From the Front Lines of the Financial Crisis

Battle-Tested and Positioned for Continued Success

MARCH 31, 2019

Slow and steady wins the race.

"Bull markets are born in pessimism, grow on skepticism, mature on optimism and die on euphoria. The time of maximum pessimism is the best time to buy, and the time of maximum optimism is the best time to sell."

– Sir John Templeton

Introduction

The global financial crisis awakened investors and fund managers to the threats that systemic risk can pose to markets, liquidity and the asset management industry.

The months of tumult that followed the collapse of Bear Stearns and Lehman Brothers were marked by fear and confusion at banks and investment houses. Complex mortgage-based exposures on financial institutions' balance sheets collapsed in value, sending the real estate market into a downward spiral that pulled in unsuspecting investors and corporations. Stock prices plummeted at many strong, well-run companies. Government officials scrambled to reestablish confidence in the financial systems through capital infusions and by supporting the acquisition of failed institutions by stronger entities. The effects spread far beyond Wall Street as thousands lost their homes and many more lost their retirements or savings.

Within the chaos, market participants struggled to keep up with events and make sound investment decisions. Many money managers responded to the markets' extended swoon by abandoning their investment strategies and moving as much of their holdings as possible into safer assets while all around them volatility spiked and asset values plunged.

Ariel Investments took a different approach.

While many investors panicked and waited for the turbulence to subside, Ariel remained committed to a time-tested investment strategy that has fueled our success for more than 35 years. This strategy, which consists of building relatively concentrated portfolios of stocks that trade at attractive prices relative to their intrinsic value, requires patience.

During the crisis, we maintained our focus and trusted our research, enabling us to spot opportunities in companies that other investors had abandoned. As a result, shareholders who stuck with Ariel Fund through the bottom of the crisis have been rewarded handsomely.

The same experienced team who expertly navigated the global financial crisis remains largely intact today. We've added new talent and refined and reinforced our investment process in the years since the crisis, honing it for the next inevitable turbulence and downturn.

Since March 9, 2009, our flagship Ariel Fund has dramatically beaten its benchmark, the Russell 2500™ Value Index. As of the most recent quarter end, the fund is ranked number one among its peers over the same time period.*

Strong performance sustained over market cycles doesn't happen by chance, but through focus and the ability to execute consistently on one's investment philosophy. Our commitment to these principles has allowed our investment business to thrive and positioned us for future success.

We're taking this opportunity—10 years since the bottom of the market—to highlight how we responded as the crisis unfolded, how we approached investing and managed risk, and why these processes should continue to work for shareholders. Our commitment to live our values through tumultuous and tranquil markets has fortified us for the next challenge.

A Track Record of Long-Term Outperformance

Average Annual Total Returns as of 3/31/19	1-year	5-year	Market Bottom (3/09/09)	10-year	Since Inception (11/06/86)
Ariel Fund–Institutional Class	+ 1.01%	+ 8.20%	+21.66%	+18.80%	+11.17%
Ariel Fund–Investor Class	+ 0.70%	+ 7.88%	+21.38%	+18.54%	+11.09%
Russell 2500™ Value Index	+ 1.84%	+ 6.02%	+17.40%	+15.03%	+10.90%
Expense Ratio (as of 9/30/18)					
Ariel Fund–Institutional Class (ARAIX)					0.72%
Ariel Fund–Investor Class (ARGFX)					1.01%

Performance data quoted represents past performance. Past performance does not guarantee future results. All performance assumes the reinvestment of dividends and capital gains. 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 or higher than the performance data quoted. For performance data current to the most recent month-end, visit www.arielinvestments.com.

The inception date for the Institutional Class shares is 12/30/11. Performance information for the Institutional Class prior to that date reflects the actual performance of the Fund's Investor Class (and uses the actual expenses of the Fund's Investor Class, for such period of time), without any adjustments. For any such period of time, the performance of the Fund's Institutional Class would have been substantially similar to, yet higher than, the performance of the Fund's Investor Class, because the shares of both classes are invested in the same portfolio of securities, but the classes bear different expenses, which are primarily differences in distribution and service fees.

