CORE EQUITY

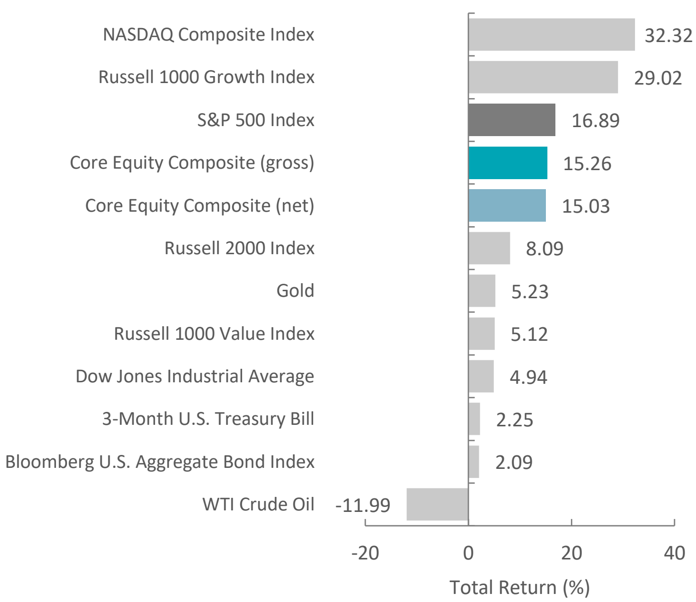
ARISTOTLE ATLANTIC PARTNERS

2Q 2023 Commentary

Markets Review

The U.S. equity market continued its rebound, as the S&P 500 Index rose 8.74% during the quarter. However, the market rally has been remarkably concentrated, with just 25% of stocks outperforming the S&P 500 in the first 6-months of 2023. This makes it the narrowest market breadth in history for the first half of a year.[1] Concurrently, the Bloomberg U.S. Aggregate Bond Index slightly declined, returning -0.84% for the quarter. In terms of style, the Russell 1000 Growth Index outperformed its value counterpart by 8.74%.

Year-to-Date Returns



Sources: SS&C Advent, Bloomberg

Past performance is not indicative of future results. Aristotle Atlantic Core Equity Composite 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. Net returns are presented net of actual investment advisory fees and after the deduction of all trading expenses. Aristotle Atlantic Composite returns are preliminary pending final account reconciliation. Please see important disclosures at the end of this document.

On a sector basis, nine out of eleven sectors within the S&P 500 Index finished higher for the quarter, with Information Technology, Consumer Discretionary and Communication Services posting the largest gains. The worst performers were Utilities, Energy and Consumer Staples.

Despite the positive trajectory of the market, economic data points were mixed. After expanding by 2.6% year-over-year in the fourth quarter of last year, growth in the U.S. slowed in the first quarter to 2.0% as private inventory investment and residential fixed investment declined. Nevertheless, personal consumption expenditures remained strong, increasing by 4.2% from last year. Meanwhile, inflation remained above its historical average of 3.8%, but the CPI continued to decline, as the figure fell from 4.9% to 4.0% for the 12-month periods ending in April and May, respectively. The moderation in prices was driven by a decline in the major energy component indexes. Lastly, the labor market remained tight, with unemployment at 3.7% in May.

In addition to economic data, lingering stress at regional banks, as well as political risk, came into focus during the period. Although significant efforts were previously made to provide stability to the U.S. banking system, the collapse of First Republic Bank, the largest banking failure since 2008, reignited concerns. However, the government quickly seized the bank and sold it to JPMorgan Chase, reassuring depositors. The government's action, combined with minimal increases in default rates, resilient asset performance and loan growth, and stable deposits at other regional banks, eased fears surrounding the industry. Subsequently, attention turned to the approaching deadline to raise the federal debt ceiling. Concerns of a potential U.S.

[1] *Source: Bank of America*

default mounted as the political parties refused to budge on concessions for a deal. After weeks of negotiations, an agreement was eventually reached to suspend the federal debt ceiling for two years while limiting the growth of federal discretionary spending during that same time span.

With the volatile and uncertain macroeconomic backdrop and continued pattern of disinflation, the Federal Reserve (Fed) held rates steady in June, marking the first pause after a ten-meeting hiking campaign that brought the benchmark rate to a range of 5.00% to 5.25%. The Federal Reserve Open Market Committee emphasized the need to account for the cumulative tightening of monetary policy and the lagging effects of monetary policy decisions, as well as other economic and financial developments, in order to determine whether additional policy firming would be needed to achieve the 2% goal for inflation.

