Ariel investments

THE PATIENT INVESTOR

SEPTEMBER 30, 2025

Table of Contents

Ariel Fund
Ariel Appreciation Fund

As of September 30, 2025

John W. Rogers, Jr.
Chairman and Co-CEO

Mellody Hobson
Co-CEO and President

Average Annual Total Returns (%)

	Quarter	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception*
Ariel Fund Investor Class	12.39	10.59	9.86	17.11	14.79	9.98	10.77
Ariel Fund Institutional Class	12.49	10.84	10.22	17.48	15.15	10.32	10.89
Russell 2500 Value Index	8.17	9.29	9.00	15.39	14.96	9.68	10.65
Russell 2000 Value Index	12.60	9.04	7.88	13.56	14.60	9.22	9.94
Russell 2500 Index	9.00	9.48	10.16	15.64	12.09	10.52	10.51
S&P 500 Index	8.12	14.83	17.60	24.39	16.47	15.30	11.24

* The inception date for Ariel Fund is 11/06/86.

Average Annual Total Returns (%)

	Quarter	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception*
Ariel Appreciation Fund Investor Class	9.51	7.83	7.26	13.41	11.55	8.13	9.89
Ariel Appreciation Fund Institutional Class	9.57	8.09	7.60	13.76	11.89	8.46	10.02
Russell Midcap Value Index	6.18	9.50	7.58	15.51	13.67	9.96	10.91
Russell Midcap Index	5.33	10.42	11.11	17.69	12.66	11.39	11.16
S&P 500 Index	8.12	14.83	17.60	24.93	16.47	15.30	10.80

* The inception date for Ariel Appreciation Fund is 12/01/89.

Ariel Fund Benchmark Update Effective February 1, 2025: The Russell 2000 Value Index is replacing the Russell 2500 Index as a secondary benchmark for Ariel Fund because it more closely aligns with certain market sectors in which Ariel Fund invests. Performance data quoted represents past performance. Past performance does not guarantee future results. All performance assumes the reinvestment of dividends and capital gains and represents returns of the Investor Class shares. 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. Any extraordinary performance shown for short-term periods may not be sustainable and is not representative of the performance over longer periods. Performance data current to the most recent month-end for Ariel Fund and Ariel Appreciation Fund may be obtained by visiting our website, www.arielinvestments.com.

Dear Fellow Shareholders:

These days, the market sounds like pop music with the same chart-topping hook playing on repeat as investors party to the hits. For the three months ending September 30th, the S&P 500 posted 23 new all-time closing highs as artificial intelligence (AI) platforms and the mega-cap entourage that orbit them led the chorus.[1] The biggest names continued to take center stage, propelling the market's gains into an increasingly narrow, momentum-driven rally. This intense concentration, reminiscent of the "Nifty Fifty" era of the 1970s or the tech boom of the 1990s, has left many investors wondering if there is any other genre to be heard.

Small Caps Strike a Chord

The tone shifted from the big guys to the small fries during the third quarter when the Russell 2000 Index quietly closed at a new all-time high for the first time since 2021. While AI-driven large-cap growth kept climbing, small-cap value beat all other asset classes, as shown in the chart below:

Size and Style Returns Q3 - 2025

	Value	Blend	Growth
Large	5.7%	7.8%	9.6%
Mid	5.0%	5.2%	5.4%
Small	11.1%	8.7%	6.4%

Source: Piper Sandler.
Based on S&P size and style Exchange Traded Funds as of September 30, 2025.

Within Ariel Fund, our Consumer Discretionary, Financials and Industrials picks drove gains, while our Health Care names and lack of exposure to Telecommunications and Utilities hurt relative returns. Comparatively, strong stock selection within the Industrials sector boosted results of Ariel Appreciation Fund, while our avoidance of Technology created a performance drag.

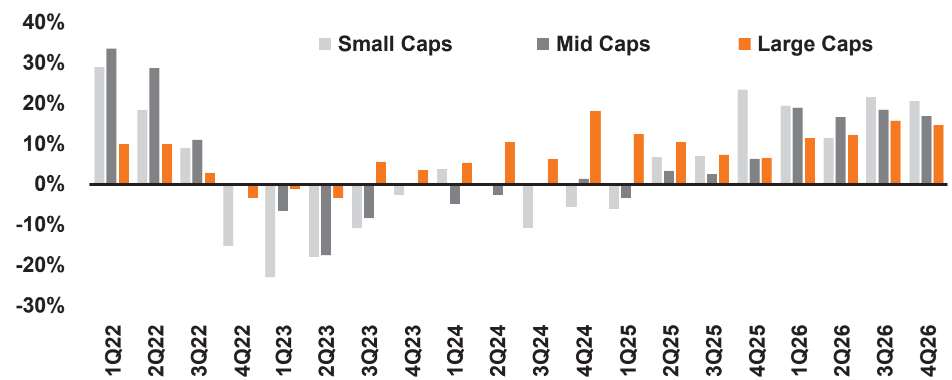
If the market is music, then the rhythm section was provided by the Federal Reserve, which in September delivered its first interest rate cut since last December. Bank of America estimates over 45% of Russell 2000 (ex-Financials) debt is short-term or floating, which, in our view, means lower rates reduce the refinancing bite sooner rather than later.[2] Since our portfolio holdings have a higher credit quality and stronger interest coverage ratios than our benchmarks, we believe they should be even more positively impacted.

> "When stadium-sized crowds gather around a handful of giants, the opportunity set in smaller companies often improves as prices disconnect from fundamentals."