**__Past performance does not guarantee future results.__ As of 3/31/19, Ariel Fund (Investor Class) was ranked number one out of 181 funds in Lipper's Mid-Cap Core universe since the market bottom on 3/9/09. Lipper, Inc. is a nationally recognized organization that reports performance and calculates rankings for mutual funds based on total returns. Ariel Fund ranked 274 out of 388, 58 out of 281 and 1 out of 181, respectively, for the one, five and ten year periods ending 3/31/19.*

Our Investment Philosophy—Time-Tested and Crisis-Tempered

Our investment philosophy combines active management, value investing, a long-term investment horizon and rigorous research. Together, this approach has provided Ariel Fund shareholders with investment returns above our benchmarks and the broad equity market. How do we do it? What sets us apart? Let's take a deeper look.

The Benefits of Active Management

We've developed an investment management approach that is especially active, where our funds' holdings differ dramatically from benchmark indexes. Passive investing may be popular, but it doesn't lead to alpha or provide protection against crashing markets. What matters is doing your research, creating a portfolio that's different from the indexes and then having the courage and conviction to double down in the face of inevitable market turmoil. We proved that in the financial crisis' wake and are confident that we will continue to prove ourselves in the next downturn.

TIM FIDLER
Director of Research

"It's so much easier and more palatable for managers to do what everyone else is doing, because it's not hard. It's when you try to be different than the market, and over long periods of time—which we're convinced is the only way to beat the market—that you'll find yourself by yourself."

We believe many so-called active managers are actually "closet indexers" who build portfolios remarkably close to the indexes they are paid to beat. When a manager mirrors a benchmark, the fund will never outperform it, and the active management fees shareholders are likely paying will lower their overall returns.

Consequently, we're index-agnostic. We construct portfolios that differ dramatically from the indexes. And we have the conviction to hold our often-contrarian positions over long periods of time.

Martijn Cremers, interim dean and the Bernard J. Hank professor of finance of the Mendoza College of Business at the University of Notre Dame, has written extensively about the benefits that actively managed funds bring to investors. In a paper[1] he co-wrote in 2009, Cremers analyzed the returns of domestic equity mutual funds from 1980 to 2003. He found that funds holding stocks that varied from their benchmark indexes the most—or have a high "active share"—tended to outperform those indexes significantly, even after including expenses. By contrast, non-index funds that most closely resembled indexes underperformed their benchmarks.

Several years later, Cremers, who also serves on Ariel's Board of Directors, asserted: "High active share managers can be expected to be most successful if they also follow strategies that are more difficult to implement—such as patient strategies requiring a higher level of investor trust and manager conviction."[2]

These studies support our approach to active management, linking long-term fund performance to an investment team's judgments, expertise, research and experience. We believe high active share portfolios can outperform on the basis of being different from their respective indexes, so long as their managers bring skill, a proven philosophy and high conviction to the process.

1 *Martijn Cremers, co-authored with Antti Petajisto; How Active Is Your Fund Manager? A New Measure That Predicts Performance; 2009.*
2 *Cremers; Active Share and the Three Pillars of Active Management: Skill, Conviction and Opportunity; 2016.*

Thorough Research Unearths Value

Ultimately, we look for companies with sustainable competitive advantages—what some refer to as a wide economic moat—which are currently out of favor due to some short-term issue.[3] The financial crisis presented a great opportunity for value investors such as Ariel, as panicked sellers unloaded great companies at attractive prices.

JOHN MILLER
Portfolio Manager

"We look to purchase companies trading at a substantial discount to our calculation of their private market value. We value a stock as an owner would value a business."

JOHN ROGERS
Chairman, CEO, Chief Investment Officer

"We just didn't want to buy bargains, we wanted to buy great companies at bargain prices."