On the corporate earnings front, S&P 500 companies reported a decline in earnings of 2.2%, the second straight quarter of a year-over-year decrease. However, results were better than initial expectations of a 6.7%[2] decline, as companies referenced successful cost cutting, improved operational efficiency and waning inflationary pressures. Overall, 78% of S&P 500 companies exceeded EPS estimates (above the five-year average of 77%), and the number of companies mentioning inflation on earnings calls declined by over 12%.

Performance and Attribution Summary

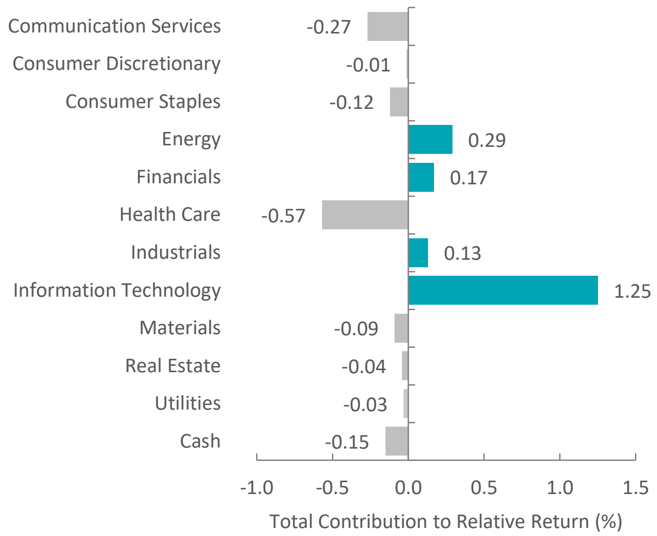
For the second quarter of 2023, Aristotle Atlantic's Core Equity Composite posted a total return of 9.29 % gross of fees (9.18% net of fees), outperforming the S&P 500 Index, which recorded a total return of 8.74%.

Performance (%)	2Q23	1 Year	3 Years	5 Years	7 Years	Since Inception*
Core Equity Composite (gross)	9.29	17.30	11.93	12.26	13.84	13.06
Core Equity Composite (net)	9.18	16.83	11.46	11.80	13.38	12.54
S&P 500 Index	8.74	19.59	14.60	12.30	13.38	12.41

**The Core Equity Composite has an inception date of August 1, 2013. Past performance is not indicative of future results. Aristotle Atlantic Core Equity Composite 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. Net returns are presented net of actual investment advisory fees and after the deduction of all trading expenses. Aristotle Atlantic Composite returns are preliminary pending final account reconciliation. Please see important disclosures at the end of this document.*

[2] *Source: FactSet earnings insight*

Total Contribution to Relative Return by Sector versus S&P 500 Index
Second Quarter 2023



Source: FactSet
Past performance is not indicative of future results. Attribution results are based on sector returns which are gross of investment advisory fees. Attribution is based on performance that is gross of investment advisory fees and includes the reinvestment of income. Please see important disclosures at the end of this document.

During the second quarter, the portfolio's outperformance relative to the S&P 500 Index was due to security selection and allocation effects. Security selection in Information Technology and Industrials, as well as an underweight in Energy, contributed the most to relative performance. Conversely, security selection in Health Care, Communication Services and Materials detracted from relative performance.

Contributors and Detractors for 2Q 2023

Relative Contributors	Relative Detractors
Broadcom	Adaptive Biotechnologies
Guardant Health	Catalent
NVIDIA	Estee Lauder
Chart Industries	Dollar General
Microsoft	Thermo Fisher Scientific

CONTRIBUTORS

Broadcom

Broadcom contributed to outperformance, as the company is seen as a key beneficiary of the investment in generative Artificial Intelligence (AI) and Large Language Models (LLM). The company's Application-Specific Integrated Circuit (ASIC) chips are being custom-built for customers to use in their data centers for accelerated computing. Broadcom's networking chipsets are also expected to see increased levels of demand, as customers increase investments to enable the high-speed data transfer required by advanced AI training and inference. The company also announced a new multi-year supplier relationship with Apple, the company's largest customer.

Guardant Health

Guardant shares ended the quarter strong, recovering to some extent from the previous weakness in the quarter, as the company reported accelerating clinical volume growth and raised earnings guidance. In addition, the company announced additional U.S. commercial insurance coverage for their Guardant 360 test in the U.S. and government reimbursement in Japan. Lasty, the company completed a successful secondary offering, raising approximately $250 million.

