

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2018 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2018 or fiscal plan year beginning <u>01/01/2018</u> and ending <u>12/31/2018</u>	
A This return/report is for:	☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) _____
B This return/report is:	☐ the first return/report ☐ the final return/report ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)

Part II	Basic Plan Information—enter all requested information				
1a Name of plan <u>ARIEL CORPORATION EMPLOYEE RETIREMENT PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>002</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>02/15/2010</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>002</u>	1c Effective date of plan <u>02/15/2010</u>	
1b Three-digit plan number (PN) ▶	<u>002</u>				
1c Effective date of plan <u>02/15/2010</u>					
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>ARIEL CORPORATION</u> <u>35 BLACKJACK ROAD</u> <u>MOUNT VERNON, OH 43050</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>31-0721681</u></td> </tr> <tr> <td>2c Plan Sponsor's telephone number <u>740-397-0311</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>331200</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>31-0721681</u>	2c Plan Sponsor's telephone number <u>740-397-0311</u>	2d Business code (see instructions) <u>331200</u>	
2b Employer Identification Number (EIN) <u>31-0721681</u>					
2c Plan Sponsor's telephone number <u>740-397-0311</u>					
2d Business code (see instructions) <u>331200</u>					

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	09/16/2019	BRIAN HUPRICH
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2018)
v. 171027

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN 4d PN
5 Total number of participants at the beginning of the plan year	5 1429
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits..... c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	6a(1) 1344 6a(2) 1591 6b 4 6c 88 6d 1683 6e 0 6f 1683 6g 1672 6h 22
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2E 2F 2H 2J 2K 2T 3D 3F b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1) ☒ **R** (Retirement Plan Information)
- (2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- (3) ☐ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- (1) ☒ **H** (Financial Information)
- (2) ☐ **I** (Financial Information – Small Plan)
- (3) ☐ **A** (Insurance Information)
- (4) ☒ **C** (Service Provider Information)
- (5) ☒ **D** (DFE/Participating Plan Information)
- (6) ☐ **G** (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2018 Form M-1 annual report. If the plan was not required to file the 2018 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2018
		This Form is Open to Public Inspection.

For calendar plan year 2018 or fiscal plan year beginning **01/01/2018** and ending **12/31/2018**

A Name of plan ARIEL CORPORATION EMPLOYEE RETIREMENT PLAN	B Three-digit plan number (PN) ►	002
C Plan sponsor's name as shown on line 2a of Form 5500 ARIEL CORPORATION	D Employer Identification Number (EIN) 31-0721681	

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL
04-2647786

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
37 64 65	RECORDKEEPER	151042	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE D (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2018 This Form is Open to Public Inspection.
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For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018

A Name of plan ARIEL CORPORATION EMPLOYEE RETIREMENT PLAN	B Three-digit plan number (PN) ►	002
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 ARIEL CORPORATION	D Employer Identification Number (EIN) 31-0721681	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: MIP CL 1		
b Name of sponsor of entity listed in (a): FIDELITY MANAGEMENT TRUST COMPANY		
c EIN-PN 04-3022712-024	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 12728922
a Name of MTIA, CCT, PSA, or 103-12 IE: WELLS FARGO STABLE VALUE FD C		
b Name of sponsor of entity listed in (a): WELLS FARGO, N.A.		
c EIN-PN 52-2250946-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 18847
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2018 This Form is Open to Public Inspection
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For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018		
A Name of plan ARIEL CORPORATION EMPLOYEE RETIREMENT PLAN	B Three-digit plan number (PN) ►	002
C Plan sponsor's name as shown on line 2a of Form 5500 ARIEL CORPORATION	D Employer Identification Number (EIN) 31-0721681	

Part I	Asset and Liability Statement
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1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	43694	38793
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)	6995393	8527957
(2) Participant contributions	1b(2)	0	0
(3) Other.....	1b(3)	281690	260923
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)	1352051	7618854
(2) U.S. Government securities	1c(2)	0	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	2444179	3458611
(B) All other.....	1c(3)(B)	11141516	11292162
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common.....	1c(4)(B)	71279053	0
(5) Partnership/joint venture interests	1c(5)	0	0
(6) Real estate (other than employer real property).....	1c(6)	0	0
(7) Loans (other than to participants)	1c(7)	0	0
(8) Participant loans.....	1c(8)	2931539	4233657
(9) Value of interest in common/collective trusts	1c(9)	9689627	12747769
(10) Value of interest in pooled separate accounts	1c(10)	0	0
(11) Value of interest in master trust investment accounts	1c(11)	0	0
(12) Value of interest in 103-12 investment entities.....	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	115894307	122717636
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)	0	0

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	0	49430151
(2) Employer real property	1d(2)	0	0
e Buildings and other property used in plan operation	1e	0	0
f Total assets (add all amounts in lines 1a through 1e)	1f	222053049	220326513

Liabilities

g Benefit claims payable	1g	603917	0
h Operating payables	1h	24435	24437
i Acquisition indebtedness	1i	0	0
j Other liabilities	1j	354827	0
k Total liabilities (add all amounts in lines 1g through 1j)	1k	983179	24437

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	221069870	220302076
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Part II Income and Expense Statement

