November 2019

Notes on Aristotle Capital Management, LLC's meetings during their second visit to Australia.

Plus Capital is proud to represent Aristotle Capital Management, LLC ("Aristotle Capital") in Australia. We hosted Aylon Ben-Shlomo, CFA, Principal and Client Portfolio Manager of their Global, U.S. and non-U.S. equity strategies, to a series of meetings in Sydney, Melbourne, Perth and Brisbane with institutional investors and their advisors. As always, these Notes are intended to be the "next best thing to being there."

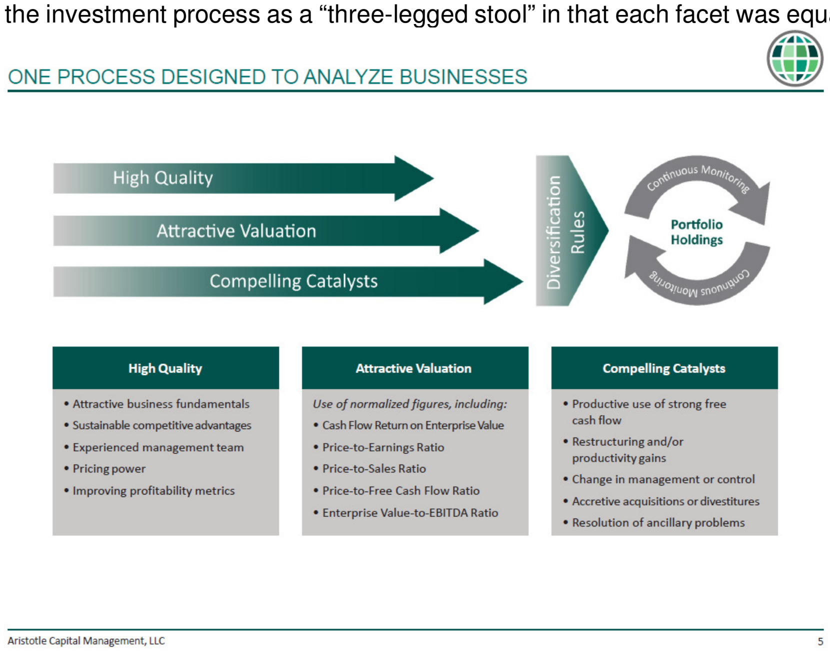
We introduced Aylon and Aristotle Capital by highlighting how we, and indeed all the investors and consultants we have presented to, believe that Aristotle Capital's process seeks to deliver something different to that which is currently available in the market.

We believe the "something different" is the consistency of the returns Aristotle Capital has been able to deliver and the lack of correlation of excess returns with the peer group and broader market indices - with the source of this difference traced back to their pragmatic approach and idea generation process.

Invariably the opening question would be where does this "difference" comes from? Aylon noted that many managers initially use quantitative or some other form of screening tool. By definition, this common approach often results in similarly positioned portfolios. By contrast, Aristotle Capital's philosophy is to first identify what they view to be high quality businesses. They then analyse these companies from a global perspective to understand if they represent value and invest with a long-term view by way of a focused, yet diversified portfolio.

Aylon stressed, by way of explaining the "something different", that Aristotle Capital is "not trading stocks," rather they are looking to find what they believe to be good companies and "invest as if they owned the entire business – for the long term." It is this mindset that reflects their ethos of *"private equity in public markets"* and that each purchase is made at a high-conviction, full weight position, which is rarely trimmed or added to.

He described the investment process as a "three-legged stool" in that each facet was equally important.



