Ariel investments

Performance (%) as of June 30, 2024	QTD	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception
				Annualized			
Ariel Emerging Markets Value							04/30/2023
Gross of Fees	**2.37**	**11.58**	**18.53**	**-**	**-**	**-**	**19.91**
Net of Fees	**2.13**	**11.06**	**17.42**	**-**	**-**	**-**	**18.79**
MSCI EM Net Index	5.00	7.49	12.55	-	-	-	12.58
Additional Indexes							
MSCI EM Value Net Index	5.08	6.46	14.13	-	-	-	13.99
Ariel Emerging Markets Value ex-China							05/31/2023
Gross of Fees	**2.49**	**13.00**	**25.78**	**-**	**-**	**-**	**30.43**
Net of Fees	**2.23**	**12.42**	**24.47**	**-**	**-**	**-**	**29.08**
MSCI EM ex-China Net Index	4.24	8.42	18.46	-	-	-	20.92

Past performance is not indicative of future results. An investment's return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Performance data as of the most recent month-end may be obtained by visiting our website, arielinvestments.com.

Dear Clients and Friends: For the second quarter ended June 30, 2024, the MSCI EM Index rose +5.00% and the MSCI EM ex-China Index returned +4.24%, led by strong performance from stocks linked to Artificial Intelligence (AI). The Ariel Emerging Markets Value Composite gained +2.37% gross of fees (+2.13% net of fees), lagging the MSCI EM Index. The Ariel Emerging Markets Value ex-China Composite gained +2.49% gross fees (+2.23% net of fees). This quarter's underperformance resulted from isolated issues that we believe are temporary in nature.

The technology sector benefited from ever mounting expectations of an AI boom. Additionally, Chinese equities reversed several consecutive quarters of underperformance following new government measures to stabilize the real estate sector and boost the economy. By contrast, Brazil underperformed, as rising long-term interest rates and concerns around an expanding fiscal deficit dampened investor sentiment.

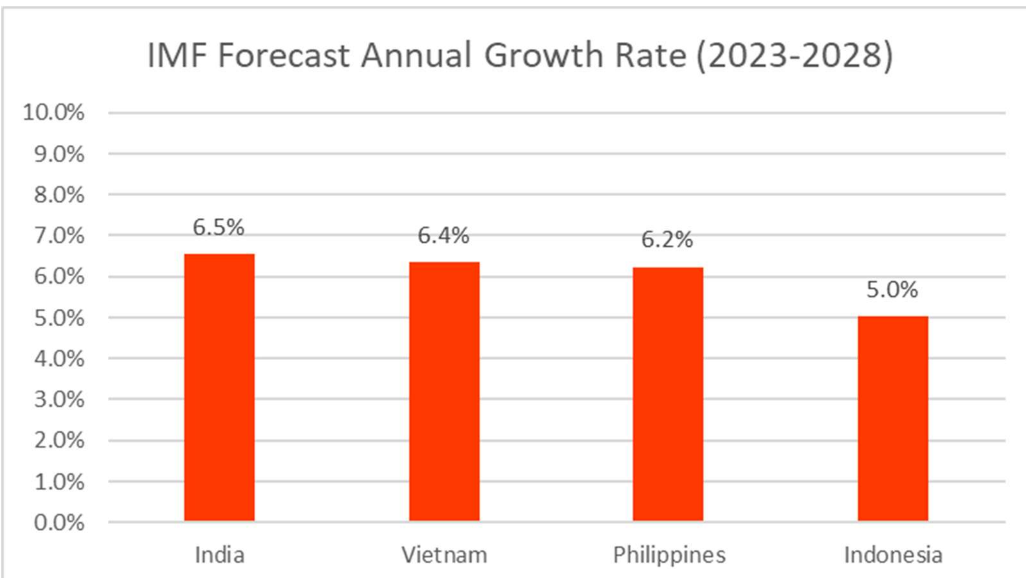
Today, we see very attractive investment opportunities in several developing economies, whose equities offer low valuations, strong earnings growth and the potential to gain from a weaker dollar. Many EM companies are boosting shareholder returns with higher dividends and/or share buybacks. With many ways to win, we see meaningful upside for both EM and our portfolio.