A small-cap earnings recovery provided a source of harmony with estimates turning decisively higher for the first time in over a year. According to London Stock Exchange Group (LSEG), "collective earnings from the benchmark's 2,000 constituents [Russell 2000 Index], meanwhile, are forecast to grow by more than 50% on average over the next four quarters, nearly five times the pace of S&P 500 profits."[3]

Exhibit 91: Small cap profits recovery finally here after a big 2Q beat, with better growth expected vs. large caps through 2026

S&P 600 vs. S&P 400 vs. S&P 500 consensus y/y earnings growth expectations, 2022-4Q26E



Source: FactSet, BofA US Equity & US Quant Strategy.
Savita Subramanian et al. "US Equity Strategy in Pictures: The 80s and 90s are in vogue for markets, too." BofA Global Research, September 29, 2025, p. 28.

[1] Kantrowitz, Michael CFA et al. "What In The World Happened To Markets In 3Q?!?!" *Piper Sandler,* October 1, 2025, p.1.

[2] "Jill Carey Hall, CFA, "Fed cuts + EPS recovery + regime shift support small caps, Quality/Value in small," BofA Global Research, September 18, 2025, p.3.

[3] Martin Baccardax, "Small-Caps Are Having a Moment. Why the Russell 2000 Rally Faces a Tough Road" *Barron's,* September 12, 2025. Barron's on the web, accessed November 1, 2025.

When stadium-sized crowds gather around a handful of giants, the opportunity set in smaller companies often improves as prices disconnect from fundamentals. The performance divergence, which Truist Securities recently called the "most extreme" in nearly a quarter century, has left small caps historically cheap.[4] As a result, small-cap value trades at an even greater discount with our internal estimates showing the Russell 2000 Value Index selling at 13 times next twelve months' earnings, relative to 16 times for the Russell 2000 Index.

Contributors and Detractors

Sphere Entertainment Co. (SPHR) was a top contributor in Ariel Fund and Ariel Appreciation Fund. Sphere was a stock born out of angst. When this live entertainment venue was spun out of Madison Square Garden Entertainment in April 2023, Wall Street was put off by its $2.3 billion price tag, a 92% overrun from its original budget. In no time, doubt turned to revulsion. As the stock price was shrinking, the value grew. At the time we recognized the potential of the Sphere and wrote "of the uniqueness of the concept and the possibility that an instant icon could be created."[5] The initial overhang from the spin-off allowed us to accumulate shares at a deep discount to our estimate of intrinsic value as other investors ran for the exits. Once rave reviews began to pour in, revulsion turned to enthusiasm.

Resideo Technologies, Inc. (REZI) was another top contributor for Ariel Fund and Ariel Appreciation Fund. At the time of our first purchase in late 2021, we relished the "opportunity to own a niche business, well-positioned to benefit from the ongoing housing recovery and a secular preference for more connected smart home solutions."[6] Our thesis for investing in this home comfort and security company has proved to be sound and should continue to play out.

Meanwhile, many of "tomorrow's best tracks" are playing in the beaten-up healthcare industry. What we believe to be unique businesses with great management teams and strong fundamentals are trading at significant discounts to our estimates of intrinsic value. For example, **Charles River Laboratories (CRL)** which provides its research models to pharmaceutical, biotechnology and government clients, and **Prestige Consumer Healthcare, Inc. (PBH)**, a marketer and distributor of over-the-counter pharmaceutical products detracted from performance during the quarter. We like their future outlooks.

As leadership broadens, small- and mid-cap value appears poised to retake the stage—supported by declining rates, mending earnings and attractive valuations. Forty-three years of experience has taught us that today's overlooked names are likely to become tomorrow's standards.

Slow and steady still wins the race.

[4] Spencer Jakab, "Will the Fed Make Small Stocks Beautiful Again?", *The Wall Street Journal,* September 18, 2025. The Wall Street Journal on the web, accessed November 3, 2025.
[5] Ariel Investments, 2023 Annual Report, September 30, 2023, p. 4.
[6] Ariel Investments, The Patient Investor Quarterly Report, December 31, 2021, p. 6.

Portfolio Comings and Goings

While we did not initiate or exit any positions in Ariel Fund during the quarter, we started to build a position in Prestige Consumer Healthcare, Inc., in Ariel Appreciation Fund. The company has a strong track record of innovation and strategic acquisitions to address unmet consumer needs. Since a 2017 acquisition, PBH has focused on deleveraging the balance sheet through free cash flow. As the company continues to innovate, we believe earnings growth will lead to multiple expansion. We also successfully sold our shares of global investment bank, **Goldman Sachs Group, Inc. (GS)**, in Ariel Appreciation Fund as the name was becoming too big in cap size for our portfolios to hold. In addition, **Paramount Skydance Corporation's (PSKY)** strong price appreciation prompted us to realize gains for Ariel Appreciation Fund once the stock reached our private market value estimate.

As always, we appreciate the opportunity to serve you and welcome any questions or comments you might have.

Sincerely,

John W. Rogers, Jr.
Chairman and Co-CEO

Mellody Hobson
Co-CEO and President

Investing in small- and mid-cap companies is riskier and more volatile than investing in large-cap companies. The intrinsic value of the stocks in which the Funds invest may never be recognized by the broader market. The Funds are often concentrated in fewer sectors than their benchmarks, and their performance may suffer if these sectors underperform the overall stock market. Investing in equity stocks is risky and subject to the volatility of the markets.

Per the Ariel Fund's Prospectus as of February 1, 2025, the Investor Class and Institutional Class had an annual expense ratio of 1.00% and 0.69% respectively. Per the Ariel Appreciation Fund's Prospectus as of February 1, 2025, the Investor Class and Institutional Class had an annual expense ratio of 1.14% and 0.83%, respectively.

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

As of 9/30/25, Ariel Fund's position size, if any, in the above holdings was: Sphere Entertainment Company 5.83%; Resideo Technologies, Inc. 2.99%; Charles River Laboratories International, Inc. 3.39%; Prestige Consumer Healthcare, Inc. 2.66%; Goldman Sachs Group, Inc. 0.00% and Paramount Skydance Corporation 1.01%. As of 9/30/25, Ariel Appreciation Fund's position size, if any, in the above holdings was: Sphere Entertainment Company 3.42%; Resideo Technologies, Inc. 2.55%; Charles River Laboratories International, Inc. 3.31%; Prestige Consumer Healthcare, Inc. 2.02%; Goldman Sachs Group, Inc. 0.00% and Paramount Skydance Corporation 0.00%.