We try to buy companies worth a dollar that are trading for 60 cents. Usually this discount comes from the market's overemphasis on a short-term challenge. By taking a long-term approach, we can acquire businesses at a 40 percent discount to their intrinsic value. Through our proprietary research, we find attractive qualities in companies that others miss or ignore. During the financial crisis, we found several companies that fit this description, including Royal Caribbean, Tiffany and CBRE, among others. Please refer to the examples below as we walk you through our investment thesis for each company.

Our Value Investing Philosophy at Work During the Crisis

RoyalCaribbean INTERNATIONAL	By the time the crisis struck, cruise sector companies were beefing up their fleets and Royal Caribbean, a great brand, needed to raise billions of dollars of debt for new ships. Most investors expected over-levered consumers to pull back dramatically on spending and vacations. Predictably, these same investors thought marketplace demand for Royal Caribbean, and its stock, would plunge. We disagreed, arguing that these investors misunderstood Royal Caribbean's story and the quality of its management team. We recognized that markets ignored the incentive ship-building countries had to help finance ship building. Investors didn't care that the Finnish government—then a safe, well-respected sovereign credit—was willing to build cruise ships in Finland and wrap Royal Caribbean's debt. We stress-tested the balance sheet to see if it would hold and modeled how the company would handle the environment. Royal Caribbean remained profitable throughout the crisis. We believed the rest of the world was wrong about a lot of these factors and had the conviction to put capital to work. Critically, our most senior people remained contrarian under intense client and market pressure.
TIFFANY & CO.	Tiffany had built a market reputation as a world-class leader in retail with strong competitive advantages. But as credit markets collapsed during the crisis, investors avoided the luxury space, fearing consumers would stop spending to pay down debt or file for bankruptcy. Consequently, in our view, Tiffany became wildly underpriced. By January 2009, Tiffany, which at the time was conservatively run with little leverage or financial stress, couldn't refinance $100 million of debt. The capital markets had completely shut down. Eventually Warren Buffett lent Tiffany the money at 10 percent interest. Watching a world-class business fail to secure routine refinancing through normal channels and then pay a ridiculously high interest rate to a private company to get it done, to us, upended all market norms and logic. Thorough research convinced us Tiffany was a solid company that would grow again, making it an easy choice. And even though clients regarded our move to buy a luxury retailer in early 2009 as irrational, we knew people would buy luxury again. If the market's going haywire—up or down—then the key to survival is having an investment philosophy or strategy that you can execute quickly in both good and troubled times.
CBRE	By the time Ariel bought its stock in late-2007, CBRE, then the largest commercial real estate (CRE) firm in the world, was falling rapidly out of favor. Wall Street was unhappy with its leveraged buy-out of a competitor, its recent stock repurchases and its strategy to ramp up its CRE outsourcing services. In early 2008, CRE sales and leasing activity—CBRE's primary revenue sources—collapsed. CBRE stock that had historically traded as high as 18 times earnings plunged below five times earnings. At this point, we still believed in CBRE. We trusted our deep CRE experience and had done extensive balance-sheet analysis on CBRE. Furthermore, we recognized the growth potential that outsourced facilities management had in this space. Although CBRE had to issue equity in 2008 and 2009, we respected management's decision to use the cash to de-leverage its balance sheet. We also knew the CRE market would recover. But we considered CBRE's plan to reduce its reliance on two cyclical income streams tied to interest rates wise. And we believed CBRE's diversifying efforts would flourish over time as corporations expanding internationally outsourced more of their CRE business.

3 *An economic moat is a perceived competitive advantage that acts as a barrier to entry for other companies in the same industry. This perceived advantage cannot protect investors from the volatility associated with stocks, incorrect assumptions or estimations, declining fundamentals or external forces.*

Looking Past the Short-Term Noise

For investors who value patience, we believe contrarian thinking and long-term wealth creation are the keys to success. By taking at least a three- to five-year investment horizon, we can look past short-term market noise and volatility and be opportunistic when favorable price dislocations arise.