DETRACTORS

Adaptive Biotechnologies

Adaptive Biotechnology shares ended the quarter lower despite the company reporting a small revenue beat and accelerating clinical volumes. Clinical volumes rose 54% year-over-year in the quarter and grew 15% sequentially. The company is well-funded, and momentum is building in their minimal residual testing business. Additionally, the company's drug development partner, Genetech, reported Food and Drug Administration's (FDA) acceptance of an investigational new drug application on the collaboration's first T-cell receptor-based therapy. The weakness during the quarter was most likely attributable to increasing interest rates and the negative implication of higher rates for emerging growth companies.

Estee Lauder

Estee Lauder shares were weak during the second quarter, following an inline earnings report where Estee again pushed out the timing of a recovery in their travel retail business due to sluggish travel trends in China and an inventory overhand in that end market. Estee reduced fiscal 2023 earnings guidance again and pushed the timing of the recovery toward the end of this calendar year. Outside of travel retail, growth was solid in the Americas, Europe, APAC, Emerging Markets and China.

Recent Portfolio Activity

The table below shows all buys and sells completed during the quarter, followed by a brief rationale.

Buys	Sells
Synopsys	Catalent
Netflix	The Walt Disney Company

BUYS

Synopsys

Synopsys provides products and services used across the entire Silicon to Software™ spectrum to bring Smart Everything to life. From engineers creating advanced semiconductors to product teams developing advanced electronic systems to software developers seeking to ensure the security and quality of their code, its customers trust that its technologies will enable them to meet new requirements for low power as well as reliability, mobility and security.

We initiated a position in Synopsys, as we see the company to be a key beneficiary of the continued long-term growth in semiconductor systems for use in the automotive, mobile and communications infrastructure, data center, networking and AI end markets. The research and design requirements for these semiconductors continue to increase in complexity, and semiconductor companies will continue to leverage Synopsys' design tools to enhance efficiencies and reduce the time and cost of the design and manufacturing cycle.

Netflix

Netflix is one of the leaders in streaming entertainment services that offers a broad selection of movies, TV series, documentaries and original content across numerous genres to its 223 million paid subscribers in over 190 countries. The company was initially founded as a DVD-by-mail service but has evolved into the world's largest streaming-only platform and became one of the largest producers of original video content globally. Netflix offers a variety of subscription-only and ad-supported memberships, and its focus on original content and investment in technology to improve the user experience have enabled it to maintain a significant competitive advantage over streaming peers.

We initiated a position in Netflix and see new initiatives and further international expansion which can reaccelerate subscriber additions. The company recently introduced an advertising-supported membership plan that should enable it to augment revenue growth by tapping into the growing market for digital advertising while not cannibalizing its existing subscription-only plans. In addition, the company has recently implemented password-sharing restrictions, suggesting that the conversion of former password sharers to paying subscribers is tracking much better than expected. Netflix has led the transition from traditional linear TV to streaming and remains the dominant platform globally.

SELLS

Catalent

We sold our position in Catalent, following an unexpected pre-announcement of productivity issues and high costs at three of their largest production facilities. This announcement came less than a month after Catalent provided a positive update at a broker conference. In addition, the CFO was replaced concurrent with this warning. Our concerns were with the ongoing execution, as during the previous quarter the company attempted to assure investors that quality was their number one priority. These additional issues raised competitive concerns, as other scale contract drug manufacturing companies were executing better. While rumors were in the marketplace that Catalent could be an acquisition target, we believe these most recent issues would lead a potential suitor to be more cautious, and we do not believe the fundamentals of the story warrant continued investment in the company.

