Ariel investments

Ariel Mid Cap Value

For the Quarter Ended December 31, 2025

Timothy Fidler CFA
Co-Portfolio Manager

Kenneth E. Kuhrt CFA
Co-Portfolio Manager

Firm Facts

- Founded in **1983** by John W. Rogers, Jr.
- Headquartered in **Chicago**, with offices in **New York** and **San Francisco**
- **$14.3 billion** in Assets Under Management*
- **95.8%** owned by employees and board members

Our Patient Investment Philosophy

Active Patience
We take the long-term view.

Independent Thinking
We invest to our convictions, not to benchmarks.

Focused Expertise
We specialize in bottom-up, fundamental research.

Bold Teamwork
We work collaboratively with a shared commitment to excellence.

Our Value Approach

- Pioneer in small and mid-cap value investing, with one of the longest track records in the business.
- Fundamental, qualitative approach to investing.
- Concentrated yet diversified portfolios focused on our highest conviction ideas.
- In depth sector and industry expertise.

SLOW AND STEADY WINS THE RACE

Summary

OBJECTIVE	Long-term Capital Appreciation
INVESTMENT STYLE	Mid Cap Value
INDEX	Russell Midcap® Value Index
INCEPTION DATE	March 31, 1990
TOTAL STRATEGY ASSETS	$1.6 billion

Performance[1] (%)

				Annualized			
	QTD	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception
Gross of Fees	3.38	12.15	12.15	10.50	8.66	9.12	11.10
Net of Fees	3.24	11.52	11.52	9.90	8.08	8.54	10.17
Russell Midcap® Value Index[2]	1.42	11.05	11.05	12.27	9.83	9.78	11.07
Russell Midcap® Index[2]	0.16	10.60	10.60	14.35	8.68	11.01	11.26
S&P 500® Index[2]	2.66	17.88	17.88	23.00	14.43	14.82	10.97

Characteristics[3]

	Ariel Mid Cap Value	Russell Midcap® Value Index
Number of Holdings	42	717
Forward Price/Earnings	14.38	15.76
Long-Term Earnings Growth (%)	11.00	11.35
Debt Rating	BBB	BBB-
Interest Coverage Ratio	5.69	4.55
Return on Equity (%)	17.29	18.48
Discount to Private Market Value (%)	-21.92	-
Active Share (%)	96.65	-
Turnover (%)	28.28	-
Beta vs. S&P 500 (5-year)	1.08	1.00
Current beta	1.14	0.94

*Assets under management are aggregated on a firmwide basis for Ariel Investments and its affiliated investment advisers, including aggregate commitments to private funds and excluding fund specific leverage. Total strategy assets include all accounts and investment funds employing the strategy. All other information presented is for the Ariel Mid Cap Value Composite and its representative account. [1]Investing in mid-cap companies is more risky and volatile than investing in large-cap companies. The intrinsic value of the stocks in which the portfolio invests may never be recognized by the broader market. The portfolio is often concentrated in fewer sectors than its benchmarks, and its performance may suffer if these sectors underperform the overall stock market. Investing in equity stocks is risky and subject to the volatility of the markets. **Past performance does not guarantee future results.** Current performance may be lower or higher than the performance data quoted. Performance results may be preliminary, are net of transaction costs and reflect the reinvestment of dividends and other earnings. Ariel Composite Net of Fees returns are calculated by deducting: (1) for the period from inception to December 31, 2013, the maximum advisory fee in effect for the respective period, applied on a monthly basis; and (2) for the period from January 1, 2014 onwards, the actual monthly advisory fee (on an asset-weighted basis) accrued for the accounts in the composite, using the fee rates in place as of the most recent calendar quarter-end. Gross returns do not reflect the deduction of advisory fees. Client returns will be reduced by advisory fees and such other expenses as may be incurred in the management of the account. Advisory fees are described in Part 2 of Ariel's Form ADV. Returns assume the reinvestment of dividends and other earnings. [2]The **Russell Midcap® Value Index** measures the performance of the mid-cap value segment of the U.S. equity universe. It includes those Russell Midcap Index companies with lower price-to-book ratios, lower forecasted growth values and lower sales per share historical growth. The inception date of this benchmark is February 1, 1995. The **Russell Midcap® Index** measures the performance of the mid-cap segment of the U.S. equity universe. The Russell Midcap Index is a subset of the Russell 1000® Index. It includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership. The inception date of this benchmark is November 1, 1991. The **S&P 500® Index** is widely regarded as the best gauge of large-cap U.S. equities. It includes 500 leading companies and covers approximately 80% of available U.S. market capitalization. Russell® is a trademark of London Stock Exchange Group, which is the source and owner of the Russell Indexes' trademarks, service marks and copyrights. Neither Russell nor its licensors accept any liability for any errors or omissions in the Russell Indexes or underlying data and no party may rely on any Russell Indexes and/or underlying data contained in this communication. No further distribution of Russell data is permitted without Russell's express written consent. Russell does not promote, sponsor or endorse the content of this communication. [3]Definitions for the metrics above are detailed on page 2 under the section entitled Quantitative Measures.