SABRINA CAROLLO
Director of Research Operations

"At the end of the day, this is all about evaluating a business, understanding what makes it tick, what differentiates it and how it will grow over time. And these are concepts that take time. When the stock market moves 10 percent, the underlying values of business don't change that quickly."

We define risk as the permanent loss of capital. Stock prices can be volatile in the short term. But in the long term, we believe companies with strong fundamentals should protect investors against long-term loss of principal.

Above all, strong research and conviction form the foundation that undergirds our long-term investing horizon. We do our research and invest in companies that we believe will prosper many years from now.

Research Process: Proprietary and Thorough

Robust company research rounds out Ariel's investment philosophy. We conduct our own sophisticated balance-sheet and credit research, something that's rare among equity investors. Small- and mid-sized companies tend to be less well-researched, so our experience helps us stand out in those spaces.

We bulked up our credit research process following the financial crisis for three important reasons. First, we found that companies with excessive debt were often forced to issue equity at the worst possible time, diluting us and other common stock owners. Second, we believe the rating agencies are reluctant to downgrade companies, as it is an admission of a prior miscalculation. Finally, it is corporate issuers that pay for the credit ratings themselves.

As a result, we implemented our own debt rating process, often arriving at significantly lower ratings than those provided by the rating agencies. We put in place a new restriction requiring all new investments to have an Ariel debt rating of BB-minus or higher. As a direct result of this process improvement, our portfolio companies have significantly stronger balance sheets today than do the benchmarks. We believe this balance-sheet strength will serve our investors well during the next economic downturn.

We refined, amplified and formalized this rigor into our process. Key to this development was Charlie Bobrinskoy, Ariel's vice chairman, head of investment group and portfolio manager. After spending more than two decades at Salomon Brothers and its successor company, Citigroup, Charlie brought his credit expertise to Ariel and helped us tighten up our research process. He takes a relentlessly conservative approach to risk and has worked to ensure that we're always mindful of and clear on what we're buying.

CHARLIE BOBRINSKOY
Vice Chairman, Head of Investment Group

"We bulked up our credit research process following the financial crisis for three important reasons. First, we found that companies with excessive debt were often forced to issue equity at the worst possible time, diluting us and other common stock owners. Second, we believe the rating agencies are reluctant to downgrade companies, as it is an admission of a prior miscalculation. Finally, it is corporate issuers that pay for the credit ratings themselves."

Discipline, Longevity and Diversity Give Us an Edge

Ariel Fund has outperformed over many decades because we have held firmly to our central investing principles under even the most challenging conditions. We depend upon the team's profusion of investment perspectives and rigorous debate to bring greater clarity and certainty to our winning stock picks.

Keys to Success: Discipline, Strict Adherence to Investment Approach

As investors, sticking to our beliefs and investment philosophy—however contrary they run to conventional wisdom—is crucial to our success. This is particularly true during difficult times, such as the Global Financial Crisis.

Facts back our investments, not fear or irrational enthusiasm. We look at balance sheets and cash flow, management and valuations—not stock-price movements.

Investment Team Longevity and Diversity Bring Strength

Our investment team has extensive experience applying the firm's philosophy successfully through numerous market cycles. But we take teamwork to another level. After working, in many cases, 10, 20 or 30 years together, Ariel analysts are expected to challenge each other's investment views. This fearless questioning makes us better; respectful friction makes Ariel stronger.

JOHN ROGERS

"Heading into a crisis, you want analysts who have a lot of experience working together. You want a battle-tested group that's not afraid to challenge each other. Our team has worked together for a long time, and we're very comfortable questioning one another."

KEN KUHRT

Portfolio Manager

"The Ariel team that executed during that difficult time is still here. So, for the next crisis, it's not about hoping that whoever's in that slot knows what to do in that environment. Ariel has a team that's proven."

We can attribute our enduring success to the team's long track record together. Many on the team have been living Ariel's investment philosophy for so long that each trusts the process and the ability of senior leadership to navigate the firm through choppy waters or extended downturns.