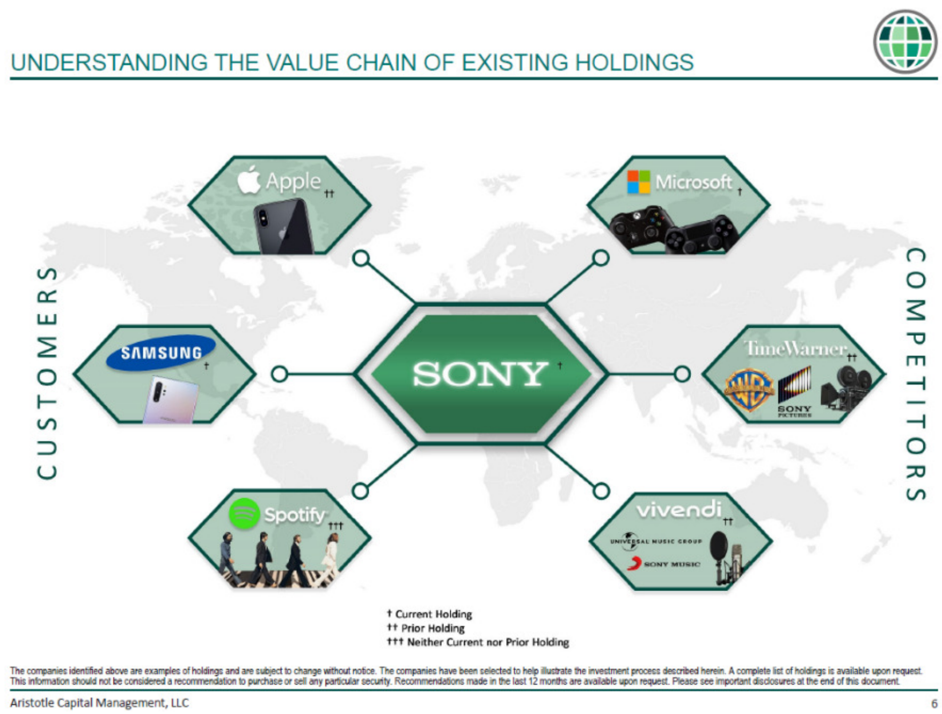
Pointing to the slide above, Aylon highlighted that "Valuation" was purposely in the middle and looked at after the "Quality" criteria was satisfied. He stressed that the starting point is to seek to understand the business; what they believe makes it unique and why it may be considered high quality. He

Plus Capital Management Pty Ltd
ABN 93 128 432 520
42A Darling Point Road
Darling Point NSW 2027
Australia
AFSL 322080
T + 61 (0) 400 388 455
T + 61 (0) 428 642 161
E info@pluscapital.com.au
W www.pluscapital.com.au

suggested that one aspect of a "quality" business was that they were in charge of their own destiny as opposed to being at risk of "the stroke of a pen."

The "Valuation" process considers not just the equity, but the entire enterprise: if it could be owned and operated for cash, what would the "cash flow return on economic value" be in a normal year, and does that imply an attractive valuation for the equity?

Importantly, "Catalysts" are defined by Aristotle Capital as being *"actions or events currently underway that management has control over."* Aylon stressed two important aspects of the definition "currently underway" as opposed to just "hoped for" and that "management has control." In this way the catalysts must be more than just tailwinds which might be helping a company – while nice to have, are not sufficient for investment. Catalysts are continuously monitored by Aristotle Capital to assess the impact on their estimate of a company's intrinsic value. It is the evolution of catalysts that Aristotle Capital believes will propel a company to meet its full potential within the next three to five years, closing the valuation discount they see.



In answering the question as to how Aristotle Capital finds potential investments, Aylon pointed to the slide above as an example of their idea generation process and why it is a key differentiator. Unlike many of their peers, Aristotle Capital's process does not begin with a screen in the hope that quantitative metrics might lead them to what they believe to be high-quality or undervalued companies. They find screens to be exclusionary, backward looking and can lead to "value traps." A byproduct of this differentiated approach is Aristotle Capital is often "fishing in different ponds."

Aristotle Capital's analysts spend the vast majority of their time studying their existing holdings. Aylon noted, "in doing so we learn more about not only our current investments, but also the companies in their respective value chains – competitors, customers and suppliers." Oftentimes this continuous understanding of existing holdings leads to other unique companies. This was the case for Sony as Aristotle Capital frequently "bumped into" Sony given the business' interests across music, movies, gaming, image sensors and other areas.
In another example, Aylon told how during one of the regular meetings with a U.S.-based farm equipment manufacturer they were invested in, the CEO was asked "what keeps you up at night?" The CEO's answer was that there was a competitor in Japan who was taking market share, particularly in smaller engine equipment. While already familiar with and following this competitor, the CEO's

comments got the team more interested in the company, leading them to do further due diligence and eventually resulted in an investment in the Japanese competitor.

In keeping with their ethos of *"private equity in public markets"* Aylon described why new positions were added at a "high conviction, full weight". (Full weight represents approximately 2% of the portfolio at time of purchase given there are typically about 50 companies in the Global Equity portfolio.)

He said that this goes to their core skill set and is at the heart of their investment philosophy – the research and understanding of businesses. To "come through" their process a company must be of what they believe is high Quality, its current price must represent Value and there must be Catalysts that can act to move the current price towards their estimate of intrinsic value. Should a company not meet all three ("Q-V-C") criteria, it will not be purchased. To the extent it meets their criteria they will buy the new company at a full weight – provided it represents a "more optimal" investment for the portfolio.

Clearly "more optimal" is subjective and encompasses numerous facets, with risk being one of them. At the company level risk is viewed as the permanent loss of capital and we believe Aristotle Capital has demonstrated its ability to mitigate this risk by remaining disciplined to the investment process.