Industry Weightings[1] (%)

	Ending Weight	Russell Midcap® Value Index
Consumer Discretionary	27.96	13.34
Industrials	21.04	20.96
Financials	18.73	15.72
Health Care	14.69	7.96
Energy	5.00	6.76
Real Estate	4.95	8.71
Cash	4.58	0.00
Consumer Staples	3.05	4.96
Basic Materials	0.00	3.65
Technology	0.00	9.56
Telecommunications	0.00	1.19
Utilities	0.00	7.18

Top 10 Positions[2] (%)

		Russell ICB Industry	Ending Weight
1	Charles River Laboratories International, Inc.	Health Care	4.22
2	Madison Square Garden Entertainment Corporation	Consumer Discretionary	3.83
3	Mattel, Inc.	Consumer Discretionary	3.16
4	Norwegian Cruise Line Holdings, Ltd.	Consumer Discretionary	3.10
5	The Middleby Corporation	Industrials	2.94
6	Jones Lang LaSalle, Inc.	Real Estate	2.88
7	Omnicom Group, Inc.	Consumer Discretionary	2.88
8	Generac Holdings, Inc.	Industrials	2.75
9	Madison Square Garden Sports Corporation	Consumer Discretionary	2.74
10	Bio-Rad Laboratories, Inc.	Health Care	2.68
Total			**31.20**

Market Cap Exposure (% of investments)

	Ariel Mid Cap Value	Russell Midcap® Value Index
Large ($203.11B & Above)	0.00	0.00
Medium/Large ($54.98B - $203.11B)	8.30	6.96
Medium ($16.69B - $54.98B)	17.06	60.19
Medium/Small ($5.24B - $16.69B)	47.44	29.73
Small ($5.24B & Below)	27.21	3.12

	Ariel Mid Cap Value	Russell Midcap® Value Index
Weighted Average ($M)	$18,385	$27,734
Smallest ($M)	$746	$1,309
Largest ($M)	$177,534	$101,698

Contributors and Detractors[2] (%)

Top Five Contributors	Russell ICB Industry	Average Weight	Total Return	Contribution to Return
Sphere Entertainment Company	Consumer Discretionary	2.97	53.06	1.36
Charles River Laboratories International, Inc.	Health Care	3.82	27.50	0.93
Madison Square Garden Entertainment Corporation	Consumer Discretionary	3.53	19.12	0.69
Core Laboratories NV	Energy	2.44	29.77	0.60
Mattel, Inc.	Consumer Discretionary	3.36	17.88	0.59
Bottom Five Detractors				
Fiserv, Inc.	Industrials	1.30	-47.90	-1.00
Generac Holdings, Inc.	Industrials	3.08	-18.54	-0.48
Resideo Technologies, Inc.	Industrials	1.99	-18.67	-0.47
Gentex Corporation	Consumer Discretionary	2.21	-17.40	-0.46
Laboratory Corporation of America Holdings	Health Care	2.93	-12.37	-0.37

