



ARISTOTLE

2022 Annual Letter

Aristotle in 2022

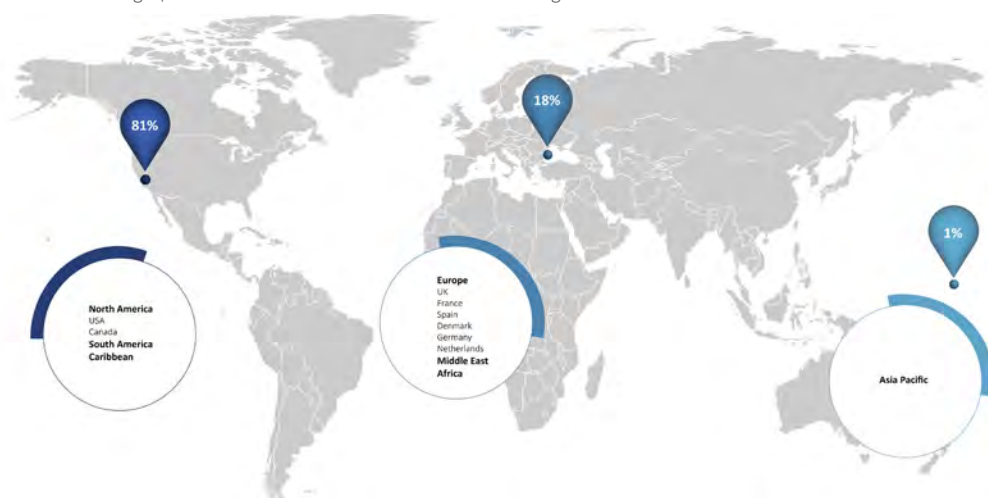
As we reflect on the year that just ended, we realize that we have much to celebrate and are excited to share our initiatives and the progress we have made to support our clients, people and communities. 2022 was a year of expansion, as we have continued to invest in our people, with 30 members joining us across our departments, affiliates and locations. As we bring on board new members, we are committed to inspiring them by sharing our purpose and reinforcing our corporate values, which include maintaining a culture of transparency and integrity with our clients' interests at the top of our minds.

In this letter, we highlight updates on our growing Aristotle family; department enhancements; Diversity, Equity and Inclusion Council initiatives; our [new podcast](#); and more.

Growing Aristotle Family and Expanding Our Capabilities

We are delighted to share the news that Aristotle Capital Management, LLC (Aristotle Capital) is acquiring Pacific Asset Management, LLC (PAM), Pacific Life's credit asset management firm, whose clients include Pacific Funds and which is based in Newport Beach, California. We believe this is an extraordinary opportunity to join forces with a group of people who share our firm's values and purpose. It will also allow us to further our strategic priority to both diversify and expand our investment capabilities to better serve our clients. Expected to close in the first half of 2023, this transaction will expand the Aristotle family by more than 50 professionals who specialize in fixed income. For more information, please read the official [press release](#).

We manage \$54.12 billion in combined assets under management for clients from 34 different countries¹.



¹ The term "Aristotle" as a stand-alone refers to Aristotle Capital Management and its affiliates. With offices in Los Angeles, Newport Beach, Boston and Sarasota, Aristotle represents a group of affiliated investment advisers that provides equity and fixed income management solutions across a unified platform. As of 12/31/2022, the assets under management for each investment team was as follows: Aristotle Capital Management, LLC \$48.64 billion; Aristotle Capital Boston, LLC \$3.27 billion; Aristotle Credit Partners, LLC \$0.67 billion; and Aristotle Atlantic Partners, LLC \$1.52 billion. Each firm 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 each adviser, including their investment strategies, fees and objectives, can be found in their respective Form ADV Part 2, which is available upon request.

Aristotle Initiatives in 2022

Technology and Cybersecurity

Technology and cybersecurity continue to be a priority for our firm. In 2022, we brought in talented individuals to help us improve our internal capabilities and build out our cybersecurity and technology teams under the expert guidance of our Chief Technology Officer John Quan. John joined us from Western Asset Management Company in late 2021, bringing over 22 years of experience delivering technology solutions to investment management and other financial firms. Our 2022 initiatives included strengthening the incident response program, as well as advancing cybersecurity training, awareness and testing to remain vigilant around potential issues that could adversely impact our business. We also retained the best-in-class cybersecurity defense and response provider to ensure around-the-clock monitoring.

Risk Management

During the year, we also expanded our risk management team. Reporting to our Chief Risk Officer Nancy Scarlett, Carla Price joined as a Senior Director in risk management. Prior to joining Aristotle Capital, Carla was primarily responsible for sub-adviser, third-party service provider and vendor due diligence oversight, covering over 75 organizations within the financial services sector. We are excited to include her insight into our ability to continue servicing clients.