The S&P MidCap 400® provides investors with a benchmark for mid-sized companies. The index, which is distinct from the large-cap S&P 500®, is designed to measure the performance of 400 mid-sized companies, reflecting the distinctive risk and return characteristics of this market segment. Its inception date is June 19, 1991. The S&P SmallCap 600® seeks to measure the small-cap segment of the U.S. equity market. The index is designed to track companies that meet specific inclusion criteria to ensure that they are liquid and financially viable. Its inception date is October 28, 1994.

Ariel Focus Fund

As of September 30, 2025

Charles K. Bobrinskoy
Vice Chairman

Average Annual Total Returns (%)

	Quarter	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception*
Ariel Focus Fund Investor Class	20.76	21.58	20.14	18.22	14.56	10.37	7.07
Ariel Focus Fund Institutional Class	20.87	21.83	20.47	18.53	14.86	10.64	7.25
Russell 1000 Value Index	5.33	11.65	9.44	16.96	13.88	10.72	8.28
S&P 500 Index	8.12	14.83	17.60	24.93	16.47	15.30	11.02

* The inception date for Ariel Focus Fund is 06/30/05.

Dear Fellow Shareholders:

Ariel Focus Fund enjoyed significant outperformance in the third quarter of 2025, returning +20.76% compared to +5.33% for our primary benchmark, the Russell 1000 Value Index and +8.12% for the S&P 500. On an absolute basis, this gain represents the fourth best quarter in the fund's 20-year history. The Fund also notched its best relative return to the Russell 1000 Value Index in its history.

Year-to-date through September 30, 2025, Ariel Focus Fund gained +21.58%, leading the Russell 1000 Value Index which rose +11.65%, and ahead of the S&P 500's +14.83% return. On the back of the positive third quarter, we are pleased to see Ariel Focus Fund exceed the one-, three- and five-year returns of its primary benchmark.

Performance data quoted represents past performance. Past performance does not guarantee future results. All performance assumes the reinvestment of dividends and capital gains and represents returns of the Investor Class shares. 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. Any extraordinary performance shown for short-term periods may not be sustainable and is not representative of the performance over longer periods. Performance data current to the most recent month-end for Ariel Focus Fund may be obtained by visiting our website, www.arielinvestments.com.

Performance Roundup

Over the quarter, the returns of the five companies contributing most to our relative outperformance were **Resideo Technologies, Inc. (REZI)** +96%; **Barrick Mining Corporation (B)** +58%; **ZimVie, Inc. (ZIMV)** +102%; **APA Corporation (APA)** +35%; and **PHINIA Inc. (PHIN)** +30%. These companies operate in five different industries: building products, gold and copper mining, dental implants, oil and gas exploration and automotive power trains, respectively—with strong performance reflecting company specific developments.

Table 1: Top/Bottom Five Relative Contributors to Ariel Focus Fund Performance in the Third Quarter

Next Twelve-Month Price-to-Earnings as of June 30, 2025[3]	Company	Next Twelve-Month Price-to-Earnings as of September 30, 2025[3]	3rd Quarter Return
	Top Five Contributors		
10.6x	Resideo Technologies, Inc.	16.1x	96%
12.4x	Barrick Mining Corporation	13.4x	58%
11.0x	ZimVie Inc.[1]	—	102%
5.6x	APA Corporation	7.5x	35%
10.6x	PHINIA Inc.	11.5x	30%
	Bottom Five Detractors		
11.8x	Mosiac Company	7.7x	-4%
—	Prestige Consumer Healthcare, Inc[2]	12.7x	-4%
9.3x	Schlumberger Limited	9.9x	+3%
12.0x	Core Laboratories Inc.[1]	—	-7%
11.5x	First American Financial Corporation	11.5x	+6%
	Indexes		
17.0x	Russell 1000 Value	17.3x	+5%
22.2x	S&P 500	22.9x	+8%

[1] Exited ZimVie Inc. and Core Laboratories Inc. in the third quarter of 2025. [2] Initiated a position in Prestige Consumer Healthcare, Inc. in the third quarter of 2025. [3] Forward earnings estimates are sourced from Ariel Investments, except for index multiples, which are sourced from FactSet. Top Contributors and Detractors are ranked by issuer Contribution to Return (%). Contribution to Return (%) is the Ending Weight (%) times the Total Return (%) linked daily for the holding period. The holdings shown do not represent all of the securities purchased, sold or recommended for investors.

Our highest contributing companies began the quarter trading at low P/E multiples on an absolute and relative basis to the benchmark and broad market. Table 1 shows the Ariel estimated forward P/E ratio for our top contributors as well as the FactSet estimated forward P/E ratio for our benchmarks as of June 30, 2025 and September 30, 2025. Given the market's prolonged preference for growth stocks in recent years, the underperformance of low P/E stocks has been frustrating. But in the third quarter, shares of our holdings with low valuations rose when good company specific news came to light.

Resideo was our second biggest position and the largest relative contributor during the quarter. On July 30th, the company announced it would pay $1.6 billion to settle its $140 million annual payments to Honeywell International, Inc. We calculate that Resideo can finance this settlement with annual interest expense payments that are nearly $60 million lower than its previous payment. By our estimate, $60 million of annual savings for a $3.3 billion market cap company at the start of the quarter represents at least a 10% increase in value. Simultaneously with the settlement, Resideo announced plans to split into two separate public companies, one focused on products such as Honeywell-brand thermostats, and the other a more classic industrial distribution company.