The Walt Disney Company

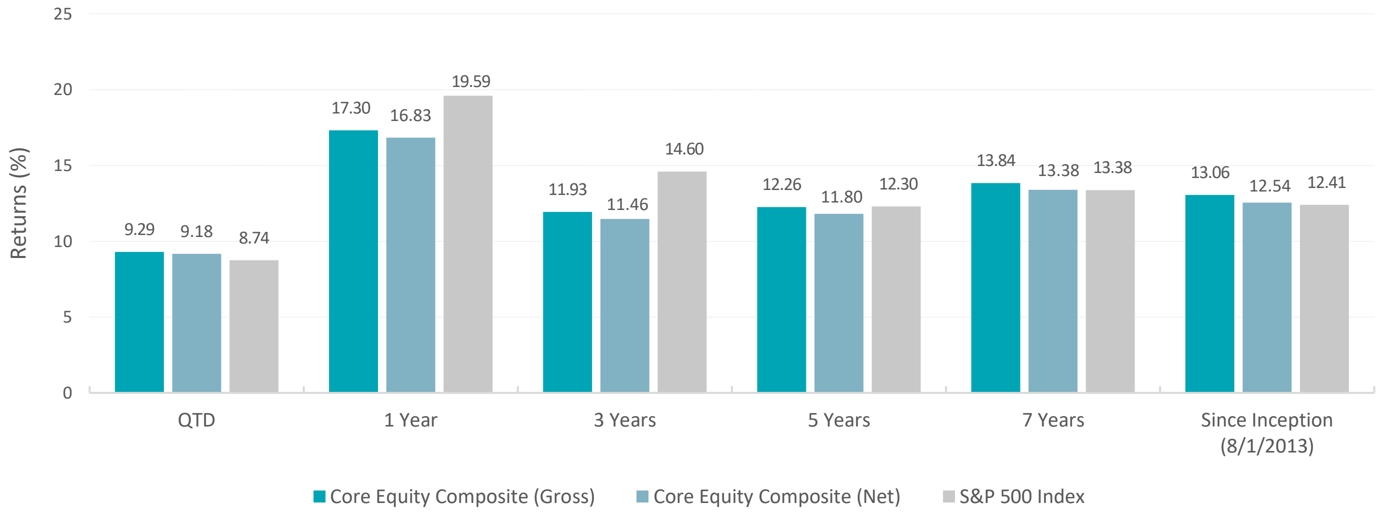
We sold our position in Disney, as the shift to streaming since the launch of Disney Plus nearly three years ago has been more challenging than expected. Overall company margins have declined, primarily driven by losses in the streaming segment, as Disney Plus strives to attract more subscribers. The focus on growth and profitability in streaming has come at the expense of reduced licensing revenues, as content shifts from the company's traditional linear networks to Disney Plus. Additionally, Disney is going through this challenging transition amidst upheaval in senior management.

Outlook

The equity markets in the second quarter were helped by a resilient economy that has been able to absorb an aggressive tightening cycle. There are segments of the economy, such as housing, that have bottomed out and started a recovery phase. This may complicate the Fed's task of bringing down inflation and necessitate further rate hikes. One area that continues to garner attention is the commercial office real estate market. Cash flows on many commercial real estate properties will be challenged due to occupancy rates well below historical levels and the re-financing of debt at much higher levels. This may put a spotlight back on regional banks where many of these loans are held. On a positive note, AI has entered a new phase of significant investment. This has resulted in a build-up of computing power at many of the large technology companies. The result has been an equity market posting positive returns year-to-date but in a very narrow area of AI beneficiaries. A broadening out-of-equity market returns will depend on averting a recession. On the geopolitical front, the war in Ukraine has become more unstable with the recent turmoil within the Russian military. With many challenges to the economy, there are opportunities, as consumers have shifted to spending on services and the government enacted laws to get funding into areas, such as infrastructure, semiconductors and clean energy. Our focus remains at the company level, with an emphasis on seeking to invest in companies with secular tailwinds or strong product-driven cycles.

Aristotle Core Equity Composite Performance

All Periods Ended June 30, 2023



Year	Core Equity Composite (Gross %)	Core Equity Composite (Net %)	S&P 500 Index (%)
2023 YTD	15.26	15.03	16.89
2022	-21.61	-21.94	-18.11
2021	25.07	24.55	28.71
2020	26.80	26.30	18.40
2019	35.85	35.30	31.49
2018	-4.96	-5.36	-4.38
2017	22.30	21.85	21.83
2016	10.51	9.97	11.96
2015	5.75	5.13	1.38
2014	12.30	11.61	13.69
8/1/13 – 12/31/13	13.81	13.51	10.68

Composite returns for all periods ended June 30, 2023 are preliminary pending final account reconciliation.

The Aristotle Core Equity Composite has an inception date of August 1, 2013 at a predecessor firm. During this time, Mr. Fitzpatrick had primary responsibility for managing the strategy. Performance starting November 1, 2016 was achieved at Aristotle Atlantic.

Past performance is not indicative of future results. Performance results for periods greater than one year have been annualized. 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. Net returns are presented net of actual investment advisory fees and after the deduction of all trading expenses.

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All investments carry a certain degree of risk, including the possible loss of principal. Investments are also subject to political, market, currency and regulatory risks or economic developments. International investments involve special risks that may in particular cause a loss in principal, including currency fluctuation, lower liquidity, different accounting methods and economic and political systems, and higher transaction costs. These risks typically are greater in emerging markets. Securities of small- and medium-sized companies tend to have a shorter history of operations, be more volatile and less liquid. Value stocks can perform differently from the market as a whole and other types of stocks.

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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 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. The Consumer Price Index (CPI) is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services. 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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