



MEMORANDUM

TO: Clients and Friends of Ariel Investments, LLC

FROM: John W. Rogers, Jr., Chairman and Chief Executive Officer

DATE: April 30, 2015

RE: People Update

Recognizing and rewarding talent is the best way to keep great people engaged and inspired. To that end, we are delighted to announce two promotions that reflect significant long-term contributions to Ariel. More specifically, Ken Kuhrt has been recently named Co-Portfolio Manager of the flagship Ariel Small Cap Value Portfolio. Similarly, John Miller has been named Co-Portfolio Manager of the Ariel Small/Mid Cap Value Portfolio. As you may recall, both Ken and John previously served as portfolio managers on their respective strategies while I maintained the lead portfolio manager role. With these promotions, Ken and John are now my full partners with shared responsibility for all decision-making. This shared responsibility effectively means we must agree on all purchases and sales made for the respective portfolios on a day-to-day basis.

Given their long tenures at Ariel—10 years for Ken and 25 years for John—I have been able to work alongside both individuals during good times and bad. In many ways, it was the more difficult times that serve to augment my confidence the most. Both gentlemen have repeatedly demonstrated incredible conviction in the face of challenging investing environments. It is this resolve and deep knowledge that enabled us to double and triple down on some of our most unloved names in the depths of the financial crisis—decisions that ultimately reaped huge rewards for our investors and allowed us to outperform our benchmarks and the vast majority of our peers.

Beyond each manager's ability to demonstrate independent thinking, their individual strengths have added a great deal to our process and often helped refine my own thinking. For example, as a CPA, Ken not only brings accounting rigor to our analysis, but he is also extraordinarily level-headed and balanced in his assessments when a stock or portfolio does not do well. He does not anchor to a previously held view, but instead is able to re-examine an investment thesis from scratch with no biases or rationalizations. Meanwhile, John is our resident value investing guru. He reads everything—and I mean everything—Warren Buffett-related. He also combs through research reports and relevant periodicals for any and all information that will help enhance our decision-making. John is the person who somehow has read the one thing I have missed in my own daily review and always manages to get it to me in real time for a thoughtful discussion.

I am fortunate to have had two trusted lieutenants for so many years. Now, with these promotions, I am delighted to know Ken and John have been equally recognized for the important contributions they will continue to make. And for those who might think these promotions signify that I plan to be less engaged in any way, know that 32 years in, I have never been more enthusiastic about my work, my portfolios or the future of Ariel. In short, I am all in for many years to come!

Before signing off, I should note that one of our analysts, Anthony Walker, recently decided to leave Ariel to pursue a career in the hedge fund world with Chicago-based Citadel LLC. We are sorry to see him go and wish him all the best. We have reassigned his energy and industrial names to the devil's advocates on our team who also followed them alongside him. Besides offering the bear case for a holding, the devil's advocate has deep knowledge and serves as a type of belt and suspenders, providing a de facto backup on every stock.

As always, we appreciate your confidence and welcome any questions you might have.

