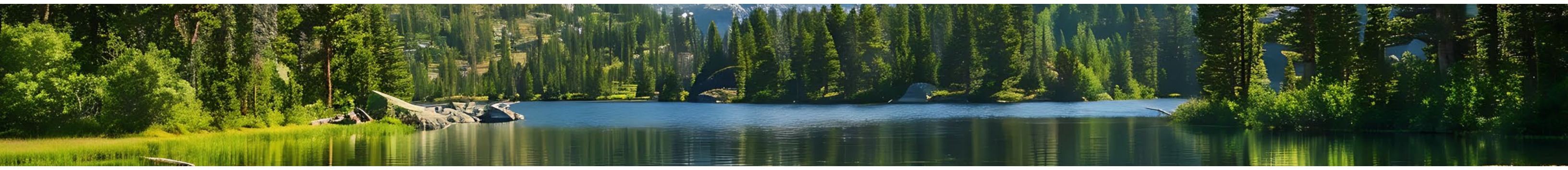
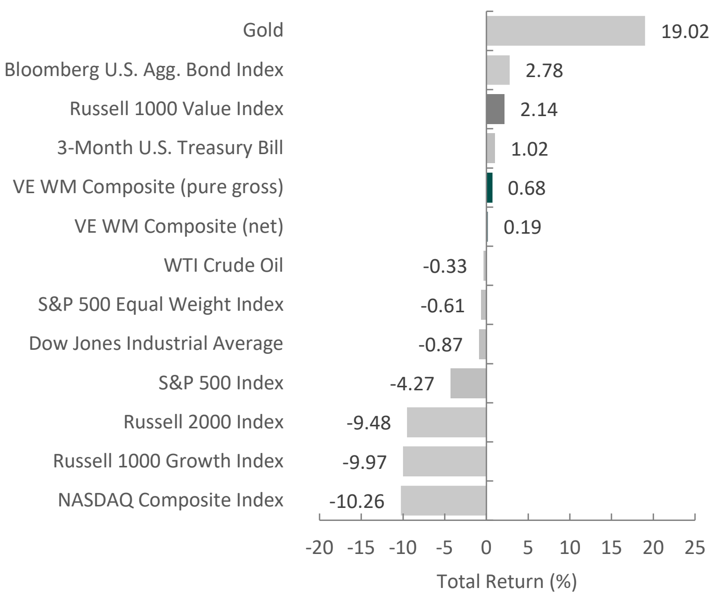
# VALUE EQUITY

ARISTOTLE CAPITAL MANAGEMENT



## 1Q 2025 Commentary – Wealth Management

### Year-to-Date Returns




*Sources: CAPS CompositeHub™, Bloomberg*
*Past performance is not indicative of future results. Aristotle Value Equity WM Composite returns are presented pure gross and net of the maximum wrap fee and include the reinvestment of all income. Pure gross returns do not reflect the deduction of any trading costs or other fees and are supplemental to the net returns. Net returns are calculated by subtracting the highest applicable wrap/SMA fee, which includes trading costs and custodial fees, from the pure gross composite return. (From inception to 12/31/2015, the highest applicable wrap/SMA fee is 3.00% on an annual basis, or 0.75% quarterly. From 1/1/2016 to 12/31/2023, the highest applicable wrap/SMA fee is 2.00% on an annual basis, or 0.50% quarterly and 0.17% monthly from 1/1/2024 to present.) Aristotle Capital Composite returns are preliminary pending final account reconciliation. Please see important disclosures at the end of this document.*

## Markets Review

The U.S. equity market began 2025 with a modest decline, with the S&P 500 Index falling 4.27% during the first quarter. In contrast, bonds provided a measure of stability, as the Bloomberg U.S. Aggregate Bond Index rose 2.78%.

From a style perspective, the Russell 1000 Value Index outperformed its growth counterpart by 12.11%. On a sector basis, eight out of the eleven sectors within the Russell 1000 Value Index posted positive returns. The best-performing sectors were Energy, Communication Services and Health Care, while Information Technology, Consumer Discretionary and Industrials were the worst.