- 2** Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

a Contributions:			
(1) Received or receivable in cash from: (A) Employers.....	2a(1)(A)	14514594	
(B) Participants.....	2a(1)(B)	7948578	
(C) Others (including rollovers)	2a(1)(C)	1107657	
(2) Noncash contributions	2a(2)	0	23570829
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A)	31465	
(B) U.S. Government securities	2b(1)(B)	0	
(C) Corporate debt instruments.....	2b(1)(C)	580929	
(D) Loans (other than to participants).....	2b(1)(D)	0	
(E) Participant loans	2b(1)(E)	346934	
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		959328
(2) Dividends: (A) Preferred stock.....	2b(2)(A)	0	
(B) Common stock.....	2b(2)(B)	941882	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	7206062	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		8147944
(3) Rents.....	2b(3)		0
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds.....	2b(4)(A)	25142436	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	26151971	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		-1009535
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)	0	
(B) Other	2b(5)(B)	-6155110	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		-6155110

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		28765
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		-18069021
c Other income.....	2c		0
d Total income. Add all income amounts in column (b) and enter total	2d		7473200

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	8097310	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		8097310
f Corrective distributions (see instructions)	2f		964
g Certain deemed distributions of participant loans (see instructions)	2g		2540
h Interest expense	2h		0
i Administrative expenses: (1) Professional fees.....	2i(1)	0	
(2) Contract administrator fees.....	2i(2)	0	
(3) Investment advisory and management fees.....	2i(3)	0	
(4) Other	2i(4)	140180	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		140180
j Total expenses. Add all expense amounts in column (b) and enter total	2j		8240994

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-767794
l Transfers of assets:			
(1) To this plan.....	2l(1)		0
(2) From this plan.....	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)?

☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: REA & ASSOCIATES, INC.

(2) EIN: 34-1310124

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....

b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)

	Yes	No	Amount
4a		X	
4b		X	

		Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e Was this plan covered by a fidelity bond?	4e	X		5000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l Has the plan failed to provide any benefit when due under the plan?	4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n		X	

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☐ Yes ☒ No
 If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (See ERISA section 4021.)? ☐ Yes ☐ No ☐ Not determined
 If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____. (See instructions.)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2018 This Form is Open to Public Inspection.
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For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018

A Name of plan <u>ARIEL CORPORATION EMPLOYEE RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>ARIEL CORPORATION</u>	D Employer Identification Number (EIN) <u>31-0721681</u>

Part I	Distributions
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All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions	1	
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>04-6568107</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year	3	

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)
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4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?	☐ Yes	☐ No	☐ N/A

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
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Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Schedule R (Form 5500) 2018
v. 171027

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year

b The plan year immediately preceding the current plan year

c The second preceding plan year

14a**14b****14c**

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year

b The corresponding number for the second preceding plan year

15a**15b**

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year

b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers

16a**16b**

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

- 19** If the total number of participants is 1,000 or more, complete lines (a) through (c)

- a** Enter the percentage of plan assets held as:

Stock: _____ % Investment-Grade Debt: _____ % High-Yield Debt: _____ % Real Estate: _____ % Other: _____ %

- b** Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

- c** What duration measure was used to calculate line 19(b)?

☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

ARIEL CORPORATION
EMPLOYEE RETIREMENT PLAN
FORM 5500, SCHEDULE H, LINE 4I - EIN #31-0721681, PN 002

SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES
AS OF DECEMBER 31, 2018

(a)	(b) Identity of issue, borrower, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current value
*	Fidelity Managed Income Portfolio Wells Fargo Stable Value Fund	Common Collective Trust Fund Common Collective Trust Fund	** 17,454	\$ 12,728,922 18,847
	Subtotal of common collective trusts			\$ 12,747,769
	Aaron's Inc Class A	19,375 shares of common stock	390,999	\$ 814,719
	Abbott Laboratories	23,150 shares of common stock	758,395	1,674,440
	Accenture PLC Ireland Shares Class A	14,800 share of common stock	679,869	2,086,948
	Amazon.com Inc	600 shares of common stock	1,032,424	901,182
	Amphenol Corp	23,350 shares of common stock	481,957	1,891,817
	ANSYS Inc	12,950 shares of common stock	409,499	1,851,073
	ASGN Inc	20,100 shares of common stock	780,682	1,095,450
	BB & T Corporation	27,975 shares of common stock	746,073	1,211,877
	Blackrock Inc.	3,875 shares of common stock	1,208,450	1,522,178
	Costco Wholesale Group	8,150 shares of common stock	1,314,110	1,660,237
	Danaher Corp	18,350 shares of common stock	411,079	1,892,252
	Dover Corp	10,675 shares of common stock	253,373	757,391
	Exxon Mobil Corp	11,500 shares of common stock	523,336	784,185
	Facebook Inc Class A	9,050 shares of common stock	1,452,361	1,186,365
	Fiserv Inc	24,825 shares of common stock	358,894	1,824,389
	Fortive Corp	17,100 shares of common stock	481,848	1,156,986
	Gentex Corp	67,925 shares of common stock	725,513	1,372,764
	Gildan Activewear	41,050 shares of common stock	484,971	1,246,278
	Gilead Sciences Inc	18,625 shares of common stock	507,553	1,164,994
	Goldman Sachs Group Inc	7,050 shares of common stock	876,646	1,177,703
	Graco Inc	26,975 shares of common stock	686,136	1,128,904
	Halliburton Co	21,175 shares of common stock	1,175,155	562,832
	Hartford Financial Services Group, Inc.	20,875 shares of common stock	409,370	927,894
	Henry Schein Inc.	20,975 shares of common stock	721,858	1,646,957
	Home Depot Inc	9,200 shares of common stock	341,280	1,580,744
	Ingredion, Inc	10,150 shares of common stock	641,651	927,710
	Littlefuse Inc	4,750 shares of common stock	1,069,810	814,530
	Neogen Corporation	17,175 shares of common stock	309,279	978,975
	Open Text Corporation	43,775 shares of common stock	520,952	1,427,065
	Pepsico Inc	12,125 shares of common stock	572,455	1,339,570
	RPM International Inc	16,825 shares of common stock	894,537	988,974
	Regeneron Pharmaceuticals Inc	3,500 shares of common stock	1,298,028	1,307,250
	Roper Technologies Inc	3,700 shares of common stock	1,059,016	986,124
	Ross Stores Inc	18,725 shares of common stock	555,868	1,557,920
	Signature Bank	6,925 shares of common stock	969,488	711,959
	Skyworks Solution Inc	20,125 shares of common stock	813,263	1,348,778
	Snap On Inc	7,900 shares of common stock	1,218,096	1,147,791
	Thor Industries Inc	12,975 shares of common stock	809,940	674,700
	Visa Inc CL A	15,900 shares of common stock	1,200,958	2,098,246
	Subtotal of common stocks			\$ 49,430,151