Resideo raises a topic hotly debated by value investors, namely the role of a catalyst. Skeptics acknowledged the benefit of eliminating the annual Honeywell payment but saw no catalyst. And yet, Ben Graham, widely viewed as the father of value investing, believed buying companies at prices well below their intrinsic value would produce superior returns, even in the absence of a catalyst. Patience is needed and is often rewarded. In the case of Resideo, we are delighted value was realized sooner than expected.

"Patience is needed and is often rewarded."

Prior to 2025, mining had been a disappointing investment for Ariel Focus Fund. Barrick's operating difficulties resulted from legal disputes with foreign governments and its stock price trailed significant increases in the price of gold. This year, international trade battles as well as wars in the Middle East and Ukraine, along with more economic uncertainty propelled gold to record highs. On September 16th, Barrick announced one of the largest gold discoveries in recent history at its Nevada Fourmile project, which is expected to produce 600,000-750,000 ounces of gold annually. This U.S. location was welcome news given the prior difficulties with foreign governments. Although inflationary pressures and global fiscal challenges have led me to be bullish on gold for years, operating challenges made me question if I was right about gold, but wrong about Barrick. Ultimately, Barrick's compellingly low valuation drove my conviction. I am glad I stayed.

Ariel Focus Fund became a shareholder of ZimVie Inc. after its lackluster spinoff from its former parent, Zimmer Biomet in March 2022. The company's two primary businesses, dental implants and spinal surgery products, had little in common. After a post-spin price in the low $20s, ZimVie's shares drifted lower to $5.31 by March 2023. Despite the price decline, we were impressed with senior management, particularly CEO Vafa Jamali and CFO Rich Heppenstall. Our confidence was rewarded when the company announced the sale of its spine business in December 2023 and again this past July when ZimVie revealed the rest of the company would be sold for a remarkable 99% premium at $19 a share. When excellent work by our seasoned healthcare analyst, Sabrina Carollo, showed the company trading at less than half its intrinsic value, we added modestly to our position earlier this year and benefited from a +102% return in the quarter.

Strong performance over the last three months produced more trading than normal as some holdings moved from large, attractively priced positions to fairly priced and more modest weights. For example, we have taken profits and reduced our holdings in **Oracle Corporation (ORCL)** as its shares have surged +70% year-to-date. A top five holding last September, the name now ranks 20th as of the end of the quarter. In addition to ZimVie, we eliminated our position in **Core Laboratories Inc. (CLB)** and **Bio-Rad Laboratories, Inc. (BIO)**, in order to initiate positions in **Prestige Consumer Healthcare, Inc. (PBH)**, **Fiserv, Inc. (FI)** and **Arthur J. Gallagher & Co. (AJG)**. Prestige and Fiserv are held in other Ariel portfolios. Recent price declines have given Ariel Focus Fund attractive entry points. We have admired the Gallagher management team for many years and snapped up falling shares when the company's acquisition of AssuredPartners ran into regulatory resistance.

In the quarter, the two largest detractors from relative performance were **Mosaic Company (MOS)**, which fell -4.29% and Prestige Consumer Healthcare, Inc. which dropped -4.46% since we initiated a position. Mosaic's performance had been strong in the first six months of 2025 on expectations that it would be a beneficiary of new tariffs since many of its fertilizer mines sit in the U.S. However, investors have grown increasingly concerned that global trade wars will harm American farm customers as demand from China for their corn, wheat and soybeans could decline. Manufacturing problems at the Prestige's Clear Eyes facilities caused it to miss revenue and profit forecasts. We believe these issues are temporary and have been adding to our position on share price weakness since we initiated the position in the quarter.

We continue to believe the best predictor of future absolute performance is starting point valuation. We began the third quarter with a portfolio trading at an average forward P/E of less than 12. After a +20.8% gain, we now hold stocks with an average P/E under 14—lower than the 17x forward earnings P/E of the Russell 1000 Value index and the 23x forward earnings multiple of the S&P 500. As low P/E stocks regain, in our view, their historical place atop the performance tables, we believe we will be well-positioned. That said, as signs of irrational exuberance become more evident, we have shifted from being "cautiously optimistic" to just plain "cautious."

As always, we appreciate the opportunity to serve you and welcome any questions or comments you might have.

Sincerely,

Charles K. Bobrinskoy
Vice Chairman

Investing in equity stocks is risky and subject to the volatility of the markets. Investing in small- and mid-cap companies is more risky and volatile than investing in large-cap companies. The intrinsic value of the stocks in which the Fund invests may never be recognized by the broader market. Ariel Focus Fund is a non-diversified fund and therefore may be subject to greater volatility than a more diversified portfolio. The Fund is often concentrated in fewer sectors than its benchmarks, and its performance may suffer if these sectors underperform the overall stock market.

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

As of 9/30/25, Ariel Focus Fund held the following positions referenced: Resideo Technologies, Inc. 5.38%; Barrick Mining Corporation 4.73%; ZimVie Inc. 0.00%; APA Corporation 4.38%; PHINIA, Inc. 4.77%; Mosaic Company 3.14%; Prestige Consumer Healthcare, Inc. 4.32%; Schlumberger NV 3.86%; Core Laboratories Inc. 0.00%; First American Financial Corporation 2.91%; Oracle Corporation 2.77%; Bio-Rad Laboratories, Inc. 0.00%; Fiserv, Inc. 0.50% and Arthur J. Gallager & Company 2.53%. The 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 Focus Fund.

Per the Ariel Focus Fund's Prospectus as of February 1, 2025, the gross expense ratio for the Investor Class and Institutional Class was 1.18% and 0.87%, respectively. Effective February 1, 2014, Ariel Investments, LLC, the Adviser, has contractually agreed to waive fees and reimburse expenses (the "Expense Cap") in order to limit Ariel Focus Fund's total annual operating expenses to 1.00% and 0.75% of net assets for the Investor Class and Institutional Class, respectively, through January 31, 2026. Prior to February 1, 2014, the Expense Cap was 1.25% of net assets for the Investor Class and 1.00% of net assets for the Institutional Class.