U.S. economic data reported during the quarter presented a mixed picture. Real GDP growth slowed to an annualized rate of 2.4%, while inflation remained stable. The Consumer Price Index (CPI) rose 2.8% year-over-year in February, reflecting moderate inflationary pressures. Meanwhile, the labor market remained resilient, with the unemployment rate hovering around 4%. However, consumer strength showed signs of strain, as retail sales slowed from levels seen late last year, potentially impacted by adverse weather and broader macroeconomic uncertainty.

Trade policy was a major source of uncertainty during the quarter. President Trump announced a series of new tariffs on imports from Canada, Mexico and China, citing concerns over illegal immigration, drug trafficking and intellectual property theft. Targeted industries included autos, steel, aluminum and energy, particularly Venezuelan oil. While tariffs initially raised concerns, the administration's selective enforcement and flexible implementation approach helped ease market anxiety. In response to the evolving economic landscape, the Federal Reserve (Fed) maintained its target range for the federal funds rate at 4.25% to 4.50%. The central bank acknowledged potential inflationary pressures from tariffs and moderated expectations for economic growth in 2025.

Despite broader economic headwinds, corporate earnings remained strong. S&P 500 companies reported impressive 17.8% year-over-year earnings growth, the highest rate since 2021. However, tariff-related uncertainties loomed large, with more than 220 companies referencing tariffs in their earnings calls and nearly 15% issuing negative earnings guidance.

On the domestic front, a government shutdown was averted, as President Trump signed a six-month funding bill. Senate Democratic Leader Chuck Schumer supported the measure, believing that a shutdown would have allowed the Department of Government Efficiency (DOGE) to terminate government services at a faster rate.

Geopolitically, the U.S. continued its mediation efforts in the Middle East and Ukraine. While a temporary ceasefire agreement was reached between Israel and Hamas in January, tensions flared again in March over disputes regarding hostage releases in Gaza. In Ukraine, U.S. aid was briefly paused following a contentious White House meeting between presidents Trump and Zelensky. Financial and intelligence support resumed after Ukraine signaled it was open to a ceasefire and agreed to revisit terms of a potential mineral deal, aiming to offset the costs of U.S. assistance.

## Performance and Attribution Summary

For the first quarter of 2025, Aristotle Capital's Value Equity WM Composite posted a total return of 0.68% pure gross of fees (0.19% net of fees), underperforming the 2.14% return of the Russell 1000 Value Index and outperforming the -4.27% return of the S&P 500 Index. Please refer to the table for detailed performance.

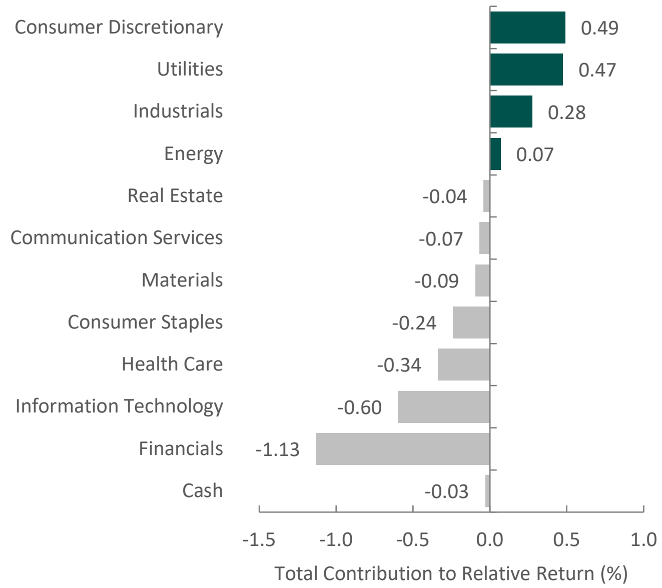
| Performance (%) | 1Q25 | 1 Year | 3 Years | 5 Years | 10 Years |
|---|---|---|---|---|---|
| Value Equity WM Composite (pure gross) | 0.68 | 1.01 | 5.97 | 16.33 | 11.07 |
| Value Equity WM Composite (net) | 0.19 | -0.97 | 3.85 | 14.02 | 8.86 |
| Russell 1000 Value Index | 2.14 | 7.18 | 6.64 | 16.15 | 8.79 |
| S&P 500 Index | -4.27 | 8.25 | 9.06 | 18.59 | 12.50 |

