

2021 Annual Letter

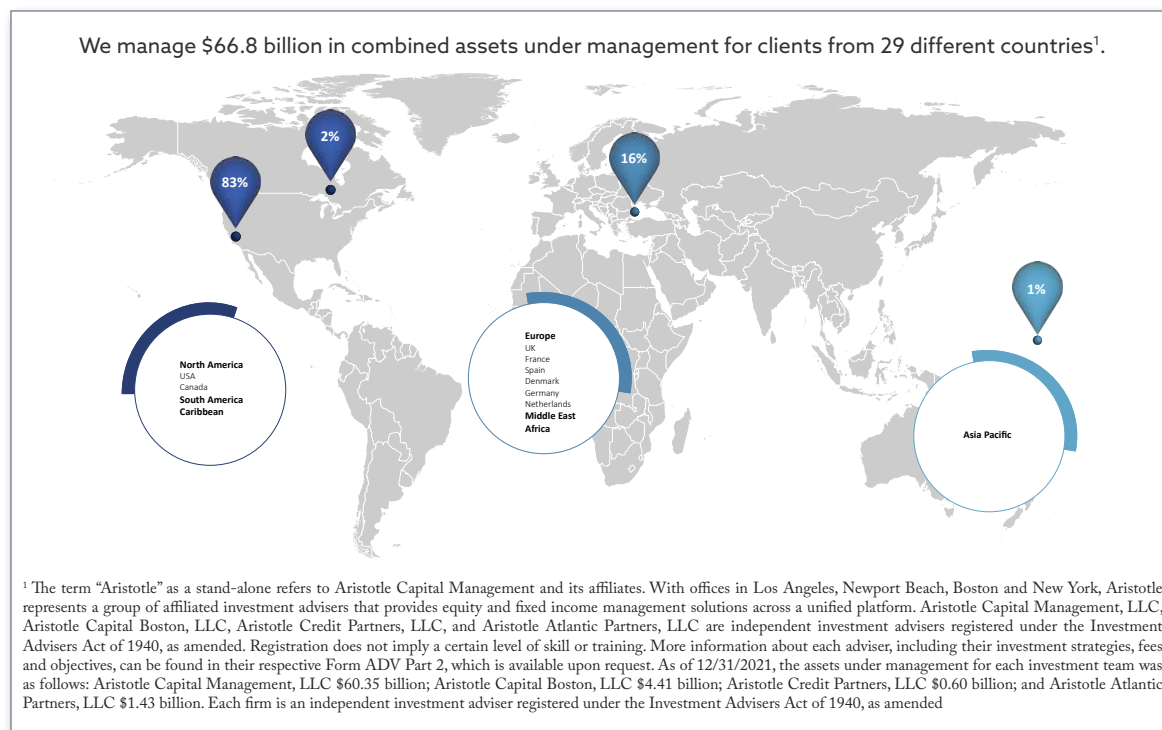
A Look Back on 2021 and a Window Into Aristotle

Rather than reflect on markets and the performance of our investment strategies (for those interested, please see www.aristotlecap.com for our publications on these matters), this year we would like to share insights on key initiatives within Aristotle¹. We hope you come away with refreshed insight into our organization and values.

As we look back on 2021, adapting continued to be top of mind for people around the world and also here at Aristotle. During the year, we prioritized workplace health and safety as our employees settled into a routine with remote/hybrid working environments. Additionally, with over 30 new members joining our firm throughout the year, we remained focused on building a culture of honesty, hard work and integrity. We continued to pursue our purpose of enabling our clients to achieve their individual missions. As a reminder, our six corporate values are shown below:

- We place our clients' interests first
- We act with integrity
- We seek to achieve excellence through accountability and collaboration
- We are respectful
- We empower our employees
- We value community

In this year's letter, we highlight key initiatives at our four affiliates and provide an update from the firm's Diversity, Equity and Inclusion Council and, as well as our Human Resources and Technology departments.



Aristotle Initiatives in 2021

Human Resources:

HR is a vital function at all corporations. Unlike a manufacturing firm, as an investment management firm we do not have many physical assets. Our most valuable assets are our people, and they walk in and out of our offices (in normal times!) every day. To that end, it is of utmost importance that we invest in attracting, developing and retaining our talented people.

2021 was a year of growth and development for Aristotle and our employees. In 2021, our overall employee headcount grew 16%. We believe the quality of all our new hires is exceptional. We streamlined the recruiting process and increased the scope of our job postings and outreach to ensure we continue to have a competitive and diverse candidate pool to enable us to exceed client expectations. Over the same period, we maintained 45% employees of color and increased our share of female employees from 33% to 34%.

As the marketplace continues to change rapidly, we have continued to invest in providing our employees with the resources they need to keep their skills competitive and fresh. Throughout the year, we:

- Rolled out performance management software so managers can more easily track goal progress and coach employees.
- Provided leadership development training for executive and mid-level managers.
- Introduced learning management software, internal cross-functional and sponsored external training opportunities to ensure employees have easy access to live and on-demand resources.

We are also proud to share that we did not experience any safety incidents, including COVID-19 outbreaks, in any Aristotle offices. We have established rigorous protocols to protect all Aristotle stakeholders without disrupting business operations or client experience.