A few notable 2022 risk management initiatives and accomplishments at our firm include the completion of a SOC 1 Type 2 Independent Audit Report, execution of Operational Resiliency Table Top Exercises, and continued enhancement of our Third-Party Vendor Management Program and Technology. Aristotle understands that solid organizational infrastructure and oversight are equally important as our research and investment process.

Diversity, Equity and Inclusion (DEI)

Aristotle's DEI Council, which was established in 2020, has remained steadfast in its commitment to promoting a diverse and inclusive culture. We believe this is critical for attracting talent across the firm and helps us provide excellent service to our clients. Over the last year, the DEI Council focused on increasing employee engagement, diversity awareness and community outreach. We are pleased to report that the Council successfully organized a number of events, produced educational content, developed the firm's first Employee Resource Group (ERG), contributed to fundraising initiatives and donated its time toward community outreach programs.

The Council is proud of the broad firm participation in these initiatives over the past year and our dedication to ensuring that Aristotle is a workplace where every employee feels welcomed, respected, supported and valued.

Most recently, the DEI Council retained PIQue as a consultant to provide additional guidance to the Council, explore ways to improve measurable metrics to monitor progress toward goals, and continue to empower Aristotle employees to participate in DEI-related activities and events through the implementation of a formalized working group system.

Content Library

Throughout the year, we worked on finding new and creative ways to provide a window into the uniqueness of Aristotle. As such, we are excited to announce the launch of our new podcast The Power of Patience. You can access our latest episodes [here](#), in which we explore topics being discussed across our investment teams and organization. In addition, to take a deeper dive into our strategies, take a look at our new suite of [videos](#) where members of our organization share insights on meaningful topics that we believe impact our clients' portfolios.

Aristotle Recap by Affiliate

Affiliate Recap

Aristotle Atlantic specializes in managing U.S. large cap core, large cap growth and focus growth equity strategies. Having expanded our geographical footprint, we are excited to announce the opening of Aristotle Atlantic's new office in Sarasota, Florida. Check out the latest thought piece "[Cybersecurity](#)" to get more insights on why we believe cybersecurity is an increasingly important point of consideration in the current environment.

Aristotle Boston specializes in managing small cap equity and small/mid cap equity strategies. The team's quality focus and valuation discipline were rewarded during the 2022 market drawdown, as these strategies outperformed their respective benchmarks. Check out the latest thought piece "[Is a Value Tide Lifting All Boats?](#)" to learn more about the leadership change in small cap U.S. equity markets, with value outperforming growth for the first time in the last five years.

Aristotle Capital specializes in managing global, international and U.S. equity portfolios for institutional and high-net-worth clients with a fundamental and long-term approach. In early 2022, Miguel Giaconi joined Aristotle Capital as a Senior Global Research Analyst. Originally from Chile, Miguel worked with the creators of Aristotle Capital's investment philosophy and process at a prior firm and rejoined the team. To learn more about Aristotle Capital's investment philosophy and process, check out the latest thought piece "[In Search of Quality: More Than a Buzzword.](#)"

Aristotle Credit specializes in managing ESG integrated corporate credit strategies, including High Yield Bond, Short Duration High Yield, Investment Grade Corporate Bond and Strategic Credit. In 2022, we welcomed Joe Pattaphongse to the investment team as a Senior Global Research Analyst. As the acquisition of PAM develops in the new year, we expect Aristotle Credit to benefit from new resources and collaboration while strengthening its capabilities as part of the growing Aristotle family.



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.



Looking Ahead

We appreciate the confidence our clients have placed in us, and we continue to hold firm in our dedication to putting their interests first. We hope this letter was helpful in summarizing a year that, while difficult from a market volatility perspective, was exciting for us as we continue to think about the future. Though Aristotle will continue to evolve, our commitment to our clients will remain our top priority.

We are excited to see what the next year has in store, and we look forward to continue sharing our journey with you. Until then, on behalf of the entire Aristotle family, we wish you a successful year ahead.

Sincerely,
Steve Borowski
President



Aristotle
877.478.4722

Email us: communications@clientservice.aristotlecap.com

Los Angeles

11100 Santa Monica Blvd.,
Suite 1700
Los Angeles, CA 90025
T: 310.478.4005

Newport Beach

840 Newport Center Drive,
Suite 600
Newport Beach, CA 92660
T: 949.681.2100

Boston

One Federal Street,
36th Floor
Boston, MA 02110
T: 617.274.4300

Sarasota

50 Central Avenue,
Suite 750
Sarasota, FL 34236
T: 212.652.4150

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