ARIEL CORPORATION
EMPLOYEE RETIREMENT PLAN
FORM 5500, SCHEDULE H, LINE 4I - EIN #31-0721681, PN 002

SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES
AS OF DECEMBER 31, 2018

(a)	(b) Identity of issue, borrower, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current value
	Actavis Funding	\$550,000 note at 3.000% interest, maturity date 3/12/20	551,166	\$ 547,809
	Banc One	\$500,000 note at 9.875% interest, maturity date 3/1/19	627,200	504,204
	Barclay's PLC	\$650,000 note at 2.750% interest, maturity date 11/8/19	654,992	645,271
	Dominion RES Inc	\$250,000 note at 4.200% interest, maturity date 4/1/21	255,286	251,934
	Dominion RES Inc	\$500,000 note at 1.600% interest, maturity date 8/15/19	496,725	494,440
	Dun & Bradstreet	\$700,000 note at 4.000% interest, maturity date 6/15/20	717,163	706,566
	Fifth Third Bank	\$500,000 note at 2.300% interest, maturity date 3/1/19	503,332	499,493
	Fiserv Inc	\$500,000 note at 2.700% interest, maturity date 6/1/20	501,275	496,209
	Gatx Corp	\$250,000 note at 2.500% interest, maturity date 7/30/19	250,750	248,472
	General MTR Inc	\$250,000 note at 3.100% interest, maturity date 1/15/19	508,606	499,980
	Goldman Sachs Group Inc	\$600,000 note at 7.500% interest, maturity date 2/15/19	687,666	602,890
	Hewlett Packard	\$500,000 note at 4.300% interest, maturity date 6/1/21	533,125	508,281
	Juniper Network	\$500,000 note at 3.125% interest, maturity date 2/1/19	507,425	499,855
	Kraft Foods	\$400,000 note at 5.375% interest, maturity date 2/1/20	425,042	613,639
	Masco Corp	\$600,000 note at 3.500% interest, maturity date 4/1/21	598,663	597,178
	Mead Johnson Nutr	\$850,000 note at 3.000% interest, maturity date 11/15/20	855,112	847,469
	Morgan Stanley	\$500,000 note at 5.6250% interest, maturity date 9/23/19	570,500	507,408
	Nasdaq OMX	\$500,000 note at 5.550% interest, maturity date 1/15/20	529,750	510,818
	National City	\$500,000 note at 6.875% interest, maturity date 5/15/19	516,500	506,863
	Newmont Mining MTN	\$650,000 note at 5.125% interest, maturity date 10/1/19	714,698	658,306
	Quest Diagnostic	\$325,000 note at 2.500% interest, maturity date 3/30/20	326,023	371,528
	RPM Intl Inc	\$300,000 note at 6.125% interest, maturity date 10/15/19	343,531	305,465
	Sempra Energy	\$200,000 note at 2.450% interest, maturity date 3/15/20	197,740	197,166
	Southern Company	\$500,000 note at 2.750% interest, maturity date 6/15/20	508,000	494,384
	Sysco Corp	\$500,000 note at 2.500% interest, maturity date 7/15/21	493,250	489,870
	Teva Pharm CV	\$500,000 note at 2.250% interest, maturity date 3/15/20	495,440	486,571
	Weyerhaeuser Co	\$600,000 note at 7.375% interest, maturity date 10/1/19	734,716	616,523
	Worthington Inds	\$400,000 note at 6.500% interest, maturity date 4/15/20	432,252	413,324
	Zimmer Holdings	\$635,000 note at 2.700% interest, maturity date 4/1/20	643,085	628,857
	Subtotal of corporate bonds and debentures			\$ 14,750,773