Ariel International Fund
Ariel Global Fund

As of September 30, 2025

Henry Mallari-D'Auria, CFA®
Chief Investment Officer
Global Equities

Average Annual Total Returns (%)

	Quarter	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception*
Ariel International Fund Investor Class	2.26	28.58	22.01	19.45	8.33	5.98	6.29
Ariel International Fund Institutional Class	2.25	28.81	22.27	19.74	8.59	6.24	6.54
MSCI EAFE Net Index	4.77	25.14	14.99	21.70	11.16	8.17	7.90
MSCI ACWI ex-US Net Index	6.89	26.02	16.45	20.67	10.26	8.23	7.22
MSCI EAFE Value Net Index	7.39	31.92	22.53	25.65	15.66	8.16	7.65
MSCI ACWI ex-US Value Net Index	8.13	29.64	20.17	23.10	14.42	8.10	6.79

* The inception date for Ariel International Fund is 12/30/11.

Average Annual Total Returns (%)

	Quarter	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception*
Ariel Global Fund Investor Class	4.99	19.85	15.46	16.98	10.80	8.63	8.56
Ariel Global Fund Institutional Class	5.02	20.03	15.75	17.27	11.08	8.89	8.84
MSCI ACWI Net Index	7.62	18.44	17.27	23.12	13.55	11.91	11.10
MSCI ACWI Value Net Index	6.13	17.68	12.14	18.51	13.45	9.12	8.67

* The inception date for Ariel Global Fund is 12/30/11.

Performance data quoted represents past performance. Past performance does not guarantee future results. All performance assumes the reinvestment of dividends and capital gains and represents returns of the Investor Class shares. 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. Any extraordinary performance shown for short-term periods may not be sustainable and is not representative of the performance over longer periods. Performance data current to the most recent month-end for Ariel International Fund and Ariel Global Fund may be obtained by visiting our website, www.arielinvestments.com.

Dear Fellow Shareholders:

Global equities posted solid gains this quarter, buoyed by optimism over U.S. rate cuts, resilient earnings and targeted policy support. U.S. stocks hovered near record highs on consumer strength and easing inflation, though valuations look stretched. Europe outperformed, fueled by banks, defense and tech. China drew inflows on stimulus hopes, while IPO activity in Hong Kong and mainland held firm. Overall, the quarter reinforced the shift away from U.S.-tilted exposure, with markets abroad offering more valuation appeal and cyclical upside, even as they contend with currency and policy risk.

Our international and global portfolios trailed our benchmarks for the quarter, while continuing to outpace for the year-to-date period. The pullback this quarter stemmed from company-specific scenarios across healthcare, Japanese consumer stocks and an evolving advertising industry with share price weakness at **Publicis Groupe SA** (even as it is taking significant market share). We continue to re-underwrite and remain focused on our sell discipline.

U.S. Policy is Seeding Non-U.S. Equity Upside

De-globalization has ignited *little fires everywhere*—conflicts, choices and rebellions—that can flare up and transform everything.

U.S. policy is reshaping global rules, sparking friction points—or "fires"—across trade and industry. Europe and Asia sit squarely in the crosshairs of Washington's protectionist turn, given their deep economic ties. The catch is…leaders from Brussels to Beijing are responding by channeling capital into reduced reliance on America, triggering a surge of local investment as governments race to build self-sufficient economies.

> "Uncertainty is not only a threat; it can be an ignition point for growth, as policy shifts and capital reallocation open new pathways for returns across countries, sectors and industries."

These structural shifts will take years to play out, but the process is already in motion. Recent sparks—U.S. tariffs on EVs and solar panels, plus billions in reshoring subsidies and export controls—aim to impose Washington's rules but risk backfiring. Uncertainty is not only a threat; it can be an ignition point for growth, as policy shifts and capital reallocation open new pathways for returns across countries, sectors and industries. For investors, that means not only guarding against concentrated U.S. risk, but also actively owning the beneficiaries abroad.

The Next Growth Cycle is Being Lit Outside the U.S.

We see flare-ups around industrial policy, fiscal strain, supply-chain and energy realignment. Those same flashpoints can also mark potential inflection points.

Energy. The U.S. wants to pull the EV, solar and battery value chain back onshore and corral allies into a "clean tech bloc" that keeps China at arm's length. The EU, unwilling to play second fiddle, is doubling down on its own Green Deal Industrial Plan, at the International Energy Agency (IEA). Grid and storage investment is climbing from $82 billion to $141 billion by 2035. China is hardly standing still. Instead, the country continues to scale up to serve non-U.S. markets—while the rest of Asia is attracting new EV and battery investments as companies hedge their bets.

Given this secular shift in energy transition, we have diversified our portfolio holdings to include stakes in: **First Solar, Inc.**, an American manufacturer of solar energy solutions which benefits from increased domestic demand; and **Aptiv PLC**, an Irish technology company that develops global energy systems to power vehicle electrification, where funding tailwinds strengthen the customer base.

National Security. Europe's military spending is flaring higher: in June, NATO members committed to lift defense budgets to 5% of GDP—well above long-standing norms of under 2%. Turning pledges into disbursements will take time, but even partial follow-through would reshape Europe's defense landscape. National-security priorities are also recasting telecom as a strategic asset, steering long-term investment, regulation and standards.

Digital-sovereignty ambitions are fueling heavy spending on fiber, 5G and infrastructure—marking another front where investments and government mandates are reshaping the competitive landscape. We own France's leading mobile operator, **Orange SA**, which is benefitting from structural tailwinds, creating a more favorable environment for pricing and network expansion. We also own Belgium specialty polymers provider **Syensqo SA**, which is well-positioned as a "trusted" local materials provider.

