

# Our Portfolio Characteristics

Ariel Fund

As of June 30, 2024

	Ariel Fund	Russell 2500™ Value Index	Russell 2500™ Index	S&P 500® Index
<b>Market Cap Exposure (% of investments)</b>				
Large (\$162.98B & Above)	0.00	0.00	0.00	59.65
Medium/Large (\$46.24B - \$162.98B)	0.00	0.00	0.69	25.71
Medium (\$13.59B - \$46.24B)	15.70	13.81	13.39	13.05
Medium/Small (\$4.53B - \$13.59B)	47.87	53.83	51.69	1.60
Small (\$4.53B & Below)	36.43	32.36	34.23	0.00
<i>Dollar Weighted Average</i>	<i>8.00</i>	<i>7.90</i>	<i>8.04</i>	<i>1,010.17</i>
<b>Valuation Metrics</b>				
Forward Price/Earnings	12.35	13.34	14.94	21.12
Trailing price/earning <sup>1</sup>	15.47	15.26	17.25	27.11
Discount to Private Market Value (%)	-29.68	--	--	--
<b>Fundamentals</b>				
Long-Term Earnings Growth (%)	15.97	11.55	13.71	15.19
Debt Rating	BBB-	BB	BB	A
Interest Coverage Ratio	4.28	2.13	2.08	6.79
Return on Equity (%)	18.66	15.73	19.21	28.67
<b>Portfolio Construction</b>				
Number of Holdings	35	1,836	2,416	503
Turnover (%)	16.91	--	--	--
<b>Benchmark Relative Statistics</b>				
Active Share (%)	96.71	--	--	--
Beta vs. S&P 500 (5-year)	1.28	1.16	1.14	1.00
Current beta	1.09	1.10	1.16	1.00

Portfolio Characteristics are sourced from FactSet, except Turnover, which is sourced from Northern Trust. Please see disclosures page for definitions of the quantitative measures listed above.

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For the Quarter Ended June 30, 2024

## Industry Weightings<sup>1</sup> (% of net assets)

	Ending Weight	Russell 2500™ Value Index	Russell 2500™ Index	S&P 500® Index
Consumer Discretionary	38.71	14.60	14.98	13.68
Industrials	20.92	22.40	22.19	11.06
Financials	20.50	19.35	14.90	9.80
Health Care	8.15	7.09	11.49	11.21
Real Estate	3.78	9.43	6.61	2.15
Energy	2.80	5.83	5.43	3.73
Consumer Staples	2.75	2.57	2.77	4.49
Utilities	1.70	4.30	3.28	2.52
Short-Term Investments	0.60	0.00	0.00	0.00
Basic Materials	0.00	4.35	3.69	1.58
Technology	0.00	8.74	13.41	37.72
Telecommunications	0.00	1.36	1.24	2.05

## Top 10 Positions<sup>2</sup> (% of net assets)

	Ending Weight
1 Adtalem Global Education, Inc.	5.31
2 Royal Caribbean Cruises, Ltd.	4.39
3 Mohawk Industries, Inc.	3.84
4 Jones Lang LaSalle, Inc.	3.78
5 Northern Trust Corporation	3.78
6 Paramount Global, Class B	3.64
7 Affiliated Managers Group, Inc.	3.63
8 Madison Square Garden Entertainment Corporation	3.61
9 ADT, Inc.	3.56
10 Carlyle Group, Inc.	3.34
<b>Total</b>	<b>38.88</b>

## Contributors and Detractors<sup>3</sup> (%)

	Average Weight	Total Return	Contribution to Return
<b>Top Five Contributors</b>			
Adtalem Global Education, Inc.	4.72	32.70	1.40
Royal Caribbean Cruises, Ltd.	4.04	14.69	0.57
ADT, Inc.	3.28	13.94	0.45
Core Laboratories, Inc.	2.39	18.87	0.42
Stericycle, Inc.	2.90	10.20	0.40
<b>Bottom Five Detractors</b>			
Sphere Entertainment Co. Class A	3.51	-28.57	-1.23
Leslie's, Inc.	2.51	-35.54	-0.85
Envista Holdings Corp.	2.71	-22.22	-0.68
Charles River Laboratories International, Inc.	2.33	-23.76	-0.65
Boyd Gaming Corporation	2.94	-17.89	-0.61

Source: FactSet. <sup>1</sup>Holdings are categorized according to the Russell Industry Classification Benchmark (ICB). Holdings not classified by ICB are categorized according to FactSet. <sup>2</sup>The Top 10 Positions are ranked by issuer Ending Weight (% of total market value of the representative portfolio). <sup>3</sup>Contributors and Detractors are ranked by issuer Contribution to Return (%). Contribution to Return (%) is the Ending Weight (%) times the Total Return (%) linked daily for the period. Average Weight is the average value of the holding relative to the portfolio's total assets over the period. The holdings shown do not represent all of the securities purchased, sold or recommended for investors.

# Definitions

**Forward Price/Earnings Ratio** is a valuation measure that represents the price divided by the mean earnings per share (EPS) consensus estimate for the next twelve months as of the run date. Holdings are summarized at the portfolio level using weighted harmonic average and exclude negative earnings.

**Trailing Price/Earnings Ratio** is a valuation measure that represents the price divided by the earnings per share (EPS) for the trailing twelve months as of the run date. Holdings are summarized at the portfolio level using weighted harmonic average and exclude negative earnings.

**Discount to Private Market Value** is the percentage discount the portfolio trades at relative to Ariel Investments' internal estimate of the portfolio's private market value (PMV). There is no guarantee that companies we invest in will achieve our PMV or projected future earnings.

**Long Term Estimated Earnings Growth**, an income statement measure, is the percent growth rate of the median earnings per share (EPS) consensus estimate for the unreported current year, current year+1, current year+2, and current year+3 as of the run date. Holdings are summarized at the portfolio level using weighted average.

**Debt Rating** is sourced from S&P Global Ratings' long-term issuer credit ratings for common stocks.

**Interest Coverage Ratio** is a liquidity measure that represents the ratio of earnings before interest and taxes (EBIT) relative to the interest expense for the period. Holdings categorized as Financials by the Russell Industry Classification Benchmark (ICB) are excluded from the portfolio summary statistic. The holdings are summarized at the portfolio level using median.

**Return on Equity** is a profitability measure that represents the consensus estimate for the next fiscal year net income divided by total equity over the period. Holdings are summarized at the portfolio level using weighted average.

**Turnover**, a measure of portfolio change, is the lesser of purchases or sales divided by the average market value of the portfolio over the trailing one-year period and is sourced from Northern Trust.

**Active Share** measures the degree the portfolio deviates from the benchmark.

**5-Year Beta** is the measure of volatility of the portfolio over a 5-year period compared to the market as a whole during the same period (benchmarked against the S&P 500).

**Current Beta** is the current measure of volatility of the portfolio compared to the market as a whole (usually the S&P 500). Stocks with beta higher than 1.0 can be more volatile than the S&P 500. Current beta (1-year trailing) is based on daily security returns from FactSet.