ARIEL CORPORATION
EMPLOYEE RETIRMENT PLAN
FORM 5500, SCHEDULE H, LINE 4I - EIN #31-0721681, PN 002

SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES
AS OF DECEMBER 31, 2018

(a)	(b) Identity of issue, borrower, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current value
	Metwest Total Return Bond	Registered Investment Company	**	\$ 1,282,926
	DFA US Target Value Fund	Registered Investment Company	**	1,231,495
	Lord Abbett Developing Growth I	Registered Investment Company	**	2,296,541
	Harbor International Admin	Registered Investment Company	**	1,402,268
*	Fidelity Govt Income	Registered Investment Company	**	629
*	Fidelity 500 Index Portfolio	Registered Investment Company	**	5,272,711
*	Fidelity Freedom Index Income Investment	Registered Investment Company	**	225,268
*	Fidelity Freedom Low Priced Stock	Registered Investment Company	**	3,817,488
*	Fidelity Freedom Index 2005 Investment	Registered Investment Company	**	134,426
*	Fidelity Freedom Index 2010 Investment	Registered Investment Company	**	99,088
*	Fidelity Freedom Index 2020 Investment	Registered Investment Company	**	7,010,484
*	Fidelity Freedom Index 2025 Investment	Registered Investment Company	**	9,642,891
*	Fidelity Freedom Index 2030 Investment	Registered Investment Company	**	10,337,975
*	Fidelity Freedom Index 2035 Investment	Registered Investment Company	**	6,968,863
*	Fidelity Freedom Index 2040 Investment	Registered Investment Company	**	5,704,239
*	Fidelity Freedom Index 2045 Investment	Registered Investment Company	**	5,093,904
*	Fidelity Freedom Index 2050 Investment	Registered Investment Company	**	5,441,169
*	Fidelity Freedom Index 2015 Investment	Registered Investment Company	**	676,231
*	Fidelity Freedom Index 2055 Investment	Registered Investment Company	**	2,995,972
*	Fidelity Freedom Index 2060 Investment	Registered Investment Company	**	568,677
	AQR Multi- Strategy	703,987.120 shares of Registered Investment Company		5,498,139
	Artisan International Institute	86,652.328 shares of Registered Investment Company		2,363,009
	DFA Emerging Markets Portfolio	261,017.497 shares of Registered Investment Company		6,731,641
	Dodge & Cox International Stock Fund	113,913.457 shares of Registered Investment Company		4,204,546
	Eaton Vance Emerging Markets	875,681.483 shares of Registered Investment Compant		4,641,112
*	Fidelity Small Cap Value Fund	368,806.577 shares of Registered Investment Company		4,846,118
	Hartford Total Return Bond HLS Fund Class 1A	495,392.746 shares of Registered Investment Company		5,325,472
	Hartford Small Cap Growth Y	99,344.906 shares of Registered Investment Company		4,136,722
	Pimco Emerging Local Bond Inst	701,706.463 shares of Registered Investment Company		4,603,194
	Vanguard International Growth	34,585.661 shares of Registered Investment Company		2,739,876
	Western Asset Core Plus Bond Portfolio Inst	472,731.523 shares of Registered Investment Company		5,299,320
	Western Asset Total Return UNC	210,211.863 shares of Registered Investment Company		2,125,242
	Subtotal of registered investment company investments			\$122,717,636
	Interest Bearing Cash			7,618,854
*	Notes receivable from participants	Loans, 10.00%	**	4,259,522
	Total of all investments and notes receivable from participants			<u>\$211,524,705</u>

* Represents a party-in-interest

** Cost is not required for participant directed accounts

The above information has been certified by Fidelity Management Trust Company., the trustee, as complete and accurate.

Ariel Corporation Employee Retirement Plan

Audited Financial Statements

December 31, 2018 and 2017



Rea & associates

www.reacpa.com

**ARIEL CORPORATION
EMPLOYEE RETIREMENT PLAN**

**AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

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September 12, 2019

To the Employee Benefit Plan Committee and participants of
Ariel Corporation Employee Retirement Plan
Mt. Vernon, OH 43050

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Ariel Corporation Employee Retirement Plan (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2018 and 2017, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Plan management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified or provided by Fidelity Management Trust Company, the trustee of the Plan, except for comparing this information with the related information included in the financial statements. We have been informed by the Plan Administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained certifications from the trustee as of December 31, 2018 and 2017, and for the years then ended, that the information provided to the Plan Administrator by the trustee is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter

The supplemental schedule of assets held at the end of the year as of December 31, 2018 is required by the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purpose of additional analysis and is not a required part of the financial statements. The supplemental schedule is the responsibility of the Plan's management. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedule.

Report on Form and Content in Compliance with DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified or provided by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Rea & Associates, Inc.

New Philadelphia, Ohio

ARIEL CORPORATION
EMPLOYEE RETIREMENT PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
AS OF DECEMBER 31, 2018 AND 2017

ASSETS

	<u>2018</u>	<u>2017</u>
INVESTMENTS AT FAIR VALUE:		
Common collective trust fund	\$ 12,747,769	\$ 9,689,627
Common stocks	49,430,151	71,279,053
Corporate bonds and debentures	14,750,773	13,585,695
Registered investment companies	122,717,636	115,894,307
Cash, interest bearing	7,618,854	1,352,051
	<u>207,265,183</u>	<u>211,800,733</u>
RECEIVABLES:		
Employer contribution	8,527,957	6,995,393
Notes receivable from participants	4,259,522	2,931,539
Other	260,923	281,690
	<u>13,048,402</u>	<u>10,208,622</u>
Cash and cash equivalents	<u>38,793</u>	<u>43,694</u>
Total assets	220,352,378	222,053,049
LIABILITIES:		
Other liabilities	<u>24,437</u>	<u>983,179</u>
Net assets available for benefits	<u><u>\$ 220,327,941</u></u>	<u><u>\$ 221,069,870</u></u>

The accompanying notes are an integral part of these financial statements.