Since our founding 35 years ago, diversity and inclusion have been an integral part of our core principles and values. We embrace diversity of thought, ethnicity, age and gender at Ariel. Research has demonstrated that organizations that cultivate diversity are more likely to attract top talent, foster innovation, stimulate creative thinking and problem solving—all leading to better outcomes.

Across the firm, the diversity of our backgrounds, opinions and perspectives challenges and bolsters our process for finding winning companies. Different people bring different skills to our investment approach, in a collegial environment that allows everyone to play their role by playing to their strengths.

Behavioral Finance Brings Science to Risk Management

At other firms, irrational decision-making during moments of enthusiasm or anxiety can lead to bad investments that affect quarterly performance numbers. Consequently, we believe that managing emotions is a vital investment skill. We've long been advocates of Behavioral Finance and have applied this field of study to our investment process as a way to temper human emotions.

Behavioral Finance Helps Check Your Bias

Ariel's investment process has been heavily influenced by developments in the field of Behavioral Finance, much of it performed by scholars affiliated with the University of Chicago. Studies in Behavioral Finance have documented human tendencies which often produce predictable mistakes. The Endowment Effect, Confirmation Bias and Anchoring are examples of these behavioral tendencies.

How We Apply Behavioral Finance

The Endowment Effect and Confirmation Bias both tend to make analysts overvalue stocks which they own. Our "devil's advocate" process probes and pushes back on our stock theses. We use it to vet our potential investments through an objective, skeptical lens and offer a more balanced understanding of the stock's pros and cons before an idea enters the portfolio.

We designate a member of the investment team to serve as a devil's advocate who works alongside the primary analyst throughout the investment process, highlights risks that may have been overlooked and articulates a contra-case, or the bear argument, to our investment thesis. Other members of the investment team then take turns querying the primary analyst in a manner designed to sharpen his or her case for a stock.

CHARLIE BOBRINSKOY

"We have used our findings about 'Anchoring' to become systematically slower to sell stocks with improving fundamentals. Zebra Technologies Corporation (ZBRA) is an example of a stock we've held because we believed the market was anchoring on old earnings estimates, leading many other investors in the name to exit their positions too soon."

TIM FIDLER

"Value investing works because Behavioral Finance is real. The one thing that can't be arbitraged over time is poor human behavior or decision making. For the next 20 years, put down the accounting book and worry more about having emotional intelligence and controlling your own ability to invest in a rational way."

"It's all about having balanced information presented to the team. The devil's advocate is simply a check on our work, especially as our holding period increases or there is controversy around a name."

We Align Our Investments with Our Values

In his 2018 annual letter to CEOs, BlackRock CEO Larry Fink wrote: "Society is demanding that companies, both public and private, serve a social purpose. To prosper over time, every company must not only deliver financial performance, but also show how it makes a positive contribution to society. Companies must benefit all of their stakeholders, including shareholders, employees, customers, and the communities in which they operate."[4]

This treatise neatly encapsulates our own approach to evaluating companies. While ESG and responsible investing have only recently become a part of the lexicon of mainstream finance, we have always taken a holistic approach to investing that looks not only at how companies perform financially, but also how they serve a social purpose. We have honed this approach over the years in an effort to consistently achieve outstanding returns for our clients and to generate positive social impact in our communities.

In our 35 years as investors, we have seen overwhelming evidence that a dedication to social awareness and corporate governance drives better companies. We also strongly believe that ethical business practices make sound investment sense and look for companies that align with our social quality criteria, including businesses with proactive diversity practices that demonstrate ethical decision-making and sound environmental policies. Put simply, we want to invest in companies that share our values.

ESG: Doing More to Apply Responsible Investing Principles

As long-term investors who build long-term relationships, Ariel regards companies' management teams as business partners. Accordingly, we pursue partnerships with shared values.