*Past performance is not indicative of future results. Aristotle Value Equity WM Composite returns are presented pure gross and net of the maximum wrap fee and include the reinvestment of all income. Pure gross returns do not reflect the deduction of any trading costs or other fees and are supplemental to the net returns. Net returns are calculated by subtracting the highest applicable wrap/SMA fee, which includes trading costs and custodial fees, from the pure gross composite return. (From inception to 12/31/2015, the highest applicable wrap/SMA fee is 3.00% on an annual basis, or 0.75% quarterly. From 1/1/2016 to 12/31/2023, the highest applicable wrap/SMA fee is 2.00% on an annual basis, or 0.50% quarterly and 0.17% monthly from 1/1/2024 to present.) Aristotle Capital Composite returns are preliminary pending final account reconciliation. Please see important disclosures at the end of this document.*

The portfolio's underperformance relative to the Russell 1000 Value Index in the first quarter can be attributed to both allocation effects and security selection. Security selection in Financials, an overweight in Information Technology and an underweight in Health Care detracted the most from relative performance. Conversely, security selection in Consumer Discretionary, Utilities and Energy contributed. (Relative weights are the result of bottom-up security selection.)

## Total Contribution to Relative Return by Sector Versus Russell 1000 Value Index

First Quarter 2025




*Source: FactSet*

*Past performance is not indicative of future results. Sector attribution shows how much of a portfolio's overall return is directly attributable to stock selection and asset allocation decisions within the portfolio, highlighting which sectors contributed or detracted to the total return. Attribution includes the reinvestment of income.*

## Contributors and Detractors for 1Q 2025

| Relative Contributors | Relative Detractors |
|---|---|
| Sony | Blackstone |
| Amgen | Microsoft |
| American International Group | Ameriprise Financial |
| American Water Works | Lennar |
| Mitsubishi UFJ Financial | Adobe |

***Adobe, the leading provider of content creation and publishing software, was a notable detractor during the quarter.*** This came despite the company reporting record revenue of over $5.7 billion in the first quarter—a 10% year-over-year increase, with double-digit increases across both its Digital Media and Digital Experience segments. The disconnect between strong fundamentals and share price weakness reflects ongoing market concerns around intensifying competitive threats from generative AI and lower-cost design platforms. Market sentiment has remained cautious around the perceived disruption risk posed by new AI-driven entrants, including OpenAI's Sora for video generation and platforms like Canva, which cater to the broader prosumer and small and medium-sized business segment. However, we continue to view these as largely non-overlapping with Adobe's core base of creative professionals, enterprises and agencies—audiences that demand precision, control and integration within larger workflows. Canva, while expanding its feature set, remains limited in its enterprise readiness and depth. Sora, meanwhile, remains early-stage and experimental, with limited commercial application at this point. Crucially, Adobe is not standing still. The company is actively embedding generative AI across its ecosystem through Firefly, which is commercially safe (i.e., free of copyrighted sources to train its models) and integrated natively into Creative Cloud applications like Photoshop and Illustrator. Firefly has shown strong early traction, generating $125 million in annualized recurring revenue, with management expecting that figure to double by year-end. While modest in size relative to Adobe's total revenue, Firefly's monetization strategy is still in its early innings, with further potential through upselling, usage-based pricing and expanded use cases. Beyond monetization, AI integration enhances Adobe's long-term competitive moat through product functionality, stronger customer engagement and increased switching costs. Adobe's unique access to proprietary data, content workflows and creative content allows it to fine-tune models that serve the high-end needs of professionals—capabilities that generic AI models lack. Strategic partnerships with Microsoft (e.g., Firefly in Microsoft 365 Copilot) and ongoing momentum in Adobe Express further extend its reach into new user segments. Ultimately, we believe Adobe has a durable competitive advantage, underpinned by a large installed base, subscription-led business model, strong brand equity and a long track record of innovation. While short-term concerns over AI disruption have weighed on the stock price, we believe Adobe is well-positioned to harness AI as a driver of value rather than being displaced by it.