This led to a discussion of the sale review process. One "trigger" for a potential sale review is if an investment underperforms a pre-specified peer group by 15%. The review of the company is switched to another analyst who is tasked with being a fresh set of eyes. As part of this process, the team asks themselves "would we make a new investment in this business today if we did not have one already?" If the answer is no, Aristotle Capital sells the entire position. Rarely does the team trim positions or "double down" and add to the position. Aylon reflected on a quote from one of his colleagues at Aristotle Capital that was relevant saying "selling your winners and adding to your losers is like cutting the flowers and watering the weeds." The philosophy results in Aristotle Capital's Global Equity strategy having a low turnover (less than 20% since inception).

Upon seeing the list of current holdings, the first impression we received from meeting attendees was "how different" the companies were relative to those of their incumbent managers.

UNCORRELATED EXCESS RETURN VS. PEER GROUP

As of June 30, 2019

Aristotle Global Equity has delivered an uncorrelated excess return stream against a respected peer group, which we believe reflects our differentiated approach to studying businesses.

Aristotle Capital Global Equity Correlation Matrix vs. Peers : Excess Returns – Using MSCI World Index (Net)

Firm	Strategy	3 Year	5 Year	Since Inception[1]
Artisan Partners Limited Partnership	Artisan Global Equity	0.43	0.12	0.11
Artisan Partners Limited Partnership	Artisan Global Opportunities	0.45	0.07	0.13
Artisan Partners Limited Partnership	Artisan Global Value	0.16	0.12	-0.03
Baillie Gifford & Co	Long Term Global Growth	0.36	0.10	0.13
Black Creek Investment Management Inc.	Black Creek Global Equity	0.51	0.29	0.15
DSM Capital Partners LLC	DSM Global Growth Equity	0.48	0.14	0.11
Epoch Investment Partners, Inc.	Epoch Global Equity Shareholder Yield	-0.12	-0.09	-0.13
Fiera Capital Corporation	Fiera Capital Global Equity	0.44	0.25	0.17
Generation Investment Management LLP	Global Equity	0.55	0.25	0.13
Harding Loevner LP	Global Equity	0.41	0.29	0.28
Harris Associates L.P.	Global	0.10	0.19	0.16
Hexavest Inc.	Hexavest Global Equity	-0.23	-0.04	-0.04
Longview Partners (Guernsey) Limited	Longview Partners - Equity Total Return	-0.05	-0.15	-0.11
Magellan Asset Management	Magellan Global Equity Strategy	0.02	-0.09	-0.10
MFS Investment Management	MFS Global Equity	0.25	0.21	0.14
Morgan Stanley Investment Management	Global Franchise	-0.04	-0.04	-0.06
Orbis Investments	Orbis Global Equity	0.00	0.18	0.12
Pzena Investment Management, LLC	Pzena Global Value	-0.04	0.02	0.01
Sands Capital Management, LLC	Global Growth	0.52	0.21	0.26
Walter Scott & Partners Limited	Global Strategy	0.33	0.23	0.25

Source: eVestment

[1]The Aristotle Global Equity Composite has an inception date of November 1, 2010. Returns are presented gross of investment advisory fees and include the reinvestment of all income. Performance is preliminary pending final account reconciliation. Gross returns will be reduced by fees and other expenses that may be incurred in the management of the account. For example, a 0.5% annual fee deducted quarterly (0.125%) from an account with a ten-year annualized growth rate of 5.0% will produce a net result of 4.4%. Actual performance results will vary from this example. The MSCI net indices are total return indices that reinvest dividends after the deduction of withholding taxes using a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties. Please see important disclosures at the end of this document.

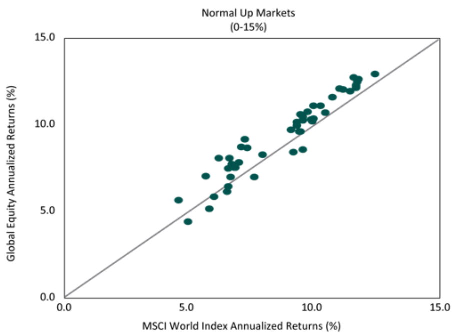
9

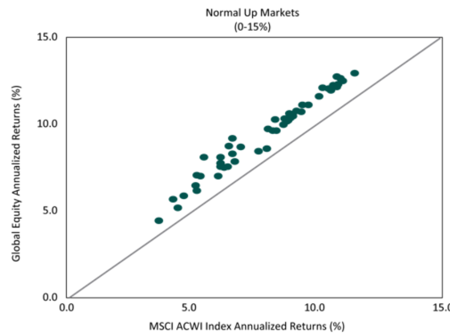
By way of demonstrating the upshot of these differences the chart above shows the (lack of) correlation of excess returns against a peer group selected by referencing the top 20 searched firms from eVestment.