AI/Semiconductors. Washington's efforts to curb China's access to advanced chips and bind allies into a U.S.-centric stack has ignited a global semiconductor arms race. Allies and rivals alike are pouring billions into domestic capacity to reduce strategic dependence. Europe rolled out the EU Chips Act, aiming to double its global share to 20% by 2030 with heavy subsidies for fabrications (fabs)—like **Taiwan Semiconductor Manufacturing Co., Ltd. (TSMC)** in Dresden, Germany.

Meanwhile, multinationals are spreading production across Asia to reduce concentration risk, pursuing a "China + One" strategy that is opening opportunities in Japan, South Korea, Taiwan, India and Vietnam—most visible in fabs and Outsourced Semiconductor Assembly and Test (OSAT). In response, Beijing is fast-tracking funds for homegrown graphics processing units (GPUs) and AI accelerators, especially after tighter U.S. export controls blocked access to cutting-edge chips and tools.

While U.S. mega-caps dominate the AI spotlight, momentum is building abroad—where European and Asian supply-chain leaders offer cheaper, underappreciated upside.

The Quiet Enablers of AI Scale

Increasingly, AI is moving closer to where we live and work—into our smartphones, home security cameras, connected cars, factory robots and medical devices. This technological expansion, known as Edge AI, means everyday devices will be able to process information on the spot instead of in the cloud. In parallel, the hyper-scalers that include Microsoft, Amazon and Google are deploying entire AI data centers—and the constraints are shifting to power delivery, cooling, connectivity and reliability.

The AI supply chain was once defined by a race to print the smallest nodes, but the focus is widening. Today, it is not just about leading-edge semiconductors—it is about the supporting components that make those chips usable at scale. That is where Multilayer Ceramic Capacitors (MLCCs) step in, quietly powering the stability and reliability of the entire AI stack.

MLCCs are tiny components that stabilize voltage by storing and releasing charge in nanoseconds, filtering out electrical noise and preventing system crashes. They may be microscopic, but they punch far above their weight: a single GPU server can require tens of thousands of MLCCs to smooth out spiky power loads, and with Edge AI spreading into billions of phones, cars and connected devices, the demands shift from staggering to systemic.

Although AI investors are crowding into Nvidia and ASML, we think the MLCC makers are overlooked winners. Historically priced as cyclical electronics suppliers, these companies now sit on a secular growth curve, offering another avenue to capture AI's hardware build out—and with valuations we find more attractive.

Murata Manufacturing Co., Ltd., in Kyoto, Japan, dominates the global MLCC market with unmatched breadth and depth in high-reliability components. Murata's edge lies in its diversified customer base and strength in automotive-grade and miniaturized MLCCs. Its scale, R&D leadership and pricing power underpin resilient margins.

South Korea-based, **Samsung Electro-Mechanics Company, Ltd. (SEMCO)**, is a top producer of MLCCs and a technology leader in the high-capacity, miniaturized MLCCs required for AI servers, EVs and Edge AI devices. Its scale, advanced manufacturing and relationships with Samsung Electronics, Apple and global hypers-scalers creates significant switching costs.

While Murata and SEMCO anchor the downstream side of AI hardware stability through MLCCs, demand ultimately starts upstream with silicon wafers—the first layer of the supply chain. Japan-based, **SUMCO Corporation**, one of the world's top wafer producers, underpins every advanced chip etched by TSMC, Samsung and Intel. After the 2023-24 downturn, growth is rebounding—global wafer shipments rose 10% in the second quarter of 2025, driven by 300mm wafers that are critical for AI workloads. Unlike equipment makers, wafer suppliers benefit from recurring volume growth as each node transition demands higher quality and tighter specifications. In our view, the market was overly pessimistic on the supply-demand outlook, and we see upside from greater adoption of CMOS bonded to array (CBA) designs in NAND flash memory, layered on top of a traditional market recovery and additional uplift from Edge AI demand.

While they rarely make headlines, wafers and capacitors are the load-bearing walls of AI—remove them, and the whole stack crumbles.

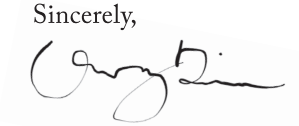
Looking Ahead

Since the start of the year, consensus forecasts for 2025 U.S. GDP growth have dropped by more than 20%. Historically, such a slide would have hit harder abroad. As the old saying goes, when America sneezes, the rest of the world catches a cold. Not this time. EU growth forecasts have edged higher this year, while emerging markets are holding steady. Growth-oriented policy abroad is cushioning the drag from softer U.S. export demand.

Beyond the real economy, U.S. policy shifts are prompting a reallocation of capital. After a decade of outperformance in equities and private markets with a strong dollar, global portfolios have a heavy overweight in U.S. assets. U.S. equities account for roughly 60% of global equity benchmarks—far above their share of world GDP. Coupled with a weakening dollar (down 10% so far this year) and private valuations under pressure (sluggish exits and $1 trillion in unsold assets), that concentration now looks more like a fire hazard than a safe haven.

As always, we appreciate the opportunity to serve you and welcome any questions or comments you might have.

Sincerely,



Henry Mallari-D'Auria, CFA®
Chief Investment Officer
Global Equities

Investments in non-U.S. securities may underperform and may be more volatile than comparable U.S. stocks because of the risks involving non-U.S. economies, markets, political systems, regulatory standards, currencies, and taxes. The use of currency derivatives and exchange-traded funds (ETFs) may increase investment losses and expenses and create more volatility. Investments in emerging markets present additional risks such as difficulties in selling on a timely basis and at an acceptable price. The intrinsic value of the stocks in which the Funds invest may never be recognized by the broader market. The Funds are often concentrated in fewer sectors than their benchmarks, and the Funds' performance may suffer if these sectors underperform the overall stock market. Investing in equity stocks is risky and subject to the volatility of the markets.