ARIEL CORPORATION
EMPLOYEE RETIREMENT PLAN

STATEMENTS OF CHANGES IN NET ASSETS
AVAILABLE FOR BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
ADDITIONS TO NET ASSETS ATTRIBUTED TO:		
Investment income:		
Net (depreciation) appreciation in fair value of investments	\$ (19,596,180)	\$ 25,568,952
Dividends and interest	<u>3,142,902</u>	<u>3,501,103</u>
Total investment income	(16,453,278)	29,070,055
Interest income from participant loans	349,343	262,692
Contributions:		
Participants	7,948,578	6,087,049
Employer	14,514,594	11,347,515
Rollover	<u>1,107,657</u>	<u>390,480</u>
Total contributions	<u>23,570,829</u>	<u>17,825,044</u>
Total additions	7,466,894	47,157,791
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:		
Benefits paid to participants	8,068,643	5,503,467
Administrative expenses	<u>140,180</u>	<u>130,830</u>
Total deductions	<u>8,208,823</u>	<u>5,634,297</u>
Change in net assets	(741,929)	41,523,494
NET ASSETS AVAILABLE FOR BENEFITS:		
Beginning of the year	<u>221,069,870</u>	<u>179,546,376</u>
End of the year	<u><u>\$ 220,327,941</u></u>	<u><u>\$ 221,069,870</u></u>

The accompanying notes are an integral part of these financial statements.

ARIEL CORPORATION
EMPLOYEE RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

NOTE 1: DESCRIPTION OF PLAN

The following description of Ariel Corporation Employee Retirement Plan (“Plan”) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan’s provisions.

General

The Plan is a defined contribution safe harbor plan covering all employees of the company who have attained age 18 and are credited with three months of service. The Employee Benefit Plan Committee is responsible for oversight of the Plan. The Employee Benefit Plan Committee, along with investment advisors, determines the appropriateness of the Plan’s investment offerings and monitoring of investment performance. The plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions

The Plan provides for automatic deferrals for eligible Participants who do not make an affirmative election to defer (or not to defer) under the Plan. Participants are automatically entered into the plan withholding 3 percent from their paychecks, with an automatic 1 percent increase each Plan Year until a maximum of 6 percent is reached. Each year participants may contribute a percentage of their pre-tax or post-tax salary that is not more than the maximum amount allowed by law. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans. The Company provides a safe harbor matching contribution per the Plan agreement. The Company also may elect to make additional profit sharing contributions to the Plan as determined by the Board of Directors. The contributions are allocated among all participants so that each participant will be allocated the same percentage of their compensation.

Participant Accounts

Each participant’s account is credited with the participant’s and employer contributions, allocations of plan earnings, and charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, or specific participant transactions, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant’s vested account.

Vesting

Participants are immediately 100% vested in their contributions and employer safe harbor matching contributions plus actual earnings thereon. All employer profit sharing contributions are fully vested after six years of credited service as required by the Pension Protection Act of 2006.

Investment Options

Upon enrollment in the Plan, a participant may direct contributions in any of several investment options with varying degrees of risk and volatility, allowing participants to allocate their investments in accordance with their own risk tolerances and time horizons. Participants may change their investment options at any time.

ARIEL CORPORATION
EMPLOYEE RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

NOTE 1: DESCRIPTION OF PLAN (continued)

Notes Receivable from Participants

Participants may borrow from their accounts up to 50% of a participant's vested account, with a minimum of \$1,000, not to exceed \$50,000, at the discretion of the Plan's trustee. All loans are subject to the terms and conditions of the Plan. Principal and interest are paid ratably through payroll deductions.

Payment of Benefits

Distributions can be paid due to a participant's retirement, death, total disability, in-service withdrawal, or termination of employment, subject to the conditions stated in the Plan document. Participants may elect to receive benefits in a lump sum distribution or installments. The Plan also provides for hardship withdrawals, which are subject to conditions stated in the Plan document.

Forfeited Accounts

Forfeitures are created when participants terminate employment before becoming entitled to their full benefit under the Plan. At December 31, 2018 and 2017 forfeited non-vested accounts totaled \$436 and \$194, respectively. Forfeitures reallocated and used as employer contributions for the years December 31, 2018 and 2017 were \$134,088 and \$195,659, respectively.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Plan are prepared using the accrual method of accounting.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Investment Valuation and Income Recognition

The Plan's investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Employee Benefit Plan Committee determines the Plan's valuation policies utilizing information provided by the investment trustee. See Note 5 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based upon a distributable event. No allowance for credit losses has been recorded as of December 31, 2018 or 2017.

ARIEL CORPORATION
EMPLOYEE RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Payment of Benefits

Benefits are recorded when paid.

Administrative Expenses

Certain expenses of the Plan are paid directly by the Plan sponsor and are excluded from these financial statements. Fees related to administration of notes receivable from participants are charged directly to the participant's account and are included in administrative expenses. Recordkeeping and other administrative expenses, including asset management fees, are included in net appreciation of fair value of investments.

Subsequent Event

Subsequent events have been evaluated through September 12, 2019, which is the date the financial statements were available to be issued.

NOTE 3: INFORMATION PREPARED AND CERTIFIED BY TRUSTEE

Certain information related to investments and notes receivable from participants disclosed in the accompanying financial statements and supplemental schedule, including investments and notes receivable from participants held at December 31, 2018 and 2017, and net (depreciation) appreciation in fair value of investments, interest and dividends for the years ended December 31, 2018 and 2017, was obtained or derived from information supplied to the plan administrator and certified as complete and accurate by Fidelity Management Trust Company (the trustee and record keeper of the Plan).