High Growth at a Steep Discount: The Next Asian Tigers are in ASEAN

Singapore, South Korea and Taiwan were dubbed the Asian Tigers in the 1980s and 1990s for their rapid industrialization and high growth rates. We believe ASEAN (Association of Southeast Asian Nations) economies are the region's next success stories, following a similar playbook of economic development led by manufacturing and export growth. However, ASEAN investments have been overshadowed by investor infatuation with India. The India fixation is not ill conceived. The country offers one of the strongest economic growth rates in the world, supported by-business-friendly policies, high investment rates and favorable demographics. We share the market's excitement about the country's prospects, but balk at its elevated equity valuations.

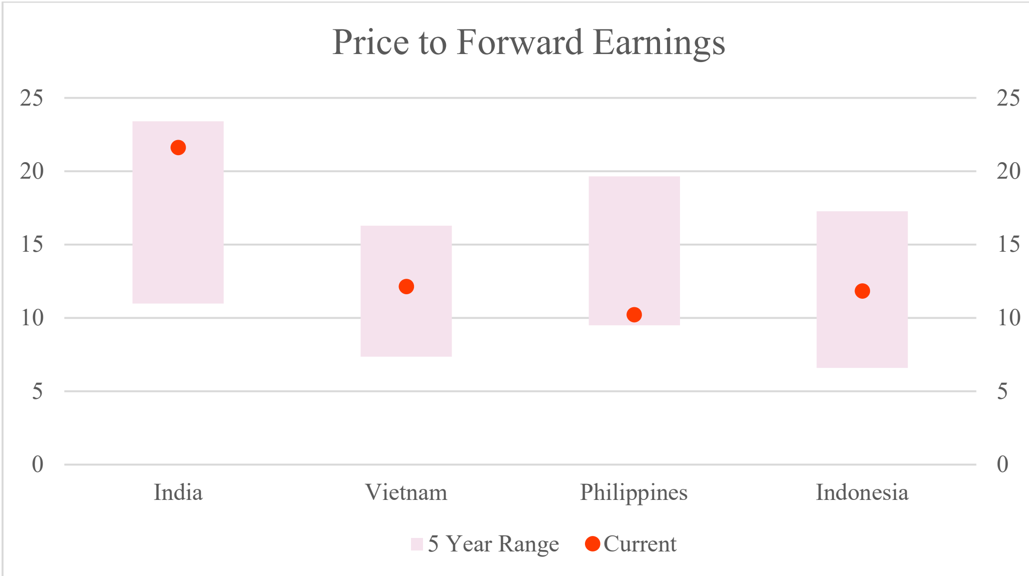
Instead, we are searching off the beaten path for investment opportunities in the ASEAN region's three most populous countries: Indonesia, the Philippines and Vietnam. The region accounts for over 12% of our portfolio. With a combined population of 495 million people, these economies offer high growth rates (Chart 1). And yet, in stark contrast to India and its nosebleed valuations, the ASEAN markets trade at a large discount to India and at a lower end of their historic range despite a bright economic outlook.

Chart 1



Source: IMF World Economic Outlook, April 2024.

Chart 2



Source: Bloomberg

For example, natural resource rich Indonesia is becoming an indispensable provider of value-added materials for the global energy transition. Developments such as Kaltara, a $130 billion massive green industrial estate project, will materially expand the country's manufacturing capacity in aluminum, electric vehicle battery components and petrochemicals. Powered by hydroelectricity, the project aims to increase Indonesia's exports by over 50% by the time it becomes fully operational in the early 2030s.

The Philippines is another focal point for us, as it has become a global business process outsourcing (BPO) hub. The sector accounts for 8% of the country's GDP and is a major source of its growth and hard currency earnings. The BPO industry continues to grow by broadening service offerings and geographic reach while incorporating new technologies. Healthcare services is one of the faster-growing BPO sectors, capitalizing on an education system that produces U.S.A.-licensed nurses able to provide such remote services as telemedicine and prescriptions pre-approval for insurance companies. Our ongoing conversations with leading players in the space underscore the robust sector growth ahead.

Vietnam is a key beneficiary of global supply chain expansion beyond China. Because of its proximity to existing trade routes and supply chains, the country has been a magnet for global manufacturers. It also boasts a large, well-trained and low-cost labor force. For example, Samsung assembles nearly half of its phones in Vietnam, making it one of the country's biggest investors. Apple also has aggressively expanded its manufacturing footprint in the country, creating over 200,000 jobs. As a result, Vietnam's manufacturing exports have mushroomed from $79 billion to $325 billion over the past decade, and the high pace of investment continues.

Our ASEAN investments encompass a variety of sectors, ranging from consumer, real estate and IT services to materials and banks. As incomes rise and the middle class expands, the shopping habits of ASEAN consumers are rapidly shifting. Consumers are migrating from traditional open markets to modern shopping malls. Unlike developed markets, where brick and mortar retail locations are struggling, malls are a growth industry in ASEAN. Today's malls are modern town squares that have become central to daily living. Individuals and families watch movies, attend church, get medical checkups and escape the heat in a safe, air-conditioned mall oasis. Restaurants, entertainment and services now account for over half of all leasable space in malls, creating a buffer against e-commerce penetration.

Given this trend, we have invested in the following mall operators: **Vincom Retail JSC** (Vietnam), **Robinsons Land Corporation** (Phillipines) and **Ayala Land, Inc.** (Philippines). We also own electronics retailer **Mobile**

World Investment Corporation (Vietnam), which is displacing the open bazaars and mom-and-pop stores that still account for nearly 90% of food retail with modern supermarkets. Additionally, we hold shares of packaged food producer **Universal Robina Corporation** (Philippines), which benefits from secular growth and a strong position in the emerging pet food business.

We also see opportunity in basic materials companies supporting ASEAN's rapid growth. In Indonesia, we own the largest cement company, **Semen Indonesia**, which now holds 50% market share and is poised for cyclical growth and margin recovery as industry dynamics improve. We also hold several regional banks, including **Bank of the Philippine Islands**, **Metropolitan Bank & Trust Company** (Philippines), **Bank Negara Indonesia** and **Military Commercial Joint Stock Bank** (Vietnam). In countries with limited corporate bond markets, the banks play a critical role in financing the working capital needs of growing companies. We also see opportunities in high margin retail banking, given the region's low penetration rates.

We are excited by ASEAN investment opportunities where investors are not forced to choose between value and growth. We believe these markets are poised to outperform as their economies continue to expand and play a bigger role on the world stage.

Sincerely,

Henry Mallari-D'Auria
Chief Investment Officer
Global and Emerging Markets Equities

Ariel Update as of July 29, 2024:

We look forward to welcoming our clients and friends to our office at 477 Madison Avenue this fall—***where all Ariel New Yorkers are excited to finally be together in one location!*** As we prepare for the move, our global and emerging markets equities teams will work from home in August and September. We believe this short-term arrangement will ensure all regular and ongoing conversations with portfolio company managements and our clients are uninterrupted. In the meantime, please know we are fully engaged in our relentless effort to grow and protect your money while providing exceptional service along the way. Should you have any questions or need additional information, do not hesitate to contact us.

Investments in non-U.S. securities may underperform and may be more volatile than comparable U.S. stocks because of the risks involving non-U.S. economies, markets, political systems, regulatory standards, currencies, and taxes.

The use of currency derivatives, exchange-traded funds (ETFs), and other hedges may increase investment losses and expenses and create more volatility. Investments in emerging markets present additional risks, such as difficulties in selling on a timely basis and at an acceptable price. The intrinsic value of the stocks in which the portfolios invest may never be recognized by the broader market. The portfolios are often concentrated in fewer sectors than their benchmarks, and their 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. Performance results are net of transaction costs and reflect the reinvestment of dividends and other earnings. Net performance of each Composite has been reduced by the amount of the highest fee charged to any client in each Composite during the performance period. Actual fees may vary depending on, among other things, the applicable fee schedule and portfolio size. A complete fee schedule is available upon request and may also be found in Ariel Investments LLC's Form ADV, Part 2. Returns are expressed in U.S. dollars. Current performance may be lower or higher than the performance data quoted.

The opinions expressed are current as of the date of this commentary but are subject to change. The information provided in this commentary does not provide information reasonably sufficient upon which to base an investment decision and should not be considered a recommendation to purchase or sell any particular security. There is no guarantee that any expressed views will come to fruition or any investment will perform as described.

As of 6/30/24, Ariel Emerging Markets Value (representative portfolio) held the following positions referenced: Vincom Retail JSC 0.50%; Vincom Retail JSC P-Note 0.57%; Robinsons Land Corporation 0.49%; Ayala Land, Inc. 0.70%; Mobile World Investment Corporation 0.51%; Mobile World Investment Corporation P-Note 1.53%; Universal Robina Corporation 0.90%; Semen Indonesia Persero Tbk PT 1.53%; Bank of the Philippine Islands 0.92%; Metropolitan Bank & Trust Company 0.90%; Bank Negara Indonesia Persero Tbk PT 1.22%; and Military Commercial Joint Stock Bank P-Note 0.53%. As of 6/30/24, Ariel Emerging Markets Value ex-China (representative portfolio) held the following positions referenced: Vincom Retail JSC 0.55%; Vincom Retail JSC P-Note 0.51%; Robinsons Land Corporation 0.35%; Ayala Land, Inc. 0.79%; Mobile World Investment Corporation 0.58%; Mobile World Investment Corporation P-Note 1.41%; Universal Robina Corporation 1.42%; Semen Indonesia Persero Tbk PT 1.48%; Bank of the Philippine Islands 1.07%; Metropolitan Bank & Trust Company 0.73%; Bank Negara Indonesia Persero Tbk PT 1.37%; Military Commercial Joint Stock Bank 0.73% and Military Commercial Joint Stock Bank P-Note 0.71%.

Portfolio holdings are subject to change. The performance of any single portfolio holding is no indication of the performance of other portfolio holdings of the Composites. Portfolio holdings mentioned do not represent all holdings purchased or sold for the Composites.

Investors cannot invest directly in an index. The MSCI Emerging Markets Index captures large and mid cap representation across 24 Emerging Markets (EM) countries. With 1,377 constituents, the index coves approximately 85% of the free float-adjusted market capitalization in each country. Inception of this benchmark was January 1, 2001.

The MSCI Ariel Emerging Markets Value Index captures large and mid cap securities exhibiting overall value style characteristics across 24 Emerging Markets (EM) countries. The value investment style characteristics for index construction are defined using three variables: book value to price, 12-month forward earnings to price and dividend yield. Inception of this benchmark was December 8, 1997. MSCI Emerging Markets ex-China Index captures large and mid cap representation across 23 of the 24 Emerging Markets (EM) countries excluding China. Its inception date is March 9, 2017.

All MSCI Index net returns reflect the reinvestment of income and other earnings, including the dividends net of the maximum withholding tax applicable to non-resident institutional investors that do not benefit from double taxation treaties. MSCI uses the maximum tax rate applicable to institutional investors, as determined by the company's country of incorporation. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used to create indices or financial products. This report is not approved or produced by MSCI.