

**Ariel Investments, LLC
Verification and Ariel Small Cap Value Tax-
Exempt Composite Performance
Examination Report**

December 31, 2022





Verification and Performance Examination Report

Ariel Investments, LLC

We have verified whether Ariel Investments, LLC (the “Firm”) has, for the periods from April 1, 1990 through December 31, 2022, established policies and procedures for complying with the Global Investment Performance Standards (GIPS®) related to composite and pooled fund maintenance and the calculation, presentation, and distribution of performance that are designed in compliance with the GIPS standards, as well as whether these policies and procedures have been implemented on a firm-wide basis. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. We have also examined the Firm’s Ariel Small Cap Value Tax-Exempt Composite for the periods from January 1, 2000 through December 31, 2022.

The Firm’s management is responsible for its claim of compliance with the GIPS standards, the design and implementation of its policies and procedures, and for the accompanying Ariel Small Cap Value Tax-Exempt Composite’s GIPS composite report. Our responsibilities are to be independent from the Firm and 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, which includes testing performed on a sample basis. We also conducted such other procedures as we considered necessary in the circumstances.

In our opinion, for the periods from April 1, 1990 through December 31, 2022, the Firm’s policies and procedures for complying with the GIPS standards related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been, in all material respects:

- Designed in compliance with the GIPS standards, and
- Implemented on a firm-wide basis.



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

- Constructed the Ariel Small Cap Value Tax-Exempt Composite and calculated the Ariel Small Cap Value Tax-Exempt Composite's performance for the periods from January 1, 2000 through December 31, 2022 in compliance with the GIPS standards; and
- Prepared and presented the accompanying Ariel Small Cap Value Tax-Exempt Composite's GIPS composite report for the periods from January 1, 2013 through December 31, 2022 in compliance with the GIPS standards.

A performance examination of the Firm's Ariel Small Cap Value Tax-Exempt Composite covering the periods from October 1, 1983 through December 31, 1999 was performed by another verification firm, whose report expressed an unqualified opinion thereon.

This report does not relate to or provide assurance on any specific performance report of the Firm other than the Firm's accompanying Ariel Small Cap Value Tax-Exempt Composite's GIPS composite report, or on the operating effectiveness of the Firm's controls or policies and procedures for complying with the GIPS standards.

ACA Group

ACA Group, Performance Services Division

March 30, 2023

Year End	Gross Annual Return	Net Annual Return	Russell 2000 Value Index	3-Year Annualized Standard Deviation		Composite Dispersion	Number of Portfolios	Composite Assets (\$ Millions)	Total Firm Assets (\$ Millions)
				Composite	Benchmark				
2013	37.57%	36.21%	34.52%	18.99%	15.82%	0.65	26	965.6	8,992.0
2014	7.29%	6.23%	4.22%	13.45%	12.79%	0.17	26	907.3	10,041.9
2015	-10.19%	-11.08%	-7.47%	15.29%	13.46%	0.26	26	798.3	10,133.2
2016	20.72%	19.53%	31.74%	16.61%	15.50%	0.27	20	690.3	10,967.5
2017	15.12%	13.98%	7.84%	15.43%	13.97%	0.27	24	538.5	13,132.2
2018	-13.44%	-14.29%	-12.86%	15.89%	15.76%	0.20	26	468.2	11,565.9
2019	27.52%	26.26%	22.39%	16.92%	15.68%	0.21	20	534.8	13,217.1
2020	19.74%	18.55%	4.63%	27.93%	26.12%	0.58	18	628.6	14,582.7
2021	19.29%	18.10%	28.27%	26.75%	25.00%	0.33	25	1,022.3	17,426.7
2022	-16.45%	-17.28%	-14.48%	28.78%	27.27%	0.48	27	949.4	14,834.8

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, 2022. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. The Ariel Small Cap Value Tax-Exempt Composite has had a performance examination for the periods October 1, 1983 through December 31, 2022. The verification and performance examination reports are available upon request. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. **Past performance is no guarantee of future results.**

2. Ariel Investments, LLC (Ariel) is a Delaware limited liability company and federally registered investment adviser regulated by the U.S. Securities and Exchange Commission. Ariel is headquartered in Chicago, Illinois, with offices in New York, San Francisco, and Sydney. Ariel offers investment strategies that seek long-term capital appreciation by investing primarily in equity securities. Ariel utilizes a bottom-up, fundamental analysis to select quality company stocks. Taking a long-term view and applying independent thinking to our investment decisions, Ariel spans the market cap spectrum from small to large and covers the globe with international and global offerings.

3. The Ariel Small Cap Value Tax-Exempt Composite includes all discretionary, fee-paying, commission paying, small cap value tax-exempt portfolios that are invested in the small cap value strategy. This strategy seeks long-term capital appreciation by investing in small cap undervalued companies that show strong potential for growth. The Ariel Small Cap Value Tax-Exempt Composite differs from its benchmark, the Russell 2000® Value Index, with fewer holdings concentrated in fewer sectors. The portfolio invests primarily in equity securities of U.S. companies that, at the time of initial purchase for the strategy, have market capitalizations within the range of companies in the Russell 2000® Index. As of December 31, 2022, the market capitalizations of companies in the Russell 2000® Index ranged from \$10 million to \$7.93 billion. Over time, the market capitalizations for the strategy's portfolio companies will change. This means that the strategy could continue to invest in (hold and purchase) a company if its capitalization were to move outside the range. To maintain the strategy's small cap characteristic, Ariel has adopted procedures to eliminate companies, over time, that Ariel views as substantially outside the strategy's small cap range. Effective January 1, 2020, the Ariel Small Cap Value Tax-Exempt Composite was redefined to no longer exclude pooled funds in accordance with GIPS® 2020. A list of composite and limited distribution pooled fund descriptions, a list of broad distribution pooled funds and policies for valuing investments, calculating performance, and preparing GIPS® Reports are available upon request. The Composite was created in January 1993. The Composite's inception date is September 30, 1983.
4. The 3-year annualized ex-post standard deviation measures the variability of the Composite's gross returns and the benchmark over the preceding 36-month period.
5. Performance results are reported in U.S. dollars, 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, applied on a monthly basis. Actual fees may vary depending on, among other things, the applicable fee schedule and portfolio size.
6. The standard fee schedule currently in effect is: 1.00% on the first \$10 million; 0.75% on the next \$10 million; and 0.50% above \$20 million.
7. The dispersion of annual returns is measured by the standard deviation of asset-weighted gross 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 Russell 2000® Value Index measures the performance of the small-cap value segment of the U.S. equity universe. It includes those Russell 2000 companies with lower price-to-book ratios, lower forecast growth and lower sales per share historical growth. Its inception date is June 1, 1993. 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.