Aristotle Atlantic Partners, LLC
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ATLANTIC PARTNERS

Environmental, Social & Governance Policy

Aristotle Atlantic Partners, LLC

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ESG Policy Statement

Introduction

Aristotle Atlantic Partners, LLC ("Aristotle Atlantic") is a registered investment adviser specializing in large cap growth, focus growth and core equity strategies for institutional and individual clients around the world. We believe a foundation of successful investing can be attained by identifying companies that are poised to benefit from secular themes, product cycles or industry trends. As a result, by identifying these factors early on through fundamental, bottom-up research of companies, products and economic cycles, we believe consistent risk-adjusted returns can be achieved.

As part of our fundamental investment approach, we believe that integrating environmental, social and governance ("ESG") factors into our security selection process helps achieve our investment aims. Our ESG integration approach is both systematic—spanning our entire security selection process—and client-driven. Furthermore, we seek to advance awareness of the importance of ESG issues in our engagement with management and proxy voting practices.

Approach to ESG Integration

ESG issues are incorporated throughout our investment analysis and decision-making process when we believe they could have a material impact on a company's valuation and financial performance. To this end, Aristotle Atlantic integrates ESG into its investment decision-making process in two ways:

1. Incorporation of companies' ESG into our fundamental analysis

Aristotle Atlantic's investment process starts with idea generation, followed by in-depth fundamental analysis and finally sector review and risk monitoring, which is part of the continuous monitoring that occurs during portfolio construction. We look for companies that we believe are primed to benefit from secular themes, product cycles and cyclical trends. We then conduct extensive fundamental research, using multiple sources of information, on these identified companies. Lastly, we continuously monitor industry/sub-industry positioning and security selection.

Aristotle Atlantic integrates ESG into the in-depth fundamental analysis portion of the investment process. Doing so helps us identify companies where management may be making decisions that raise both operational and reputational risks. We perform this analysis by screening companies against a well-established research methodology that assesses securities against global norms on environmental protection, human rights, labor standards, and corruption. The principle and overarching framework behind this approach is the United Nations Global Compact, which looks to align company strategies and operations with universal principles.

Using these well-established standards laid out by global, multilateral entities helps ensure an objective framework through which to define and assess ESG. We leverage the expertise of a third-party ESG provider to help us identify company controversies that may constitute a violation of these norms. If such a violation is potentially found, it triggers a deeper analysis on the company, paving the way for escalation. Companies with red signals, i.e., with verified violations of international norms and standards on environmental and social issues, can be the subject of ongoing engagement until we deem such issues to be successfully addressed.

As mentioned, Aristotle Atlantic considers secular themes, product cycles and cyclical trends in an effort to identify alpha-generating companies for its portfolios. ESG also informs this step of our investment process. We recognize that ESG-friendly secular themes such as energy efficiency/clean energy and product and food safety can provide selective, attractive investment opportunities. We review all secular themes and cyclical trends quarterly, and while ESG is not the sole driver in identifying these opportunities, it is an input that helps determine a more or less favorable stance on an identified trend.

Regardless of potential cyclical trends, we will not likely invest in companies whose broader business objectives are deemed to have detrimental societal or environmental impacts that far exceed any potential investment opportunity those companies may present. For example, we will consider not investing in companies who are engaged in certain business activities, such as the production of tobacco or tobacco-related products.

2. Client-mandated investment restrictions

In partnering with our clients and to help them achieve their investment objectives, where applicable, we will follow and implement client-directed ESG-related beliefs and restrictions into those clients' investment portfolios. For example, we will partner with our clients who believe certain industry exposures to their investments may not only negatively impact their long-term financial goals, but also conflict with their societal beliefs in looking at companies' ethical values for which their business is involved. For those clients we can work to incorporate their personal values, a detailed values-based investment discussion will be part of the client advisory process.

Engagement

To further expand our impact in the market and to ensure that companies are aware of investor sensitivity around ESG issues, we engage directly with corporate issuers. We independently conduct meetings with company management in order to understand how companies are using their capital and conducting their business. During these meetings, we may engage directly with company management on a variety of issues, including ESG matters as identified through our research process, which can present a potential material risk to a company's financial performance.