Per the Ariel International Fund's Prospectus as of February 1, 2025, the gross expense ratio for the Investor Class and Institutional Class was 1.40% and 1.01%, and had an annual net expense ratio of 1.17% and 0.91%, respectively. Ariel Investments, LLC, the Adviser, has contractually agreed to waive fees and reimburse expenses (the "Expense Cap") in order to limit Ariel International Fund's total annual operating expenses to 1.13% and 0.88% of net assets for the Investor Class and Institutional Class, respectively, through January 31, 2026. The net expense ratio for the Investor Class and Institutional Class do not correlate to the Expense Cap due to the inclusion of acquired fund fees and certain other expenses which are excluded from the Expense Cap.

Per the Ariel Global Fund's Prospectus as of February 1, 2025, the gross expense ratio for the Investor Class and Institutional Class was 1.53% and 1.14%, and had an annual net expense ratio of 1.14% and 0.89%, respectively. Ariel Investments, LLC, the Adviser, has contractually agreed to waive fees and reimburse expenses (the "Expense Cap") in order to limit Ariel Global Fund's total annual operating expenses to 1.13% and 0.88% of net assets for the Investor Class and Institutional Class, respectively, through January 31, 2026. The net expense ratio for the Investor Class and Institutional Class do not correlate to the Expense Cap due to the inclusion of acquired fund fees and certain other expenses which are excluded from the Expense Cap.

The opinions expressed are current as of the date of this commentary but are subject to change. The information provided in this commentary does not provide information reasonably sufficient upon which to base an investment decision and should not be considered a recommendation to purchase or sell any particular security. Views and opinions are as of the date of this commentary and can change without notice. There is no guarantee that any expressed views will come to fruition or any investment will perform as described.

As of 9/30/25, Ariel International Fund's position size, if any, in the above holdings was Publicis Groupe SA 3.23%; First Solar Inc. 0.00%; Aptiv plc 3.86%; Orange SA 2.69%; Syensqo SA 3.30%; Murata Manufacturing Company, Ltd. 3.94%; Samsung Electro-Mechanics, Ltd. 1.14% and SUMCO Corporation 3.13%. As of 9/30/25, Ariel Global Fund's position size, if any, in the above holdings was Publicis Groupe SA 2.87%; First Solar Inc. 3.71%; Aptiv plc 1.39%; Orange SA 2.01%; Syensqo SA 1.53%; Murata Manufacturing Company, Ltd. 2.69%; Samsung Electro-Mechanics, Ltd. 1.87% and SUMCO Corporation 2.11%.

Our Values

Active Patience®

Good outcomes take time. While patience may suggest stasis, such rigorous discipline in fact requires constant, dynamic engagement. We are diligently and continually assessing changing conditions, identifying undervalued opportunities, making connections to glean new insights and setting more ambitious goals. Relationships that have been cultivated over decades enable us to benefit from a myriad of perspectives.

Focused Expertise

We go deep. Jacks of all trades need not apply. As someone once said, "An expert is someone who knows more and more about less and less." Decades of accumulated knowledge in our core competencies mean we can draw upon a treasure trove of experience when considering every decision. While our approach is time-tested, our learning is never done.

Independent Thinking

Different is our advantage. In a world where fitting in feels better than standing out, generic viewpoints and hollow information reign supreme. We seek to develop our own unique insights and are comfortable being uncomfortable— which is key to realizing long-term value. Our contrarian views result from meticulous, fundamental, bottom-up research. Analyzing and questioning every position means that when we choose, we do so with knowledge and conviction.

Bold Teamwork

Confident humility holds us together. No one person is sufficient to our clients' success. We can only win as a team, and we know diverse teams drive better outcomes. As we seek to leverage our collective intelligence, we encourage our colleagues to be courageous when engaging with each other. Silence can be dangerous, and acquiescence can breed mediocrity. Candor builds trust and respectful dissent serves our greater good.

Generac Holdings, Inc.

James P. Kenny, CFA®
Senior Vice President
Domestic Research

Generac Holdings, Inc. (GNRC) was founded in 1959 and is a global leader in power-generation solutions. Its diverse portfolio includes both home standby and industrial backup generators, motorized tools, solar batteries and smart energy technologies. The company dominates the residential generator space, holding over seventy-five percent market share in North America. We believe Generac is uniquely positioned to capitalize on the growing demand for reliable energy systems—a trend fueled by increasingly severe weather patterns, an aging power grid and surging electricity consumption.

Watt's Next?

Historically, the company's demand was largely tied to hurricane-related outages. Today, the drivers are more diverse. More frequent and extreme weather events, preemptive electricity shutdowns by utilities to mitigate wildfire risk and the shift to cleaner energy sources are all straining grid reliability and further accelerating the need for backup power systems. Meanwhile, modern trends such as remote work and the rise of electric vehicles are creating supply-demand imbalances and pushing prices higher. Collectively, these dynamics are creating opportunities for more comprehensive energy management solutions. Despite this increase in electrification, only 6% of Generac's end markets currently have backup power. We believe this gap underscores a significant runway for growth as energy reliability shifts from a luxury to a necessity.

Keeping the Lights On

The artificial intelligence boom has ushered in the next major opportunity for backup power adoption: data centers. As demand surges, traditional diesel generator manufacturers such as Caterpillar and Cummins are struggling to keep pace, with delivery timelines now stretching into 2027. Meanwhile, Generac partnered with Baudouin, known for powering mission-critical applications, to launch a new line of generators tailored specifically for data centers. Backed by its extensive distribution network and this new strategic partnership, the company is well-positioned to deliver quality products with shorter lead times, offering a compelling alternative to competitors facing long delays. We believe the scale of this opportunity is significant. Data centers represent a larger growth market than traditional commercial and industrial uses such as telecom towers or hospitals. Since the announcement, Generac has already built a $150 million backlog for data center projects.

Powering Success

Generac's management team has always been visionary. Over the past several years, the company has used its strong balance sheet and excellent free cash flow to position itself for growth and return capital to shareholders. With each major shift in the energy landscape, demand has reached a new and higher baseline. This momentum has been fueled by an unmatched distribution network, enhanced manufacturing capabilities and a steady rollout of innovative solutions. In the past year, free cash flow reached all-time highs, giving the company ample firepower to buy back shares while investing confidently in its future.