NOTE 4: NONPARTICIPANT-DIRECTED INVESTMENTS

Information about the net assets and the significant components of the changes in net assets relating to the nonparticipant-directed investments is as followed:

	<u>2018</u>	<u>2017</u>
Net Assets:		
Common stocks	\$ 49,430,151	\$ 71,279,053
Registered investment companies	52,514,391	52,282,698
Corporate debt instruments	11,292,162	11,141,516
Interest bearing cash	7,618,854	1,352,051
Corporate debt instruments preferred	3,458,611	2,444,179
Common collective trust fund	18,848	18,486
Other receivables	260,923	281,690
Non-interest bearing cash	38,793	43,694
Operating payables	<u>(24,437)</u>	<u>(983,179)</u>
	<u>\$ 124,608,296</u>	<u>\$ 137,860,188</u>

ARIEL CORPORATION
EMPLOYEE RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS

NOTE 4: NONPARTICIPANT-DIRECTED INVESTMENTS (continued)

	<u>2018</u>
Change in Net Assets:	
Contributions	\$ 6,995,393
Net depreciation	(11,806,402)
Benefits paid to participants	(4,914,536)
Transfers to participant-directed investments	(3,305,842)
Forfeiture debit	(123,389)
Fees	<u>(97,116)</u>
	<u>(\$ 13,251,892)</u>

NOTE 5: FAIR VALUE MEASUREMENTS

Generally Accepted Accounting Principles include a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement

ARIEL CORPORATION
EMPLOYEE RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

NOTE 5: FAIR VALUE MEASUREMENTS (continued)

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2018 and 2017.

Cash and cash equivalents: Valued at the net asset value of shares by the Plan at year end.

Common stocks: Valued at closing price reported on the active market on which the individual securities are traded.

Corporate bonds and debentures: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

Registered investment companies: Valued at the net asset value (NAV) of shares held by the plan at year end. NAV is based on the value of underlying assets owned by the fund, minus its liabilities and then divided by the number of shares outstanding. NAV is a quoted price in an active market.

Common/collective trust funds: Valued based on the NAV of units of the collective trust fund. The NAV as provided by the trustee, is used as a practical expedient to estimating fair value. The NAV is based on the fair value of the underlying investments held by the trust less its liabilities. This practical expedient is not used when it is determined to be probable that the Plan will sell the investment for an amount different than the reported NAV. Participant transactions (purchases and sales) may occur daily.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

ARIEL CORPORATION
EMPLOYEE RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

NOTE 5: FAIR VALUE MEASUREMENTS (continued)

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2018 and 2017:

Assets at Fair Value as of December 31, 2018

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Registered investment companies	\$ 122,717,636	\$ 0	\$ 0	\$ 122,717,636
Cash and Cash Equivalents	7,618,854	0	0	7,618,854
Corporate bonds and debentures				
US corporate bonds	14,750,773	0	0	14,750,773
Common Stock	49,430,151	0	0	49,430,151
Investments valued using NAV as a practical expedient (a)				<u>12,747,769</u>
Total assets at fair value				<u>\$ 207,265,183</u>

Assets at Fair Value as of December 31, 2017

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Registered investment companies	\$ 115,894,307	\$ 0	\$ 0	\$115,894,307
Cash and Cash Equivalents	1,352,051	0	0	1,352,051
Corporate bonds and debentures				
US corporate bonds	13,585,695	0	0	13,585,695
Common Stock	71,279,053	0	0	71,279,053
Investments valued using NAV as a practical expedient (a)				<u>9,689,627</u>
Total assets at fair value				<u>\$ 211,800,733</u>

- (a) In accordance with Subtopic 820-10, certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statement of net assets available for benefits.

ARIEL CORPORATION
EMPLOYEE RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

NOTE 6: RELATED PARTY TRANSACTIONS

Certain Plan investments are managed by Fidelity Management Trust Company. As defined by the Plan, Fidelity is the trustee and, therefore, these transactions qualify as party-in-interest. The Plan also issues loans to participants, which are secured by the vested balance in the participant's accounts, which are also considered party in interest transactions.

NOTE 7: PLAN TERMINATION

Although it has not expressed any intent to do so, the company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of plan termination, participants will become 100% vested in their accounts.

NOTE 8: TAX STATUS

The Plan adopted a volume submitter document provided by Fidelity, which obtained its latest opinion on March 31, 2014 from the Internal Revenue Service stating that the Plan as written is in compliance with applicable requirements of the Internal Revenue Code (IRC). The plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Accounting principles generally accepted in the United States of America require management of an organization to evaluate tax positions taken by the organization and recognize a tax liability if the organization has taken an uncertain tax position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Plan management has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2018, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

NOTE 9: RISKS AND UNCERTAINTIES

The Plan provides for various investment options. Investment securities are exposed to various risks, such as interest rates, market and credit. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits and the statement of changes in net assets available for benefits.

ARIEL CORPORATION
EMPLOYEE RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

NOTE 10. RECONCILIATION OF FINANCIAL STATEMENTS TO SCHEDULE H OF FORM 5500

The following is a reconciliation of the net assets available for benefits per the financial statements at December 31, 2018 to the Form 5500:

	<u>2018</u>
Net assets available for benefits per the financial statements	\$ 220,327,941
Cumulative deemed loans	<u>(25,865)</u>
Net assets available for benefits per Form 5500	<u><u>\$ 220,302,076</u></u>

The following is a reconciliation of notes receivable from participants per the financial statements at December 31, 2018 to the Form 5500:

	<u>2018</u>
Notes receivable from participants per the financial statements	\$ 4,259,522
Cumulative deemed loans	<u>(25,865)</u>
Notes receivable from participants per Form 5500	<u><u>\$ 4,233,657</u></u>

The following is a reconciliation of the net change in net assets available for benefits per the financial statements for the year ended December 31, 2018 to the Form 5500:

	<u>2018</u>
Net decrease in net assets available for benefits per the financial statements	\$ (741,929)
Cumulative deemed loans	<u>(25,865)</u>
Net decrease in net assets available for benefits per Form 5500	<u><u>\$ (767,794)</u></u>