Technology & Innovation:

As many of our employees continued working from home, Aristotle was proactive in deploying additional technology solutions to foster collaboration and ensure seamless communications between employees, as well as between our firm and our clients. To strengthen the sense of community during this time apart, Aristotle held regular virtual events and forums to replicate in-person interactions and ensure we integrated our new employees into our community.

We are thankful for all the work and time our employees have dedicated to our clients and prospects. We have exciting plans to continue to build upon our technology platform to ensure we continue to meet and support our clients' needs.

We are also very cognizant of the importance of cybersecurity and continue to focus on strengthening our cybersecurity program. We have a plan to continue conducting tests of our business continuity and disaster programs, as well as exercises of simulated events that could have an adverse effect on our business and employees. While predicting exactly what adverse events could take place is nearly impossible, we will continue training our employees to remain vigilant while we prepare by planning for a finite set of potential impacts.

Aristotle Recap by Affiliate



Aristotle Atlantic specializes in the management of long only, active U.S. large cap core, large cap growth and focus growth equity strategies. The firm launched the Aristotle Atlantic Sustainable Equity strategy in the fourth quarter of 2021, which seeks to identify companies benefiting from sustainable secular themes identified by the Investment Team. The strategy seeks to mitigate environmental, social and governance (ESG) risk through positive and negative equity screening, portfolio monitoring using company-disclosed data as well as third-party ESG data and controversy involvement, and excluding companies that derive revenue from certain controversial product categories.

Aristotle Boston specializes in managing small cap equity and small/mid cap equity strategies. The firm hired a **new Client Portfolio Manager** and created the Portfolio Specialist role to help facilitate conversations between clients/prospects and the Investment Team and also serve as a resource for internal teams.

Aristotle Capital specializes in managing global, international and U.S. equity portfolios for institutional and high net worth clients; think fundamental and long term. We believe the best way for an investment manager to consistently add value is to maintain a long-term perspective and focus on understanding a company's key attributes and value drivers. Through a global lens, we seek out what we believe to be high-quality companies whose current stock prices do not fully reflect our estimate of the intrinsic value of their enterprises and that possess company-specific catalysts that may propel them to meet their potential. These beliefs have guided our approach since our inception and will continue to guide us through the decades ahead.

Aristotle Credit specializes in managing fully integrated ESG corporate credit strategies, including High Yield Bond, Short Duration High Yield, Investment Grade Corporate Bond and Strategic Credit strategies. During the year, the firm hosted a webinar for clients and prospects titled *Demystifying ESG Credit Investing with Aristotle Credit Partners*. Aristotle Credit also saw strong inflows during the year, with assets under management eclipsing \$600 million.



Aristotle Atlantic Partners U.S. Equities

- Large Cap Growth
- Focus Growth
- Core Equity



Aristotle Capital Boston U.S. Equities

- Small Cap Equity
- Small/Mid Cap Equity



Aristotle Capital Management Global, International and U.S. Equities

- Global Equity
- International Equity
- Value Equity



Aristotle Credit Partners U.S. ESG Credit

- High Yield and Short Duration High Yield
- Investment Grade Corporate
- Strategic Credit

Signatory of:



Each of our affiliates are UN Principles for Responsible Investment (PRI) signatories.



Diversity, Equity & Inclusion

Over the year, Aristotle's Diversity, Equity and Inclusion (DEI) Council led various initiatives, such as organizing a diversity 101 webinar on unconscious bias, distributing a four-part education series on Black history, hosting a mentorship-focused panel featuring the women of Aristotle, and providing firmwide newsletters with DEI-related educational literature and resources.

The DEI Council's mission is to:

- Increase constituents' awareness on the topics of DEI.
- 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.

Aristotle supported organizations focused on serving underrepresented and impacted communities. The DEI Council also shared professional and volunteer opportunities with employees and is in the process of developing a Women in Finance Employee Resource Group based on employee demand. Additionally, the firm began sponsoring employee membership for the organization 100 Women in Finance (100WF). 100WF is committed to empowering women working in the finance industry to achieve their professional potential at each career stage. Through its three 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.

Giving Back

At Aristotle, our commitment to active participation in our communities has long been fundamental to our firm's core philosophy. Each holiday season, Aristotle makes a monetary donation to a charity determined by our employees. In years past, we have contributed to organizations such as School on Wheels, Chrysalis, the Disabled American Veterans, the Intrepid Fallen Heroes Fund and Direct Relief. This year on #GivingTuesday, Aristotle's DEI Council led the Red Cross donation fundraising event to support our communities impacted by the California wildfires and Hurricane Ida. We are pleased to share that we met our fundraising goal and had strong support from employees across the firm.

Additionally, throughout the year, Aristotle employees participated in a variety of additional philanthropic initiatives to raise money and awareness within their local communities.



Looking Ahead

We hope you enjoyed this year's letter. The different approach, we believe, highlights our people, our values and a few of our strategic initiatives—yet another example of our uniqueness. We look forward to offering more windows into the Aristotle organization in future letters.

We remain steadfast in our commitment to placing our clients' interests first and optimistic on what the future may bring. On behalf of the entire Aristotle family, we thank our clients for their support and continued confidence in us. We wish our clients a prosperous new year.

Sincerely,
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President



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