John Oxtoby leads Ariel's effort to integrate ESG-related considerations into our investment process. As an ESG analyst for our domestic research team, John works with the primary analyst and portfolio managers to assess the sustainability and ethical impact of portfolio companies and prospective investments. He maintains a proprietary ESG Risk Assessment level for each core domestic holding and works with portfolio companies to adopt and strengthen their social impact and governance practices. John's team also tracks engagement with management on ESG issues and ensures that each research report includes an ESG Considerations segment.

Below are five examples of how we think about responsible investing:

Shareholder engagement: We assess the degree to which a company acts responsibly by reviewing regulatory filings and research from MSCI and ISS, and by engaging directly with its management.

Socially responsible considerations: While our domestic strategies avoid corporations that earn most of their revenues by manufacturing handguns or from producing or selling tobacco products, we view such negative screening as a starting point. As mentioned earlier, principled business practices make good moral and financial sense. In this regard, we seek corporations that demonstrate a commitment to social and civic responsibility; this involvement strengthens and invigorates communities, as well as ties customers to brands and businesses. Finally, we think companies with sound environmental practices will be less likely to face government regulation, costly litigation and fines.

Diversity lens: Ariel believes companies that cultivate diversity are more likely to attract the best talent and broaden their markets in profitable new ways. We predict firms that behave responsibly and ethically will develop long-term, competitively advantaged business models.

4 *https://www.blackrock.com/corporate/investor-relations/larry-fink-ceo-letter*

Integrated research: Ariel believes a dedication to social awareness and corporate governance drives better companies, and that strong financial results needn't come at the expense of social integrity. We support these notions by formally integrating them into our traditional value research effort using three analysts to assess an investment's full potential: a primary analyst, a devil's advocate and a dedicated impact research professional who engages directly with management.

JOHN OXTOBY
Director of Impact Investing

"In our 35 years as investors, we have seen overwhelming evidence that a dedication to social awareness and corporate governance drives better companies."

Working with portfolio companies: Drawing from existing social impact initiatives—including the Black Corporate Directors Conference and the Ariel Community Academy—we have applied our experience and expertise to partner with portfolio companies to help enhance social impact and governance policies and practices. For more than three decades, we have encouraged portfolio companies to have proactive diversity practices.

How Our Connections and Networks Add Value

We pride ourselves on making a positive contribution to society and to our local communities. Social and civic responsibility are in Ariel's blood. But we don't view giving back as just a one-sided exchange. In fact, our investing process is continuously motivated by and informed by our interactions with our local communities and networks. We believe the modern face of investment management is someone who can gain as much information from a conversation with a trusted contact as they can from looking at the world's best research reports.

These conversations occur at all levels of society, from the board rooms of corporate America to the local store. We encourage everyone at Ariel to widen their perspectives by engaging with those outside of their bubble. The members of our leadership team are a perfect example, as they have collectively spent decades gaining valuable insights and perspectives from the boards on which they sit and the communities in which they serve.

The wealth of experience we gain by sitting on these boards and having meaningful conversations with CEOs grants us an unrivaled window into banking, insurance and professional services, among other sectors and industries. We are especially proud of our affiliation with the University of Chicago and other academics, which puts us in close proximity to the best of the best in their fields. Collectively, these experts and advisors inform, broaden and enrich Ariel's perspective on sectors and companies, giving us an edge over those unable or unwilling to break through the bubble.

Ariel's Board Positions Broaden Our Perspectives

John Rogers, *Chairman, CEO, Chief Investment Officer*

John is a member of the board of directors of McDonald's, Nike and The New York Times Company. He also serves as a trustee of the University of Chicago.

Mellody Hobson, *President*

Mellody is vice chair of the board of Starbucks Corporation and a director of JPMorgan Chase & Co. She is also chair of The Economic Club of Chicago.

Charlie Bobrinskoy, *Vice Chairman and Head of Investment Group*

Charlie sits on the corporate boards of State Farm Mutual Automobile Insurance Company and InnerWorkings, Inc., as well as the boards of the Museum of Science and Industry, and the Big Shoulders Fund.