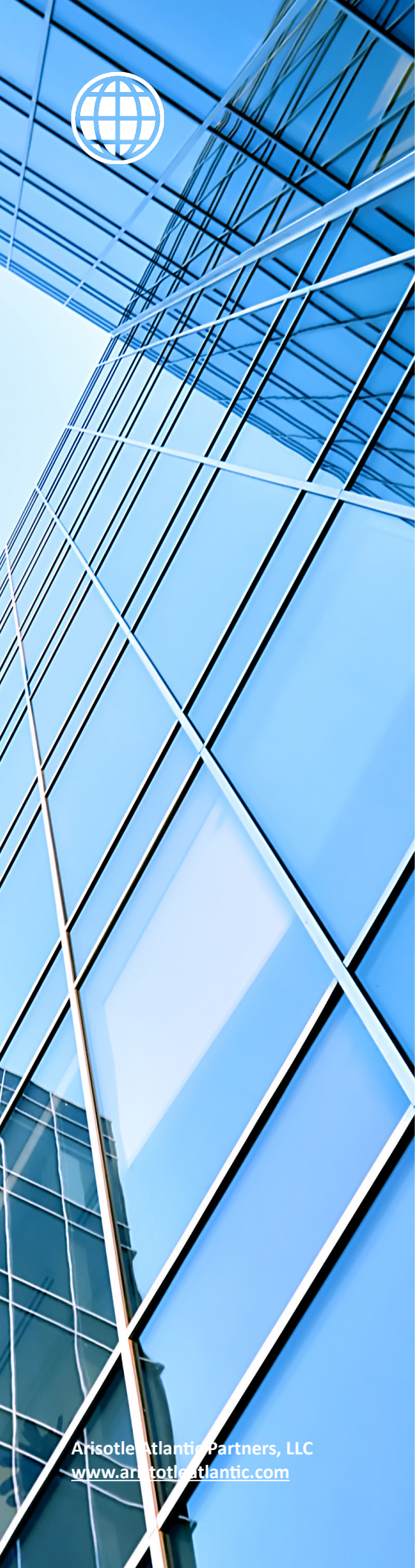
In addition to our direct engagement, we express our ESG concerns to issuers by participating with likeminded investors in pooled engagement. The pooled engagement focuses on companies that are assessed to be involved in alleged or verified severe, systematic or systemic failures to respect international norms for environmental protection, human rights, labor standards and anti-corruption.

We believe both strategies present us the opportunity to advance ESG issues to the corporate community and seek appropriate disclosure on ESG issues by the companies in which we invest.

Voting

Our policy is based on the view that, in our role as investment managers, we must vote proxies based on what we believe will maximize shareholder value as a long-term investor, and the votes we cast on behalf of our clients are intended to accomplish that objective. Consistent with our investment approach, and in line with our fiduciary duties, we seek to leverage our proxy voting rights, where applicable, in promoting relevant ESG factors that may play a role in the long-term growth and economic interest of our clients' capital.

As proxy voting is integral to our investment process, we consider ESG issues when presented for shareholder vote and vote in what we believe to be in the best long-term economic interests of our clients. Supporting these matters, when determined to be in our clients' best interests, elevates our promotion of change to corporate policies and practices that may be misaligned with shareholder interests.



Conclusion

We recognize that an understanding of a company's ESG practices is a relevant input in identifying investment risks and opportunities. Consistent with our fiduciary responsibilities, we commit to incorporating ESG issues into the investment analysis and decision-making process to the best extent possible based on both client interest and investment objectives and practices. We also seek to raise visibility around the importance of ESG issues through our engagement and voting practices. In this fashion, we believe our integration of ESG is complete across the investment chain: from the selection of investments, to the monitoring and stewardship of the assets we hold on behalf of our clients.

Disclosures:

This policy is published by the investment management team at Aristotle Atlantic Partners, LLC (Aristotle Atlantic). The opinions expressed herein are those of Aristotle Atlantic and are subject to change without notice. This material is not financial advice or an offer to purchase or sell any product. Aristotle Atlantic reserves the right to modify its current investment strategies and techniques based on changing market dynamics or client needs.

Aristotle Atlantic Partners, LLC is an independent investment adviser registered under the Investment Advisers Act of 1940, as amended. Registration does not imply a certain level of skill or training. More information about Aristotle Atlantic, including our investment strategies, fees and objectives, can be found in our Form ADV Part 2, which is available upon request.

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