***Sony, the global leader in video games, image sensors, music and movies, was the top contributor for the period.*** The company delivered strong quarterly results, driven primarily by its gaming and music businesses, and announced a new executive leadership structure. In gaming, Sony reported a record-high 129 million monthly active users, a 20% year-over-year increase in PlayStation Plus revenue and an expanding user base, as 40% of new PS5 console buyers were new to the platform. The Music segment also continued to benefit from global streaming tailwinds, delivering double-digit profit growth.

In a significant leadership transition, Sony announced that, effective April 1, 2025, Hiroki Totoki, currently COO and CFO, would succeed Kenichiro Yoshida as CEO. Our original investment in Sony was grounded in the strategic transformation led by Yoshida-san, where Totoki-san was an instrumental partner in driving Sony's pivot away from commoditized businesses while spearheading investments in content IP and semiconductors. Looking ahead, we continue to see opportunity for Sony to capitalize on its unique position as both a content creator and platform owner. The company's ability to integrate gaming, music, anime and film and leverage IP across platforms (e.g., Crunchyroll and its recent partnership with Kadokawa) should position it well for long-term value creation.

## Recent Portfolio Activity

During the quarter, we sold our positions in Honeywell, Michelin and Millrose Properties and invested in Air Products and Chemicals and Alphabet.

| Buys | Sells |
|---|---|
| Air Products and Chemicals | Honeywell |
| Alphabet | Michelin |
| | Millrose Properties |

We first invested in Honeywell, the multinational industrial conglomerate, in the third quarter of 2021. Throughout our ownership period, the company made meaningful progress in its transformation into a modern, innovation-driven enterprise, with a focus on energy efficiency, productivity and connectivity—commonly referred to as the Industrial Internet of Things (IIoT). Supported by a disciplined capital allocation strategy, Honeywell continued to reshape its product portfolio, emphasizing higher-margin, technology-enabled offerings, such as aerospace software and industrial automation—catalysts we had previously identified. As one of the last remaining diversified U.S. conglomerates, and following years of pressure from activist investors, Honeywell announced in February its decision to split into three independent, publicly listed companies: Honeywell Automation, Honeywell Aerospace and Advanced Materials. We believe this move has the potential to enhance operational focus and unlock shareholder value, in line with similar breakups by other large conglomerates. However, the process is expected to take time and is not anticipated to be completed until the second half of 2026. Given this long runway and the limited near-term visibility, we elected to exit our stake in Honeywell and will continue to monitor the business as further details emerge. We used the proceeds from the sale to fund what we believe is a more attractive investment in Alphabet.

Our team initially invested in Michelin, one of the world's largest tire manufacturers, in the first quarter of 2021. In our view, the company benefits from a strong competitive position driven by its global scale, brand strength and continued leadership in cutting-edge tire technology. We believe Michelin is well-positioned to enhance profitability through an ongoing shift in its product mix toward higher-margin specialty and large-diameter tires, along with improved SG&A efficiency supported by process optimization initiatives. While Michelin continues to meet all of our core investment criteria, we chose to exit our position in order to fund what we believe is a more compelling opportunity in Air Products and Chemicals.

