lift each other up and alleviate social and racial injustice and inequality in our workplace and communities



SECTION III: ANNUAL REVIEW (JULY 2020-JULY 2021) *(continued)*

DEI Council Member Goals:

Educate the firm about DEI:

- Offer diversity training for the Board and management/employees
- Bring in expert speakers
- Publish a quarterly newsletter

Augment recruiting and interview policies/procedures to be more inclusive/create a path for diverse candidates:

- Ensure a candidate is interviewed by at least one similar person (i.e., if a woman interviews for a role she should be interviewed by at least one woman)
- Audit/benchmark HR processes to ensure they are inclusive (benefit offerings; diversity goal for recruiting)
- Encourage broad internal and external job posting

Enhance DEI environment for current employees:

- Acknowledge and honor multiple religious and cultural practices by giving “flexible holidays”
- Establish inclusive and equitable workspaces and trainings (remotely and in-house)
- Formalize an (optional) mentor-mentee program
- Create Employee Resource Groups (ERGs)
- Identify regular activities people can engage in at work to create shared interest and identity

Promote volunteering programs:

- Firm-wide volunteering day focusing on education for underserved school-aged children
- Partner with high schools and colleges focusing on underserved groups and financial literacy

Provide employee communication and support around current events:

- Town Hall to discuss ambitions regarding DEI at Aristotle
- Acknowledge racial current events to employees with compassion and empathy
- Reassure employees that the DEI group is an available resource for support, and that every voice is welcome, heard and respected; managers’ have “open door” policies



SECTION III: ANNUAL REVIEW (JULY 2020-JULY 2021) *(continued)*

DEI Milestones



Q3 2020

DEI Council Inception
(July 2020)



Q4 2020

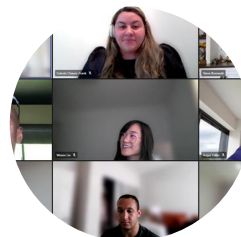
DEI Council Update:
Structure, Mission and
Initiatives



Virtual Backpack Drive With
School on Wheels



Understanding Diversity,
Equity and Inclusion With
Dr. Tana M. Sessions



Q1 2021

Four-Part Education Series
Fireside Chat With Ramsay
Jay, Jr.

Asian American and Pacific
Islander (AAPI) Message of
Support Newsletter

Q2 2021

A Virtual Meeting With the
Women of Aristotle
100 Women in Finance
(100WF) Sponsored
Membership
for Employees

Aristotle Diversity *Frequently
Asked Questions* Publication
for External One-on-One
Distribution

DEI Open House Event



SECTION III: ANNUAL REVIEW (JULY 2020-JULY 2021) *(continued)*

Aristotle DEI Activity Record

DATE	ACTIVITY	DESCRIPTION	CATEGORY
7/15/2020	DEI Program Kick-Off Meeting	DEI Council Inception	Inception
9/10/2020	DEI Council Initial Newsletter	Aristotle DEI Council and Gala Opportunity	Newsletter
9/16/2020	Toigo Gala	Toigo Uncharted Gala	Sponsored Event
10/8/2020	Town Hall	DEI Council Introduction	Speaking Engagement
11/24/2020	2020 Initiatives DEI Council Newsletter	DEI Council Update: Structure, Mission and Initiatives	Newsletter
11/24/2020	Financial Literacy Volunteers Survey	Operation Hope Volunteer Survey	Survey
12/2/2020	Giving Tuesday	Virtual Backpack Drive	Charitable Fundraiser
12/10/2020	DEI 101 Webinar	Understanding Diversity, Equity and Inclusion with Dr. Tana M. Sessions	Hosted Event
12/29/2020	DEI 101 Webinar Survey	Understanding Diversity, Equity and Inclusion-Feedback Survey	Survey
1/18/2021	MLK Newsletter	MLK Education Newsletter	Newsletter
2/12/2021	Lunar New Year Appreciation	Lunar New Year Salutation Banner	Newsletter
2/1/2021	Black History Month (BHM)	4-Part Education Series	Newsletter
2/25/2021	BHM Webinar	Fireside Chat with Ramsay Jay, Jr.	Hosted Event
2/25/2021	BHM Survey	BHM Education Series and Webinar Feedback Survey	Survey
3/8/2021	International Women's Day Appreciation	Women of Aristotle Acknowledgment Collage	Newsletter
3/18/2021	Women's History Month Webinar	A Virtual Meeting With the Women of Aristotle	Hosted Event
3/19/2021	Women's History Month Webinar Survey	Women's History Month Webinar Feedback Survey	Survey
3/26/2021	AAPL Support Newsletter	Message of Support Newsletter	Newsletter



