

Ariel Investments, LLC
International Equity (DM/EM) Composite

For the periods from January 1, 2012 through December 31, 2012



**Vincent Performance
Services LLC**



Performance Examination Report

Ariel Investments, LLC
200 East Randolph Drive, Suite 2900
Chicago, IL 60601

We have verified whether Ariel Investments, LLC (the Firm) (1) complied with all the composite construction requirements of the Global Investment Performance Standards (GIPS®) on a firm-wide basis for the periods from April 1, 1990 through December 31, 2012, and (2) designed its policies and procedures to calculate and present performance in compliance with the GIPS standards as of December 31, 2012. We have also examined the Firm's International Equity (DM/EM) Composite for the periods from January 1, 2012 through December 31, 2012. The Firm's management is responsible for compliance with the GIPS standards and the design of its policies and procedures and for the International Equity (DM/EM) Composite's compliant presentation. Our responsibility is to express an opinion based on our verification and performance examination. We conducted this verification and performance examination in accordance with the required verification and performance examination procedures of the GIPS standards. We also conducted such other procedures as we considered necessary in the circumstances.

In our opinion, the Firm has, in all material respects:

- Complied with all the composite construction requirements of the GIPS standards on a firm-wide basis for the periods from April 1, 1990 through December 31, 2012; and
- Designed its policies and procedures to calculate and present performance in compliance with the GIPS standards as of December 31, 2012.

Also, in our opinion, the Firm has, in all material respects:

- Constructed the International Equity (DM/EM) Composite and calculated the International Equity (DM/EM) Composite's performance for the periods from January 1, 2012 through December 31, 2012 in compliance with the GIPS standards; and
- Prepared and presented the International Equity (DM/EM) Composite's accompanying compliant presentation for the periods from January 1, 2012 through December 31, 2012 in compliance with the GIPS standards.

This report does not relate to or provide assurance on any composite compliant presentation of the Firm other than the Firm's International Equity (DM/EM) Composite.

Vincent Performance Services LLC

Vincent Performance Services LLC
April 23, 2013

Compliant presentation

ARIEL INTERNATIONAL EQUITY (DM/EM) COMPOSITE *For the period from 01/01/12 – 12/31/12*

Year end	Gross annual return	Net annual return	MSCI ACWI ex US Index	Composite dispersion	Composite accounts	Composite assets (\$ millions)	Total firm assets (\$ millions)
2012	6.80%	5.74%	17.39%	n/a	1	0.3	4,860.5

1. Ariel Investments claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Ariel Investments has been independently verified for the period from April 1, 1990 through December 31, 2012. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The International Equity (DM/EM) Composite has been examined for the period from January 1, 2012 through December 31, 2012. The verification and performance examination reports are available upon request. **Past performance is no guarantee of future results.**
2. Ariel Investments, LLC is a money management firm headquartered in Chicago, Illinois. Taking a long-term view and applying independent thinking to our investment decisions, we span the market cap spectrum from micro to large and cover the globe with our international and global offerings.
3. The Ariel International Equity (DM/EM) Composite includes all discretionary, fee-paying, commission-paying, non-wrap portfolios that are invested in the International Equity (DM/EM) strategy, excluding pooled funds. This strategy seeks long-term capital appreciation by investing primarily in common stock issued by companies outside the U.S., including in countries with developed or emerging markets ("DM/EM"). Investments in foreign securities may be made through the purchase of individual securities on recognized foreign exchanges and developed over-the-counter markets, or through American Depositary Receipts (ADRs), Global Depositary Receipts (GDRs), European Depositary Receipts (EDRs) and International Depositary Receipts (IDRs), or other securities representing underlying shares of foreign issues, including certificates of deposit issued by foreign banks and foreign branches of U.S. banks. The strategy may invest in companies without regard to market capitalization. The strategy may use various techniques to hedge currency exposure, including derivatives, exchange-traded funds (ETFs), and other hedges. These techniques may include the following: buying and selling currency on a spot basis, entering into foreign currency forward contracts, buying and selling foreign currency options and securities, securities index options, futures contracts and related options, and entering into swap agreements. These techniques may be used for hedging purposes or to increase return through the use of derivatives as a substitute for securities or to reduce the risk of loss of certain holdings. This strategy may include the holding of cash for defensive purposes. A list of composite descriptions and policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. The composite was created in 2012.
4. The 3-year annualized ex-post standard deviation measures the variability of the composite and the benchmark over the preceding 36-month period. The 3-year annualized ex-post standard deviation of the composite and benchmark are not presented as 36 monthly composite returns are not yet available.
5. Performance results are net of transaction costs and reflect the reinvestment of dividends and other earnings. Net returns reflect the deduction of the maximum advisory fee in effect for the respective period, which is currently 1.00% per annum. Actual fees may vary depending on, among other things, the applicable fee schedule and portfolio size. Returns longer than 1 year are annualized. The annualized return is equivalent to the annual return which, if earned in each year of the indicated multi-year period, would produce the actual cumulative return over the time period. Results are reported in U.S. dollars.

Compliant presentation

6. The standard fee schedule currently in effect is as follows: 1.00% on the first \$25 million; 0.90% on the next \$25 million; 0.80% on the next \$50 million; 0.70% on the next \$200 million; 0.60% on the next \$200 million; 0.50% over \$500 million.

7. The dispersion of annual returns is measured by the standard deviation of asset-weighted portfolio returns represented within the composite for the full year. For those periods with one or fewer portfolios included for the entire year, dispersion is not presented.

8. The MSCI ACWI (All Country World Index) ex US Gross Index is an unmanaged, market-weighted index of global developed and emerging markets, excluding the United States. Source: MSCI. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used to create indices or financial products. This report is not approved or produced by MSCI. The Ariel International Equity (DM/EM) Composite differs from its benchmark because the composite has fewer holdings than the benchmark. The MSCI ACWI ex US Gross Index returns reflect the reinvestment of income and other earnings, are provided to represent the investment environment during the time period shown and are not covered by the report of independent verifiers.