We received shares of Millrose Properties after it was spun off from Lennar on February 7. Millrose is a new publicly traded company focused on land banking and development. As part of the spinoff, Lennar transferred $6 billion worth of land inventory to Millrose. We believe this spinoff will allow Lennar to be a more capital efficient homebuilder, as less land inventory should lead to stronger FREE cash flow generation and better returns on invested capital. As such, we decided to sell our shares of Millrose and continue with our investment in Lennar's core homebuilding operations, which we view as a more optimal investment.

### *Air Products and Chemicals, Inc.*

Founded in 1940 and with headquarters in Pennsylvania, Air Products and Chemicals is a leading global supplier of industrial gases, including oxygen, nitrogen, helium, hydrogen and others. These essential gases serve critical roles across a wide range of industries, such as refining, chemicals, metals, electronics, manufacturing, healthcare, and food manufacturing and packaging. Air Products is the leading global supplier of hydrogen, with a robust distribution network across North America.

Roughly 50% of the company's revenue is generated through onsite delivery. This method usually entails 15- to 20-year contracts where Air Products builds a facility at the customer's site or nearby (or delivers the gases through pipeline systems).

These long-term contracts tend to include pass-through and take-or-pay provisions, which provide stability and predictability of cash flows. The company's merchant gases (roughly 35% of revenue) are delivered in bulk by tanker in either liquid or gas form, usually under five-year contracts, providing a steady but more variable revenue stream. Smaller quantities can also be delivered to customers, usually packaged in cylinders. (This business represents less than 15% of revenue.)

Over the last several years, Air Products has pursued opportunities in clean hydrogen, including the construction of two megaprojects in Saudi Arabia (NEOM) and Louisiana. Unlike its traditional model, these projects were started without offtake agreements, a shift that raised concerns. Amid delays and rising costs, activist investor Mantle Ridge took a stake in the company, advocating for a more disciplined approach to capital allocation and succession planning. In response, Eduardo Menezes joined as CEO from Linde, where he led the company's EMEA operations. Mr. Menezes quickly refocused the company by divesting non-core assets and exiting three projects outside its industrial gases and hydrogen expertise. We view these changes positively, as they enhance strategic focus and align the company with its core strengths.

### *High-Quality Business*

Some of the quality characteristics we have identified for Air Products include:

- Attractive oligopoly industry with high barriers to entry and high switching costs;
- Global scale, network of production facilities and distribution infrastructure, as well as engineering expertise;
- Mission-critical products that represent a small fraction of a client's costs. As such, clients are willing to pay a premium and sign long-term contracts to ensure uninterrupted operations, leading to consistent FREE cash flow generation over time;
- Favorable business mix relative to peers. Higher proportion of onsite production, which can be more profitable and predictable than merchant and packaged gases; and
- History of steady shareholder returns as demonstrated by 43 years of consecutive dividend growth.

### *Attractive Valuation*

While *normalizing* cash earnings power is always a focus at Aristotle Capital, it is especially important when valuing a capital-intensive business like Air Products. The company is currently in a heavy investment period, with large projects underway. To arrive at an estimate of intrinsic value, in a *normal* environment, we believe capital expenditures will moderate to *just* 18% of sales. Moreover, we estimate a modest return of 12% on all projects fully contracted and under construction. Under these key assumptions and others, we purchased shares of Air Products at an attractive discount to our estimate of intrinsic value.

### *Compelling Catalysts*

- Refocused strategy and portfolio optimization. Recent divestitures of non-core businesses, including the sale of its LNG process technology, allow management to focus on industrial gases and clean hydrogen, reinforcing the company's core strengths;
- New and experienced leadership. New CEO Eduardo Menezes brings deep industry expertise from competitor Linde, where he led the EMEA practice and was responsible for operations in more than 40 countries. His leadership seeks to refocus the company on higher-return projects with clearer paths to operational success; and
- Megaprojects nearing completion. Completion of the green/blue hydrogen megaprojects (NEOM and Louisiana) should significantly enhance earnings and FREE cash flow generation in the years ahead amid increased demand driven by decarbonization polices in Europe and Asia (Japan and Korea).