SECTION III: ANNUAL REVIEW (JULY 2020-JULY 2021) *(continued)*

DATE	ACTIVITY	DESCRIPTION	CATEGORY
4/1/2021	DEI Employee Survey	April is "Celebrate Diversity" Month	Survey
4/1/2021	Sponsored Membership	100WF Sponsored Membership for Employees	Membership
4/22/2021	Sponsored Membership	100WF Introductory Session for Aristotle	Speaking Engagement
5/3/2021	AAPJ Heritage Month	Celebrating AAPJ Heritage Month	Newsletter
5/18/2021	Aristotle Diversity FAQ	Aristotle Diversity FAQ Publication for External One-on-One Distribution	Publication
6/4/2021	DEI Monthly Newsletter- June	Announcing DEI Open House and Recognizing June Events (Pride and Juneteenth)	Newsletter
6/9/2021	Toigo Gala	Intent Inclusion Impact: Toigo Annual Gala	Sponsored Event
6/11/2021	Women in Institutional Investments Network (WIIN) Annual Luncheon	WIIN Annual Luncheon	Sponsored Event
6/16/2021	DEI Open House	DEI Open House Event	Hosted Event
6/18/2021	Internship Program Discussion	2022 Internship Program Planning Discussion	Collaborative Meeting
6/25/2021	DEI Open House Actionable Items Discussion	DEI/HR Partnership Discussion	Collaborative Meeting









SECTION IV: PARTNERSHIPS

Aristotle Partnerships

In addition to the affiliations highlighted below, Aristotle's DEI Council is evaluating partnership with organizations that provide financial literacy to youth of various ages in underrepresented communities across the nation.

 <p>100 Women in Finance</p>	<p>Aristotle sponsors employee membership for 100 Women in Finance (100WF). 100WF is an organization committed to empowering women working in the finance industry to achieve their professional potential at each career stage. Through its pillars of Education, Peer Engagement and Impact, 100WF aims to further the progress of women who have chosen finance as a career and enable their positive influence over pre-career young women.</p>
 <p> school on wheels inc. Tutoring Homeless Children Since 1993</p> <p>TOIGO  Bringing Diversity to Life</p>	<p>Aristotle supports organizations such as the Toigo Foundation and School on Wheels which are organizations focused on mentorship, ongoing development and education for individuals in underserved and underrepresented communities.</p>





SECTION V: REFLECTION

During the DEI Council's inaugural year, we learned what practices and policies were more effective than others and also become aware of certain eye-opening DEI statistics. As a result, we have identified actionable items that we will focus on in the year ahead to promote DEI growth across the firm. We share them here to uphold our promise of being more fully communicative and transparent all around.



The importance of consistency. The DEI Council has learned that ongoing communication is critical to inclusion. As such, we plan to provide regular updates on the status of all current and future initiatives via a quarterly newsletter available to all Aristotle employees.

Wider collaboration and coordination. DEI requires teamwork and organization. We learned that the DEI Council needs more employee involvement in the form of broader feedback and volunteers to lead various planned DEI initiatives for more consistent DEI firm-wide growth. The more employee participation, the more meaningful and effective DEI activities become.

Recruiting. Development. Retention. DEI is proving to be more important to employees than ever before. Research shows that candidates are making decisions about job opportunities based on company reputations and management of diversity issues.² Additionally, employee feedback from DEI Council-hosted events has indicated that a large portion of Aristotle employees want to be involved with DEI efforts, especially efforts related to DEI event participation, peer-to-peer mentorship, DEI education and community outreach.

CareerBuilder estimates that unconscious bias-related turnover costs \$22,000 per employee, on average. Costs are much higher for employees earning over \$100,000 per year. However, the cost of unconscious bias training averages just \$1,200 per employee.³ Based on this data, it may be beneficial for the firm to consider unconscious bias or sensitivity training for all employees on at least an optional basis. This would support recruitment, development and retention efforts.

² Source: LinkedIn Learning – Diversity, Inclusion and Belonging for All

³ CareerBuilder



“Good moral character is not something that we can achieve on our own. We need a culture that supports the conditions under which self-love and friendship flourish.”