Aylon quipped that it was one thing to be different, the key was "to be different *AND* correct." He discussed the chart below showing the consistency of their longer-term performance as measured during rolling five-year return periods during "Normal Up Markets" of 0%-15% for the MSCI World and MSCI ACWI Indices, with dots above the line representing relative outperformance.

A PROCESS OPTIMIZED FOR LONG-TERM INVESTORS

Rolling Five-Year Returns (Net of 50 bps fee) — November 1, 2010 – September 30, 2019





November 2010 - September 2019	Batting Average	%	Average Excess Return (%)	Minimum Excess Return (%)	Maximum Excess Return (%)
Outperformed MSCI World Index	40/48	83	0.6	-0.9	2.0
Outperformed MSCI ACWI Index	48/48	100	1.5	0.6	2.6

Source: eVestment
Rolling 5-year returns graph calculated using monthly data. Market environment returns reflect average annualized returns for rolling 5-year periods within each market environment category. Overall batting average reflects the percentage of rolling 5-year periods in which the Global Equity Composite outperformed the MSCI World Index and MSCI ACWI Index. The Aristotle Global Equity Composite has an inception date of November 1, 2010. Past performance is not indicative of future results. Performance results for periods greater than one year have been annualized. Performance is preliminary pending final account reconciliation. Returns are presented net of investment advisory fees and include the reinvestment of all income. Please see important disclosures at the end of this document.

Aristotle Capital Management, LLC

Plus Capital looks forward to hosting Aristotle Capital again in February 2020 where Greg Padilla, who is a Portfolio Manager, will accompany Aylon when they will be returning for a further series of meetings in Australia with institutional investors and their advisors.

Neil Wild
+61 400 388 455

Michael Dorph
+61 428 642 161

Disclosures: This information is for one-on-one use only and is prepared solely for the use of institutions and professional advisers with Plus Capital. It may not be redistributed without Aristotle Capital's consent.

The opinions expressed herein are those of Aristotle Capital and are subject to change without notice. This material is not financial advice or an offer to purchase or sell any product. Aristotle Capital reserves the right to modify its current investment strategies and techniques based on changing market dynamics or client needs. It should not be assumed that any of the securities transactions, holdings or sectors discussed were or will be profitable, or that the investment recommendations or decisions Aristotle Capital makes in the future will be profitable or equal the performance of the securities discussed herein.

Past performance is not indicative of future results. Returns are presented gross 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. For example, a 0.5% annual fee deducted quarterly (0.125%) from an account with a ten-year annualized growth rate of 5.0% will produce a net result of 4.4%. Actual performance results will vary from this example.

The "Uncorrelated Excess Return vs. Peer Group" chart is derived from looking at all of the managers in the eVestment database in each of the global equity universes we compete in (Global Large Cap Equity and Global All Cap Equity). The list is narrowed by screening for the managers who define themselves as "fundamental", as these are our closest peers in terms of investment style. The list is narrowed further by screening for managers who have a product that is currently open for investment. Lastly, we screen for managers who have a strategy track record that is at least equal to ours in length, as this is necessary for a performance comparison going back to our strategy's inception. Products available only as a Mutual Fund are excluded. This produces a narrowed list of managers who we believe are our competitors. The refined list of managers are ranked by the number of consultant reviews over the most recent trailing one year and the top ten in the Global Large Cap Equity and Global All Cap Equity universes are chosen for a total of twenty product comparisons, as these are the managers who are getting the most attention in the marketplace. Product reviews are defined as the number of times a user views a product profile in the eVestment database over a given time period. The list is subject to change based on which managers are getting the most product reviews during the prior 12-month period.

The MSCI World Index is a free float-adjusted market capitalization-weighted index that is designed to measure the equity market performance in 23 developed market countries. The MSCI World Index includes the following countries: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States. The MSCI ACWI Index is a free float-adjusted market capitalization-weighted index that is designed to measure the equity market performance of developed and emerging markets. The MSCI ACWI Index consists of 46 country indices comprising 23 developed markets, including Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States; and 23 emerging markets, including Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Peru, the Philippines, Poland, Russia, Qatar, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates. The volatility (beta) of the account may be greater or less than that of the benchmarks. It is not possible to invest directly in these indices.

Aristotle Capital Management, LLC (Aristotle Capital) 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 Capital, including our investment strategies, fees and objectives, can be found in our Form ADV Part 2, which is available upon request. ACM-1911-26.