## *Alphabet, Inc.*

Headquartered in Mountain View, California and founded by Larry Page and Sergey Brin, Alphabet is one of the world's most dominant and innovative technology companies. Best known as the parent company of Google, Alphabet generates most of its revenue from digital advertising, particularly search. Google currently holds an estimated 87% market share in U.S. search and nearly 90% globally, underpinning a highly profitable ad business that accounts for roughly 75% of Alphabet's total revenue.

While Google was founded in 1998 and became public in 2004, Alphabet was created in 2015 to provide greater transparency and operational independence across its varied business lines. Beyond its core, the company has increasingly diversified into accelerating products, including Google Cloud and YouTube's suite of subscription services (YouTube Premium, YouTube TV and YouTube Music). Today, Google Services (Search, YouTube, Chrome, Android and the Play Store) makes up ~87% of total revenue, while Google Cloud represents ~13%. Alphabet also invests in longer-term innovation through its Other Bets segment, which includes autonomous driving (Waymo), life sciences (Verily) and advanced AI research (DeepMind).

### *High-Quality Business*

Some of the quality characteristics we have identified for Alphabet include:

- Unrivaled scale in global search and digital advertising, protected by powerful network effects and vast proprietary data;
- An integrated ecosystem—across Search, YouTube, Android, Chrome and Gmail—that supports user retention and ad targeting efficiency;
- Category leadership in digital media, with YouTube generating over $45 billion in revenue in 2024 and expanding rapidly through ad-supported and subscription models;
- Emerging strength in cloud computing, with Google Cloud now profitable and scaling meaningfully; and
- A culture of innovation, supported by its Other Bets incubator, which allows Alphabet to invest in moonshot ideas while maintaining financial discipline.

### *Attractive Valuation*

We believe shares of Alphabet are significantly undervalued at less than 12x our estimate of *normalized* earnings. The company continues to scale high-margin businesses like Google Cloud and YouTube's subscription offerings while maintaining robust FREE cash flow generation from its dominant advertising segment.

### *Compelling Catalysts*

Catalysts we have identified for Alphabet, which we believe will cause its stock price to appreciate over our three- to five-year investment horizon, include:

- Sustained leadership in search and digital advertising, reinforced by Google's unmatched first-party data and adtech platform;
- Improving profitability, margin expansion and market share gains for Google Cloud as it effectively competes at scale with AWS and Microsoft Azure; and
- Continued growth in YouTube subscription revenues as YouTube TV—which is on track to become the largest U.S. pay-TV provider by 2026—captures share from traditional cable providers and premium, ad-free content attracts a broader audience.

*Potential Future Catalyst:* Alphabet's deep expertise and resources in AI, particularly through the Gemini model family (the company's flagship large language model), could enhance monetization across Ads, Search and Cloud. Though this is not explicitly included in our valuation estimates, we view the possibility as a "free option."