A Meaningful Discount

At today's valuation, we think investors are taking a myopic view of Generac's growth prospects. While this year's hurricane season has been relatively mild, the structural trends driving demand remain stronger than ever. In our view, rising weather volatility, accelerating clean-energy migration and widespread electrification are converging to create strong tailwinds for backup power adoption. Despite these favorable dynamics, shares trade at $167.40, a 26% discount to our estimated private market value.

Informa PLC

Informa PLC is a UK-based leader in business-to-business (B2B) events, digital services, operational intelligence and academic publishing. The company connects professionals and industries through large-scale trade shows, conferences, online platforms and scholarly research. Its divisions include: Informa Markets (exhibitions), Informa Connect (networking and training), Informa Festival (cultural and business events), TechTarget (technology insights and data) and Taylor & Francis (academic publishing). At its core, Informa creates platforms for knowledge exchange and commercial growth across global markets.

The company's momentum reflects two powerful trends: the post-pandemic revival of live events and sustained demand for specialized content. These forces have delivered robust top-line growth, solid margins and healthy free cash flow. Given its improving fundamentals and compelling valuation relative to peers, we saw an attractive entry point. Looking ahead, we see several catalysts that could unlock further value, including a sharper focus on organic execution, strategic expansion into high-growth regions such as the Middle East and a potential sale of its academic publishing arm, Taylor & Francis. Additionally, the company's strong balance sheet and disciplined capital allocation strategy provide long-term stability.

Spotlight on Earnings

Informa delivered strong results in the first half of the year, with meaningful increases to the top- and bottom-line. Performance was supported by improved efficiency and operating leverage as its core business continues to expand. Forward bookings, subscriptions and contracted revenues represent 80% of projected 2025 revenue, supporting a high degree of confidence in the company's earnings trajectory. Management has prioritized three core initiatives: cost control, tighter event portfolio selections and digital enhancements, such as artificial intelligence and data licensing, to increase returns. If the company sustains mid-to-high single digit organic growth over the next several years and progressively improves margins, we believe the base case for earnings growth is compelling.

Kevin Mei, CFA®
Research Associate
Global Equities

Lights, Camera, Expansion!

Informa is strategically accelerating its presence in the Middle East, a region investing heavily to become a global hub for commerce and tourism. Through joint ventures, the company is introducing its global brand to new audiences, capitalizing on the region's desire to create world-class venues and infrastructure. A major milestone was the launch of the Money 20/20 Middle East —one of the world's premiere fintech conferences—which marked Informa's expansion into this promising market. More of its flagship brands are expected to follow, broadening their revenue streams. With the company's focus shifting to live events, investors are monitoring a potential divestiture of Taylor & Francis. This simplified operational infrastructure could position the company for improved earnings momentum.

Discipline Fueling Growth

Informa's strong financial position enables company management to act decisively — reducing debt, returning capital to shareholders and strategically pursuing growth in the Middle East. To strengthen its balance sheet further, the company recently issued longer-dated bonds which eased near-term refinancing risk. As legacy debt rolls off, management has reinforced its commitment to steady capital allocation, ensuring resources are deployed where they create the most value. To this point, the company has overhauled its incentive structure to better align with shareholder interests. Executive bonuses and long-term incentive plans are now tied to sustainable performance metrics such as free cash flow, margin expansion and return on capital, instead of just top-line growth.

Taken together, we believe Informa's disciplined approach, robust balance sheet and strategic growth prospects are underappreciated by the current market. With an attractive 15.7x forward price to earnings ratio, we think Informa is undervalued relative to peers and is well-positioned for a re-rating as it continues to close the earnings gap.

Founded in 1996, **Prestige Consumer Healthcare, Inc. (PBH)**, provides a wide range of essential consumer healthcare products. The company's portfolio consists of well-known offerings in Women's Health (Monistat™; Summer's Eve™); Gastrointestinal (Beano™; Fleet™); Eye & Ear Care (Clear Eyes™; Debrox™); Analgesics (Goody's™; Ecotrin™); Skin Care (CompoundW™; Nix™); Oral Care (Dentek®; Efferdent™); and Pediatric Care (Bourdreaux's Butt Paste™; Little Remedies™).

Prescribed for Success

The consumer healthcare sector remains highly competitive. Along with larger, branded companies, the industry consists of private label products, which have threatened the branded makers for decades. However, when it comes to over-the-counter healthcare items, which are typically used on an "as needed" basis, consumers tend to stick with the brands they know and trust rather than opting for cheaper, private label alternatives. Notably, 62% of Prestige's revenue comes from brands that boast the #1 market share in their respective categories.

To enhance its portfolio, the company focuses on product innovation to expand their presence across categories and increase market share. In 2025, the company introduced Summer's Eve Whole Body Deodorant Creams in three fragrances, Goody's Plus – Headache Pain + Mental Alertness and Dramamine Advanced Herbals For Kids. In 2024, they launched Summer's Eve Ultimate Odor Protection line, Monistat's Maintain Boric Acid Suppositories, Clear Eyes Nighttime Restoring Drops and Dentek Gum Health Advanced Cleaning kit.

Sabrina Carollo, CFA®
Senior Vice President
Director of Research Operations

20/20 Vision

Prestige boasts a strong, tenured and shareholder-friendly management team. Given the company's low capital expenditure needs, they have successfully allocated their robust free cash flow across three strategic priorities: (1) investing and improving its current brands; (2) pursuing acquisitions; and (3) paying down debt and repurchasing shares.

Over the past year, management has been laser-focused on revitalizing its eye care business after supply chain issues weighed on revenues and hurt full-year guidance. However, the announced acquisition of Clear Eyes' manufacturing partner, Pillar5, will give the company direct ownership of the end-to-end operations of a key product and thereby strengthen supply over time. Following the acquisition, