

# Ariel Fund Separate Account

## Benchmark

Russell 2500 Value Index

## Overall Morningstar Rating™

★★★★

Out of 408 Mid-Cap Value investments. An investment's overall Morningstar Rating, based on its risk-adjusted return, is a weighted average of its applicable 3-, 5-, and 10-year Ratings. See disclosure page for details.

## Morningstar Return

Above Average

## Morningstar Risk

High

## Investment Information

### Investment Objective & Strategy

The Ariel Small/Mid Cap Value Product seeks long-term capital appreciation by investing in small/medium-sized undervalued companies in consistent industries that show strong potential for growth. We look for issuers that provide quality products or services.

To capture anticipated growth, the Ariel Small/Mid Cap Value Product generally holds investments for a relatively long period, generally five years. Our small/mid cap strategy invests in companies with market capitalizations primarily from \$1 billion to \$7.5 billion.

### Fees and Expenses as of 03-31-15

Expense Ratio	0.55%
Total Annual Operating Exp per \$1000	\$ 5.50
Maximum Sales Charge	—
12b-1 Fee	—
Redemption Fee/Term	—

### Portfolio Manager(s)

John W. Rogers. A.B., Princeton University 1980.

### Operations and Management

Inception Date	01-02-13
Management Company	Ariel Investments, LLC
Telephone	312-726-0140
Web Site	www.arielinvestments.com
Issuer	Ariel Investments

### Category Description: Mid-Cap Value

Some mid-cap value portfolios focus on medium-size companies while others land here because they own a mix of small-, mid-, and large-cap stocks. All look for U.S. stocks that are less expensive or growing more slowly than the market. The U.S. mid-cap range for market capitalization typically falls between \$1 billion and \$8 billion and represents 20% of the total capitalization of the U.S. equity market. Value is defined based on low valuations (low price ratios and high dividend yields) and slow growth (low growth rates for earnings, sales, book value, and cash flow).

## Volatility And Risk



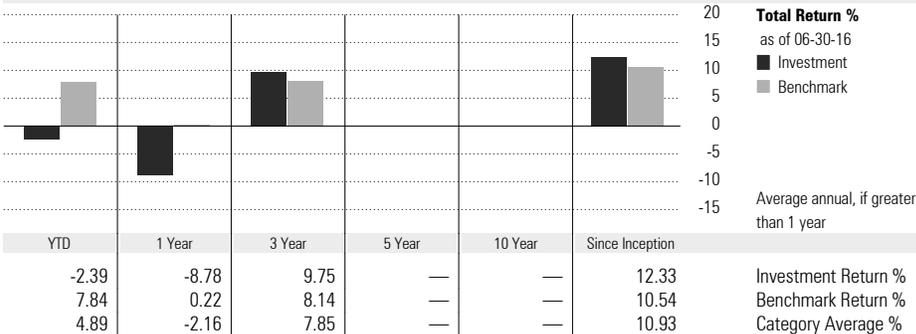
### Best 3 Month Return

13.26%  
(Sep '13 - Nov '13)

### Worst 3 Month Return

-12.65%  
(Jul '15 - Sep '15)

## Performance as of 06-30-16



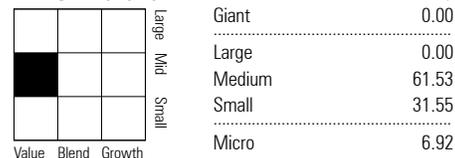
The performance data quoted reflects past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower than the performance data quoted. For the most recent month end performance information, please call 1-800-922-9945, or visit rps.troweprice.com.

## Portfolio Analysis

### Composition as of 06-30-16



### Morningstar Equity Style Box™ as of 06-30-16



### Top 10 Holdings as of 06-30-16

Company	% Assets
Kennametal Inc	4.19
The Interpublic Group of Companies Inc	4.18
Brady Corp Class A	4.12
Laboratory Corp of America Holdings	4.00
Lazard Ltd Shs A	3.93
Janus Capital Group Inc	3.78
Meredith Corp	3.69
Tegna Inc	3.65
JM Smucker Co	3.61
Charles River Laboratories International Inc	3.42

Total Number of Stock Holdings	37
Total Number of Bond Holdings	0
Turnover Ratio %	73.09
Total Assets (\$mil)	129.95

### Morningstar Equity Sectors as of 06-30-16

Sector	% Fund
Cyclical	54.63
Basic Materials	0.00
Consumer Cyclical	32.60
Financial Services	15.63
Real Estate	6.40
Sensitive	29.52
Communication Services	0.00
Energy	2.63
Industrials	23.87
Technology	3.02
Defensive	15.85
Consumer Defensive	5.13
Healthcare	10.72
Utilities	0.00

### Principal Risks

For more information on the risks presented, please refer to <http://rps.troweprice.com/riskglossary>. Long-Term Outlook and Projections, Loss of Money, Not FDIC Insured, Capitalization, Value Investing, Active Management, Market/Market Volatility, Equity Securities, Industry and Sector Investing, IPO, U.S. Federal Tax Treatment, Suitability, Management, Portfolio Diversification, Tax Risk, Small Cap, Mid-Cap, Financials Sector