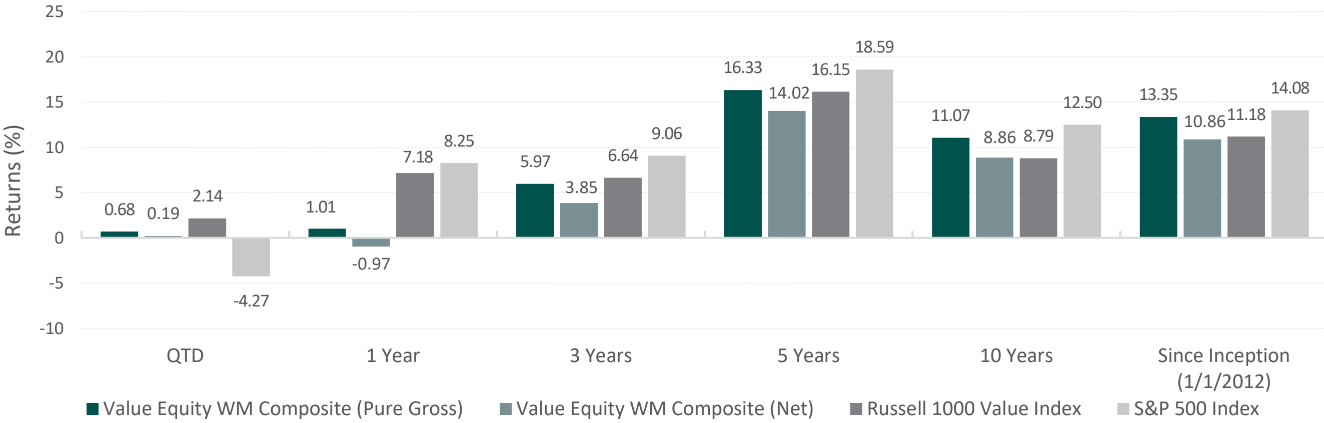
## Conclusion

As we progress through the early stages of 2025, the convergence of persistent macroeconomic forces with the renewed presence of trade conflicts has added to the uncertainty facing equity markets. While there certainly was no shortage of headlines during the quarter, we believe trying to time the market or to predict the impact of these developments is a futile task. Instead, our focus remains on evaluating whether these events are truly analyzable, materially differentiated and meaningful to long-term investors—or simply noise that fuels short-term speculation.

At Aristotle Capital, we do not aim to capture short-term gains by "trading" portfolios based on the news of the day. Rather, we remain committed to identifying companies we believe exhibit high-quality characteristics and the resilience to perform across full market cycles. In our experience, breaking news is often fleeting and not quite as impactful as many market participants believe it to be. On the contrary, during periods of economic uncertainty high-quality companies are oftentimes able to make decisions that result in market share gains, thus, potentially, increasing their longer-term intrinsic worth. As such, we will continue to study the microeconomic decisions of individual businesses rather than attempt to predict macroeconomic events or outcomes.

## Aristotle Value Equity WM Composite Performance

*All Periods Ended March 31, 2025*




Sources: CAPS CompositeHub™, Russell Investments, Standard & Poor's

| Year | Value Equity WM Composite (Pure Gross %) | Value Equity WM Composite (Net %) | Russell 1000 Value Index (%) | S&P 500 Index (%) |
|---|---|---|---|---|
| 2025 YTD | 0.68 | 0.19 | 2.14 | -4.27 |
| 2024 | 7.78 | 5.67 | 14.37 | 25.02 |
| 2023 | 20.16 | 17.83 | 11.46 | 26.29 |
| 2022 | -14.71 | -16.52 | -7.54 | -18.11 |
| 2021 | 26.17 | 23.69 | 25.16 | 28.71 |
| 2020 | 15.96 | 13.58 | 2.80 | 18.40 |
| 2019 | 32.59 | 30.14 | 26.54 | 31.49 |
| 2018 | -8.33 | -10.21 | -8.27 | -4.38 |
| 2017 | 22.25 | 19.84 | 13.66 | 21.83 |
| 2016 | 18.03 | 15.72 | 17.34 | 11.96 |
| 2015 | 3.81 | 1.71 | -3.83 | 1.38 |
| 2014 | 11.71 | 8.41 | 13.45 | 13.69 |
| 2013 | 30.99 | 27.18 | 32.53 | 32.39 |
| 2012 | 21.41 | 17.94 | 17.51 | 16.00 |

*Composite returns for all periods ended March 31, 2025 are preliminary pending final account reconciliation.*

*Past performance is not indicative of future results. The information provided should not be considered financial advice or a recommendation to purchase or sell any particular security or product. Performance results for periods greater than one year have been annualized.*

*The Aristotle Value Equity WM Composite has an inception date of 10/1/1979. As of 1/1/2024, the composite was renamed from the Value Equity Wrap Composite and the inception date was updated to 1/1/2012. This update was implemented to align the start date of the composite track record with the start date of the current decision maker. Performance achieved by the firm prior to that date is available upon request.*

*Composite returns are presented pure gross and net of the maximum wrap fee and include the reinvestment of all income. Pure gross returns do not reflect the deduction of any trading costs or other fees and are supplemental to the net returns. Net returns are calculated by subtracting the highest applicable wrap/SMA fee, which includes trading costs and custodial fees, from the pure gross composite return. (From inception to 12/31/2015, the highest applicable wrap/SMA fee is 3.00% on an annual basis, or 0.75% quarterly. From 1/1/2016 to 12/31/2023, the highest applicable wrap/SMA fee is 2.00% on an annual basis, or 0.50% quarterly and 0.17% monthly from 1/1/2024 to present.)*

**DISCLOSURES:**

The opinions expressed herein are those of Aristotle Capital Management, LLC (Aristotle Capital) and are subject to change without notice. Past performance is not a guarantee or indicator of future results. This material is not financial advice or an offer to purchase or sell any product. You should not assume that any of the securities transactions, sectors or holdings discussed in this report were or will be profitable, or that recommendations Aristotle Capital makes in the future will be profitable or equal the performance of the securities listed in this report. The portfolio characteristics shown relate to the Aristotle Value Equity strategy. Not every client's account will have these characteristics. Aristotle Capital reserves the right to modify its current investment strategies and techniques based on changing market dynamics or client needs. There is no assurance that any securities discussed herein will remain in an account's portfolio at the time you receive this report or that securities sold have not been repurchased. The securities discussed may not represent an account's entire portfolio and, in the aggregate, may represent only a small percentage of an account's portfolio holdings. The performance attribution presented is of a representative account from Aristotle Capital's Value Equity strategy. The representative account is a discretionary client account which was chosen to most closely reflect the investment style of the strategy. The criteria used for representative account selection is based on the account's period of time under management and its similarity of holdings in relation to the strategy. Recommendations made in the last 12 months are available upon request.

Composite returns are presented pure gross and net of the maximum wrap fee and include the reinvestment of all income. Pure gross returns do not reflect the deduction of any trading costs or other fees and are supplemental to the net returns. Net returns are calculated by subtracting the highest applicable wrap/SMA fee, which includes trading costs and custodial fees, from the pure gross composite return. (From inception to 12/31/2015, the highest applicable wrap/SMA fee is 3.00% on an annual basis, or 0.75% quarterly. From 1/1/2016 to 12/31/2023, the highest applicable wrap/SMA fee is 2.00% on an annual basis, or 0.50% quarterly and 0.17% monthly from 1/1/2024 to present.)

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.

The material is provided for informational and/or educational purposes only and is not intended to be and should not be construed as investment, legal or tax advice and/or a legal opinion. Investors should consult their financial and tax adviser before making investments. The opinions referenced are as of the date of publication, may be modified due to changes in the market or economic conditions, and may not necessarily come to pass. Information and data presented has been developed internally and/or obtained from sources believed to be reliable. Aristotle Capital does not guarantee the accuracy, adequacy or completeness of such information.

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 Index 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 S&P 500 Equal Weight Index is designed to be the size-neutral version of the S&P 500. It includes the same constituents as the cap-weighted S&P 500, but each company in the S&P 500 Equal Weight Index is allocated the same weight at each quarterly rebalance. 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. 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 indexes. 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 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. The volatility (beta) of the Composite may be greater or less than its respective benchmarks. It is not possible to invest directly in these indexes.

Aristotle Capital Management, LLC is an independent registered investment adviser under the Advisers Act of 1940, as amended. Registration does not imply a certain level of skill or training. More information about Aristotle Capital, including our investment strategies, fees and objectives, can be found in our ADV Part 2, which is available upon request. ACM-2504-65

ARISTOTLE
CAPITAL MANAGEMENT

**FOR MORE INFORMATION, PLEASE CONTACT**:
Phone: 310.478.4005 | Email: info@aristotlecap.com | Web: www aristotlecap.com