ARIEL CORPORATION
EMPLOYEE RETIREMENT PLAN
FORM 5500, SCHEDULE H, LINE 4I - EIN #31-0721681, PN 002

SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES
AS OF DECEMBER 31, 2018

(a)	(b) Identity of issue, borrower, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current value
*	Fidelity Managed Income Portfolio Wells Fargo Stable Value Fund	Common Collective Trust Fund Common Collective Trust Fund	** 17,454	\$ 12,728,922 18,847
	Subtotal of common collective trusts			\$ 12,747,769
	Aaron's Inc Class A	19,375 shares of common stock	390,999	\$ 814,719
	Abbott Laboratories	23,150 shares of common stock	758,395	1,674,440
	Accenture PLC Ireland Shares Class A	14,800 share of common stock	679,869	2,086,948
	Amazon.com Inc	600 shares of common stock	1,032,424	901,182
	Amphenol Corp	23,350 shares of common stock	481,957	1,891,817
	ANSYS Inc	12,950 shares of common stock	409,499	1,851,073
	ASGN Inc	20,100 shares of common stock	780,682	1,095,450
	BB & T Corporation	27,975 shares of common stock	746,073	1,211,877
	Blackrock Inc.	3,875 shares of common stock	1,208,450	1,522,178
	Costco Wholesale Group	8,150 shares of common stock	1,314,110	1,660,237
	Danaher Corp	18,350 shares of common stock	411,079	1,892,252
	Dover Corp	10,675 shares of common stock	253,373	757,391
	Exxon Mobil Corp	11,500 shares of common stock	523,336	784,185
	Facebook Inc Class A	9,050 shares of common stock	1,452,361	1,186,365
	Fiserv Inc	24,825 shares of common stock	358,894	1,824,389
	Fortive Corp	17,100 shares of common stock	481,848	1,156,986
	Gentex Corp	67,925 shares of common stock	725,513	1,372,764
	Gildan Activewear	41,050 shares of common stock	484,971	1,246,278
	Gilead Sciences Inc	18,625 shares of common stock	507,553	1,164,994
	Goldman Sachs Group Inc	7,050 shares of common stock	876,646	1,177,703
	Graco Inc	26,975 shares of common stock	686,136	1,128,904
	Halliburton Co	21,175 shares of common stock	1,175,155	562,832
	Hartford Financial Services Group, Inc.	20,875 shares of common stock	409,370	927,894
	Henry Schein Inc.	20,975 shares of common stock	721,858	1,646,957
	Home Depot Inc	9,200 shares of common stock	341,280	1,580,744
	Ingredion, Inc	10,150 shares of common stock	641,651	927,710
	Littlefuse Inc	4,750 shares of common stock	1,069,810	814,530
	Neogen Corporation	17,175 shares of common stock	309,279	978,975
	Open Text Corporation	43,775 shares of common stock	520,952	1,427,065
	Pepsico Inc	12,125 shares of common stock	572,455	1,339,570
	RPM International Inc	16,825 shares of common stock	894,537	988,974
	Regeneron Pharmaceuticals Inc	3,500 shares of common stock	1,298,028	1,307,250
	Roper Technologies Inc	3,700 shares of common stock	1,059,016	986,124
	Ross Stores Inc	18,725 shares of common stock	555,868	1,557,920
	Signature Bank	6,925 shares of common stock	969,488	711,959
	Skyworks Solution Inc	20,125 shares of common stock	813,263	1,348,778
	Snap On Inc	7,900 shares of common stock	1,218,096	1,147,791
	Thor Industries Inc	12,975 shares of common stock	809,940	674,700
	Visa Inc CL A	15,900 shares of common stock	1,200,958	2,098,246
	Subtotal of common stocks			\$ 49,430,151

