



MEMORANDUM

TO: Clients and Friends of Ariel Investments, LLC

FROM: John W. Rogers, Jr., Chief Executive Officer and Chief Investment Officer
Mellody Hobson, President

DATE: January 28, 2016

RE: People and Promotions

Few things are more gratifying than watching teams excel. Such has been the case with our New York-based research team—whose exemplary results have ranked them amongst the best performing managers since the launch of our international and global portfolios in 2011. Accordingly, we are delighted to announce a number of important promotions that reflect their game changing contribution to our firm.

As you know, as Chief Investment Officer of International & Global Equities, Rupal Bhansali has been the strong, steady and fearless leader of our non-US portfolios. When she joined our firm over 4 years ago, we knew we had attracted one of the most talented investors out there. Today, it is fair to say Rupal has exceeded every expectation—from her remarkable investment returns, to her unwavering and fanatical leadership of our global stock picking effort, to her commitment to excellence in all things. Rupal has unquestionably made us better—and for that, we are pleased to announce her recent promotion to Executive Vice President of Ariel Investments, LLC.

As a team coalesces, its leaders quickly reveal themselves. To that point, Chaim Schneider and Micky Jagirdar have proven to be two of Rupal's most trusted lieutenants. As such, we are delighted to announce that along with Chaim's prior promotion to Director of Research, Micky has been elevated to Head of Investments.

As a former auditor at Deloitte & Touche and a CFA charter holder, Chaim has long been the “go-to-guy” on differences in US GAAP versus European IFRS accounting as well as the myriad of accounting systems around the world. In addition to covering the Financials and Consumer Staples sectors, his skillful streamlining of workflows has improved the productivity of our global research efforts. Likewise, his unfaltering belief in and nuanced understanding of our differentiated investment process make him well-suited to oversee its day-to-day implementation.

Micky's high conviction contrarian calls in the Technology and Health Care sectors have resulted in our largest overweights as well as our biggest alpha generators. His holistic business model analysis has not only made him a star stock picker but a star sounding board as well. He is continually sought out for his thought leadership

across sectors and in particular, his insights on the impact of technology on a variety of businesses. It is fitting that as Head of Investments, Micky is charged with organizing thought provoking teach-ins by subject matter experts who will push us to go beyond our knowledge base and comfort zones. In so doing, he augments the critical thinking skills that are essential to non-consensus idea generation.

To be clear, while Chaim and Micky maintain their respective industry coverage, both now share in the responsibilities that come with upholding and implementing the global investment process. And yet, each brings their own distinct but complementary skills. Chaim oversees the technical aspects, while Micky leads in the conceptual arena. Chaim streamlines the day-to-day, while Micky challenges conventional wisdom. One brings more structure and science, the other more creativity and art. As such, both are equally important in moving our research efforts forward.

On the domestic equity side of the shop, we have less news after some of the big advancements in recent years. That said, we do want to celebrate the promotion of Jamil Soriano from Research Analyst to Vice President. As you may recall, Jamil has the most unusual of resumes—having been a professional football player (with a Super Bowl ring!), an investment banker and now a research analyst following the Consumer and Media sectors. Jamil joined Ariel in 2012 after receiving an MBA from the University of Chicago Booth School. Since that time, his biggest and most valuable contribution to-date has been helping us understand and work through some of our more complicated corporate actions and spin-offs. Jamil's promotion underscores that a strong grasp of the details is also an essential component of the Ariel view.

Beyond promotions, there is some movement to report. First, we are delighted to announce the addition of Krishna Chintalapalli to the global research team. Krishna comes to us from PwC Strategy& (aka Booz & Company) where he worked as a management consultant for the telecom industry. This deep knowledge will be invaluable to us as he immediately takes up the telecom work of Guotao Lu who left last year to join a hedge fund. We will also bid farewell to Jeff Suzuki who just recently informed us of his plans to relocate to Singapore after getting married later this year. We wish him well as he opens several new chapters of his life. Incoming analyst, Krishna, will assume his media coverage while Chaim—who serves as the devil's advocate on utilities—will ensure a seamless transition by taking the lead on the sector.

As we close, we should note that while some may be running for cover given the recent market turbulence, we are actively scooping up out-of-favor gems. As we have emphasized time and time again, volatility and market dislocations are buying opportunities for patient investors. This time is no different.

As always, we appreciate your consideration and welcome any questions or comments you might have.