Women Thrive in Senior Positions at Ariel

Rupal Bhansali
CIO, International & Global Equities

Mellody Hobson
President

Merrillyn Kosier
CMO Mutual Funds

Mareilé Bayard Cusack
General Counsel

Cheryl Cargie
Head Trader

Roopa Weber
Head of Institutional Client Services

Maureen Longoria
CFO and Treasurer

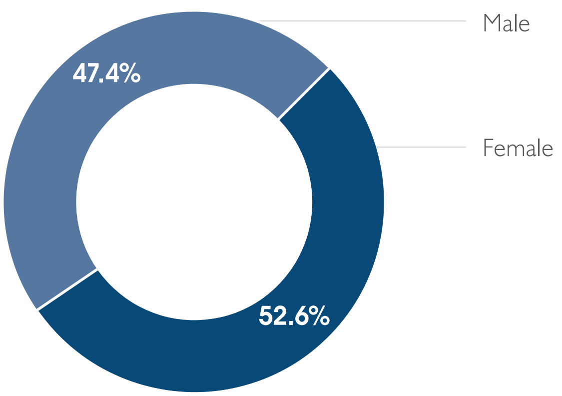
Bonnie Orlowski
Head of Consultant Relations & Financial Intermediaries

Taking a D&I Lens to Investing

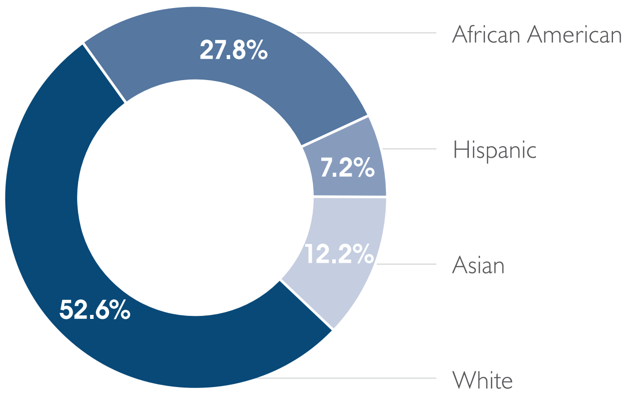
Ariel supports Diversity & Inclusion by practicing it. Extensive research[5] shows that having a more diverse investment team helps boost returns. For starters, many women occupy senior roles at the firm.

We think of our firm as a melting pot. Ariel's team hails from all walks and stations of life, encompassing many different educational backgrounds, races, ethnicities, sexual orientations and religions. This diversity gives us a competitive advantage, allowing us to solve problems in unique and varied ways, as well as to be contrarian in how we approach investing.

Ariel's Current Stats: Gender[6]



Ariel's Current Stats: Race



5 Scott E. Page; *The Difference: How the Power of Diversity Creates Better Groups, Firms, Schools, and Societies*; 2007.
6 Source: Ariel Investments; as of fourth quarter 2018.

Closing Thoughts

Ariel's experienced team has a disciplined philosophy that it can call upon as market conditions change. We have a valuable story to share with investors that highlights a traumatic and chaotic point in time—how Ariel Fund emerged from the market bottom in 2009 to outperform its peer group. But we can also expand the lens to tell Ariel Fund's story of sustained outperformance relative to its benchmarks that spans three decades.

Our success rests on a bedrock foundation: thorough, bottom-up research that combines extensive valuation analysis, proprietary credit work, exhaustive vetting and independent, third-party verification. The work necessary to find a company's intrinsic value—to do it the right way—is not for the faint of heart. Poring over balance sheets and cash flows, combing through P/Es, moat ratings, comparables and reinvestment requirements, assembling analytical reports and performing scenario analyses all require rigor. There are no shortcuts through this system.