ARIEL CORPORATION
EMPLOYEE RETIREMENT PLAN
FORM 5500, SCHEDULE H, LINE 4I - EIN #31-0721681, PN 002

SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES
AS OF DECEMBER 31, 2018

(a)	(b) Identity of issue, borrower, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current value
	Actavis Funding	\$550,000 note at 3.000% interest, maturity date 3/12/20	551,166	\$ 547,809
	Banc One	\$500,000 note at 9.875% interest, maturity date 3/1/19	627,200	504,204
	Barclay's PLC	\$650,000 note at 2.750% interest, maturity date 11/8/19	654,992	645,271
	Dominion RES Inc	\$250,000 note at 4.200% interest, maturity date 4/1/21	255,286	251,934
	Dominion RES Inc	\$500,000 note at 1.600% interest, maturity date 8/15/19	496,725	494,440
	Dun & Bradstreet	\$700,000 note at 4.000% interest, maturity date 6/15/20	717,163	706,566
	Fifth Third Bank	\$500,000 note at 2.300% interest, maturity date 3/1/19	503,332	499,493
	Fiserv Inc	\$500,000 note at 2.700% interest, maturity date 6/1/20	501,275	496,209
	Gatx Corp	\$250,000 note at 2.500% interest, maturity date 7/30/19	250,750	248,472
	General MTR Inc	\$250,000 note at 3.100% interest, maturity date 1/15/19	508,606	499,980
	Goldman Sachs Group Inc	\$600,000 note at 7.500% interest, maturity date 2/15/19	687,666	602,890
	Hewlett Packard	\$500,000 note at 4.300% interest, maturity date 6/1/21	533,125	508,281
	Juniper Network	\$500,000 note at 3.125% interest, maturity date 2/1/19	507,425	499,855
	Kraft Foods	\$400,000 note at 5.375% interest, maturity date 2/1/20	425,042	613,639
	Masco Corp	\$600,000 note at 3.500% interest, maturity date 4/1/21	598,663	597,178
	Mead Johnson Nutr	\$850,000 note at 3.000% interest, maturity date 11/15/20	855,112	847,469
	Morgan Stanley	\$500,000 note at 5.6250% interest, maturity date 9/23/19	570,500	507,408
	Nasdaq OMX	\$500,000 note at 5.550% interest, maturity date 1/15/20	529,750	510,818
	National City	\$500,000 note at 6.875% interest, maturity date 5/15/19	516,500	506,863
	Newmont Mining MTN	\$650,000 note at 5.125% interest, maturity date 10/1/19	714,698	658,306
	Quest Diagnostic	\$325,000 note at 2.500% interest, maturity date 3/30/20	326,023	371,528
	RPM Intl Inc	\$300,000 note at 6.125% interest, maturity date 10/15/19	343,531	305,465
	Sempra Energy	\$200,000 note at 2.450% interest, maturity date 3/15/20	197,740	197,166
	Southern Company	\$500,000 note at 2.750% interest, maturity date 6/15/20	508,000	494,384
	Sysco Corp	\$500,000 note at 2.500% interest, maturity date 7/15/21	493,250	489,870
	Teva Pharm CV	\$500,000 note at 2.250% interest, maturity date 3/15/20	495,440	486,571
	Weyerhaeuser Co	\$600,000 note at 7.375% interest, maturity date 10/1/19	734,716	616,523
	Worthington Inds	\$400,000 note at 6.500% interest, maturity date 4/15/20	432,252	413,324
	Zimmer Holdings	\$635,000 note at 2.700% interest, maturity date 4/1/20	643,085	628,857
	Subtotal of corporate bonds and debentures			\$ 14,750,773

ARIEL CORPORATION
EMPLOYEE RETIRMENT PLAN
FORM 5500, SCHEDULE H, LINE 4I - EIN #31-0721681, PN 002

SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES
AS OF DECEMBER 31, 2018

(a)	(b) Identity of issue, borrower, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current value
	Metwest Total Return Bond	Registered Investment Company	**	\$ 1,282,926
	DFA US Target Value Fund	Registered Investment Company	**	1,231,495
	Lord Abbett Developing Growth I	Registered Investment Company	**	2,296,541
	Harbor International Admin	Registered Investment Company	**	1,402,268
*	Fidelity Govt Income	Registered Investment Company	**	629
*	Fidelity 500 Index Portfolio	Registered Investment Company	**	5,272,711
*	Fidelity Freedom Index Income Investment	Registered Investment Company	**	225,268
*	Fidelity Freedom Low Priced Stock	Registered Investment Company	**	3,817,488
*	Fidelity Freedom Index 2005 Investment	Registered Investment Company	**	134,426
*	Fidelity Freedom Index 2010 Investment	Registered Investment Company	**	99,088
*	Fidelity Freedom Index 2020 Investment	Registered Investment Company	**	7,010,484
*	Fidelity Freedom Index 2025 Investment	Registered Investment Company	**	9,642,891
*	Fidelity Freedom Index 2030 Investment	Registered Investment Company	**	10,337,975
*	Fidelity Freedom Index 2035 Investment	Registered Investment Company	**	6,968,863
*	Fidelity Freedom Index 2040 Investment	Registered Investment Company	**	5,704,239
*	Fidelity Freedom Index 2045 Investment	Registered Investment Company	**	5,093,904
*	Fidelity Freedom Index 2050 Investment	Registered Investment Company	**	5,441,169
*	Fidelity Freedom Index 2015 Investment	Registered Investment Company	**	676,231
*	Fidelity Freedom Index 2055 Investment	Registered Investment Company	**	2,995,972
*	Fidelity Freedom Index 2060 Investment	Registered Investment Company	**	568,677
	AQR Multi- Strategy	703,987.120 shares of Registered Investment Company		5,498,139
	Artisan International Institute	86,652.328 shares of Registered Investment Company		2,363,009
	DFA Emerging Markets Portfolio	261,017.497 shares of Registered Investment Company		6,731,641
	Dodge & Cox International Stock Fund	113,913.457 shares of Registered Investment Company		4,204,546
	Eaton Vance Emerging Markets	875,681.483 shares of Registered Investment Company		4,641,112
*	Fidelity Small Cap Value Fund	368,806.577 shares of Registered Investment Company		4,846,118
	Hartford Total Return Bond HLS Fund Class 1A	495,392.746 shares of Registered Investment Company		5,325,472
	Hartford Small Cap Growth Y	99,344.906 shares of Registered Investment Company		4,136,722
	Pimco Emerging Local Bond Inst	701,706.463 shares of Registered Investment Company		4,603,194
	Vanguard International Growth	34,585.661 shares of Registered Investment Company		2,739,876
	Western Asset Core Plus Bond Portfolio Inst	472,731.523 shares of Registered Investment Company		5,299,320
	Western Asset Total Return UNC	210,211.863 shares of Registered Investment Company		2,125,242
	Subtotal of registered investment company investments			\$122,717,636
	Interest Bearing Cash			7,618,854
*	Notes receivable from participants	Loans, 10.00%	**	4,259,522
	Total of all investments and notes receivable from participants			<u>\$211,524,705</u>

* Represents a party-in-interest

** Cost is not required for participant directed accounts

The above information has been certified by Fidelity Management Trust Company., the trustee, as complete and accurate.