- Aristotle



SECTION VI: ARISTOTLE VALUES

The name Aristotle (Greek name Aristotélēs) means “the best purpose,” which is derived from the words *aristos* (best) and *telos* (purpose). To us, “best purpose” means that our purpose is to achieve excellence and to do so for our clients, our employees, our community and our shareholders. A more diverse, equal and inclusive culture at Aristotle is an essential driving force that further builds upon this excellence.

Our Values



1. We place our clients' interests first

Our first and primary responsibility is to our clients. This is the foundation for our success.



2. We act with integrity

We hold ourselves to the highest moral and ethical standards. We are steadfast in our commitment to integrity.



3. We achieve excellence through accountability and collaboration

We strive for excellence in our daily activities and aim to provide our clients a superior experience. We hold ourselves accountable for our mistakes and learn from them. We collaborate with the common goal of meeting our clients' needs and achieving our company's purpose.



4. We empower our employees

Our employees are our most important asset. We will reward superior customer service, problem solving and implementation of improved processes that strengthen the organization. We welcome innovation and continuous improvement.



5. We are respectful

We encourage a culture of mutual respect, where we value diversity, strive for inclusion and spur intellectual growth.



6. We value community

We strive to make a meaningful difference in our communities as an active participant both locally and internationally.



SECTION VII: LOOKING AHEAD

Clients

- Data Transparency Via Client Questionnaires
- Diversity FAQ Publication
- ADA Compliance Upgrades

Firm

- DEI Consultant v Full-Time DEI Representative Evaluation
- DEI Anonymous Message Board
- DEI Education- Sensitivity Training
- DEI Recruiting and Retention Policy Recommendations

Community

- 2022 Internship Program
- Quarterly Donation Day
- Charitable Donation Match Program
- Semi-Annual Volunteer Day
- Giving Tuesday
- Junior Achievement

Employees

- Martin Luther King, Jr. Day (Jan)
- Black History Month (Feb)
- Women's History Month (Mar)
- Asia Pacific American Heritage Month (Apr)
- Pride Month (Jun)
- Juneteenth (Jun)
- Hispanic Heritage Month (Sept/Oct)
- National Disability Employment Awareness Month (Oct)
- Veteran's Day (Nov)
- Ad Hoc Event Acknowledgments per Employee Feedback
- 2022 Peer-to-Peer Mentorship Program





THANK YOU

The past year and a half has been one of the most eventful and uncertain periods in recent memory. Throughout, our aspiration to create a more diverse and inclusive organization has been unwavering. We would like to express our gratitude to all Aristotle employees for their participation, feedback and open-mindedness as we make ongoing strides in this critically important endeavor. We look forward to continuing to grow together as a family in the months and years ahead.



Appendix

EEOC Job Classifications mapped to Aristotle Organization:

- **“Executive/Senior Level Officials and Managers”** = Board of Managers and Executive Committee
 - **“First/Mid-Level Officials and Managers”** = Anyone else with at least one direct report and/or Portfolio Management responsibilities
 - **“Sales Workers”** = Non-manager members of the Institutional and Advisory teams
 - **“Administrative Support Workers”** = Administration team and Justin Lim (does administration of meetings for Aristotle Capital research)
 - **“Professionals”** = Everyone else not covered above
-

Race and Ethnicity Categories:

Race and ethnicity categories: Data referenced in this report reflect numbers reported to the US Equal Employment Opportunity Commission, a snapshot in time of our US demographics based on these categories:

- **Black or African American:** A person having origins in any of the Black racial groups of Africa.
- **Asian:** A person having origins in any of the original peoples of East Asia (China, Hong Kong, Japan, Macau, Mongolia, North Korea, South Korea, and Taiwan), South Asia (Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, or Sri Lanka) and Southeast Asia (Burma, Brunei, Cambodia, East Timor, Indonesia, Laos, Malaysia, Singapore, Thailand, and Vietnam).
- **Hispanic or Latinx:** A person of Cuban, Mexican, Puerto Rican, Central or South American, or other Spanish culture or origin, regardless of race.
- **Native Hawaiian or other Pacific Islander:** A person having origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands.
- **White:** A person having origins in any of the original peoples of Europe, the Middle East, or North Africa.
- **Two or More Races:** A person who identifies as Two or More Races, Not Hispanic or Latino.

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