We hammered and strengthened our research process, reinforcing it with a relentlessly conservative approach to all manners of risk—whether credit, market, liquidity, financial or even systemic. We use this to look beyond price movements and media noise to focus on management and valuation: our gold standards.

As academic research shows, the longer track record you have, the more you can prove that your results come from skill, and not luck. The team you build—and how you work together and challenge each other—also factors into that formula. Our culture, team and investment principles carried us through the financial crisis successfully and rewarded Ariel Fund shareholders, and it will carry us through all that may come.

We want our shareholders to take a patient view, because through this lens we know we can deliver the kind of robust long-term results that help them meet their investment objectives and build a secure future. We know investing is a marathon, and we're in it for the long run. We've proven that patience wins.

Investing in small- and mid-cap stocks is more risky and volatile than investing in large-cap stocks. The intrinsic value of the stocks in which Ariel Fund invests may never be recognized by the broader market. Ariel Fund is often concentrated in fewer sectors than its benchmarks, and its performance may suffer if these sectors underperform the overall stock market.

Investors should consider carefully the investment objectives, risks, and charges and expenses before investing. For a current summary prospectus or full prospectus which contains this and other information about the funds offered by Ariel Investment Trust, call us at 800-292-7435 or visit our web site, www.arielinvestments.com. Please read the summary prospectus or full prospectus carefully before investing. Distributed by Ariel Distributors, LLC, a wholly-owned subsidiary of Ariel Investments, LLC. Ariel Distributors, LLC is a member of the Securities Investor Protection Corporation.

Portfolio holdings are subject to change. The performance of any single portfolio holding is no indication of the performance of other portfolio holdings of Ariel Fund or of the performance of the Fund itself. As of March 31, 2019, RCL comprised 2.8 percent of the Ariel Fund; TIF 0.0 percent; CBRE 3.0 percent; and ZBRA 3.8 percent.

An actively managed portfolio is more risky than a passively managed portfolio that replicates an index because it contains fewer stocks than its benchmark index. Indexes are unmanaged, and an investor cannot invest directly in an index. However, investors may invest in an index fund, which mimics the composition of an index. There are lower costs associated with index funds, as compared to actively managed funds.

This material should not be considered an offer for any of the securities referenced. The opinions expressed in this material were current at the date reflected but are subject to change. The information provided in this material does not provide information reasonably sufficient upon which to base an investment decision and should not be considered a recommendation to purchase or sell any particular security.

Indexes are unmanaged. An investor cannot invest directly in an index. The Russell 2500™ Value Index measures the performance of the small- to mid-cap value segment of the U.S. equity universe. It includes those Russell 2500 companies with lower price-to-book ratios and lower forecasted growth values. Frank Russell Company ("Russell") is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Frank Russell Company. Neither Russell nor its licensors accept any liability for any errors or omissions in the Russell Indexes or underlying data and no party may rely on any Russell Indexes and/or underlying data shown. No further distribution of Russell data is permitted without Russell's express written consent. Russell does not promote, sponsor or endorse the content of this material. The S&P 500® Index is the most widely accepted barometer of large cap U.S. equities. It includes 500 leading companies.

Price-to-earnings ratio: A valuation ratio of a company's share price to its per-share earnings. In general, a high "P/E ratio" suggests that investors are expecting higher earnings growth in the future compared to companies with lower P/E ratios. P/E ratio comparisons are more applicable for companies in the same industry, against the stock market in general or against the company's own historical P/E ratio.

Additional Notes

"Be greedy when others are fearful, and fearful when others are greedy."

– Warren Buffett

Ariel Investments

Toll Free: 800.292.7435

www.arielinvestments.com

Chicago, Headquarters

200 East Randolph Street
Suite 2900
Chicago, IL 60601

Phone: 312.726.0140

New York City

330 Madison Avenue
Floor 22
New York, NY 10017

Phone: 212.824.4330

Sydney

Level 36, Gateway Tower
1 Macquarie Place
Sydney NSW 2000
Australia

Phone: +61 2 80754554

Slow and steady wins the race.