Source: FactSet. [1]Holdings are categorized according to the Russell Industry Classification Benchmark (ICB). Holdings not classified by ICB are categorized according to FactSet. [2]Holdings of the same issuer are aggregated and if held as depositary receipts it is not so specified. The portfolio's Top 10 Positions are ranked by issuer Ending Weight. 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. **Quantitative Measures: Weighted Harmonic Average** is a calculation of weighted average commonly used for ratios. **Forward Price/Earnings** is a valuation measure that represents the price at quarter end divided by the mean earnings per share (EPS) consensus estimate for the next twelve months as of the run date. The holdings are summarized at the portfolio level using weighted harmonic average and exclude negative earnings. **Discount to Private Market Value** is the percentage discount at which the portfolio traded relative to Ariel Investment's internally generated estimate of the portfolio's private market value (PMV). **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 issuers long term 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 value of strategy assets over the trailing one-year period and is sourced from Ariel's portfolio accounting system Eagle. **Active Share** measures the degree the portfolio deviates from the benchmark. **5-Year beta** is benchmarked against S&P 500. 5-year beta is calculated by Assette and sourced from portfolio returns in Eagle. **Current beta** is benchmarked against S&P 500. Current beta (1-year trailing) is based on daily security returns from FactSet.

Our Performance Attribution

For the Quarter Ended December 31, 2025

	Ariel Mid Cap Value (%)			Russell Midcap® Value Index (%)			Attribution (%)		
Russell ICB Industry	**Average Weight**	**Total Return**	**Contribution to Return**	**Average Weight**	**Total Return**	**Contribution to Return**	**Allocation Effect**	**Selection + Interaction**	**Total Effect**
Consumer Discretionary	28.40	6.28	1.71	13.11	2.52	0.33	0.14	1.04	1.17
Energy	4.82	20.67	0.88	6.92	-1.41	-0.09	0.07	0.96	1.03
Real Estate	4.86	8.05	0.43	8.88	-4.99	-0.46	0.27	0.64	0.91
Utilities	0.00	0.00	0.00	7.39	-2.31	-0.17	0.27	0.00	0.27
Consumer Staples	2.94	-3.00	-0.09	5.27	-2.87	-0.15	0.11	0.00	0.11
Health Care	14.25	6.36	0.92	7.82	9.49	0.73	0.49	-0.41	0.09
Cash	4.35	0.94	0.04	0.00	0.00	0.00	-0.01	0.00	-0.01
Financials	18.36	-0.79	-0.11	15.57	0.17	0.00	-0.02	-0.18	-0.20
Telecommunications	0.00	0.00	0.00	1.07	21.87	0.22	-0.20	0.00	-0.20
Basic Materials	0.00	0.00	0.00	3.51	8.26	0.28	-0.23	0.00	-0.23
Technology	0.00	0.00	0.00	9.36	5.81	0.50	-0.39	0.00	-0.39
Industrials	22.02	-1.46	-0.37	21.10	1.12	0.23	0.02	-0.57	-0.55
Total	**100.00**	**3.41**	**3.41**	**100.00**	**1.42**	**1.42**	**0.51**	**1.47**	**1.99**

Source: FactSet. Total Return (%) does not represent the performance of the Composite for the period. The portfolio holdings are of a representative account and not reflective of the portfolio holdings of the Composite, of clients as a whole, or of the strategy. The representative account was selected because it has no client-imposed restrictions and minimal planned contributions and withdrawals. The portfolio holdings would differ from those of another client account if different client-imposed restrictions were applied, and also may vary from other differences such as cash flow. Holdings are categorized according to the Russell Industry Classification Benchmark (ICB). Holdings not classified by ICB are categorized according to FactSet. The portfolio return for each category reflects the percentage returns of the stocks in each category.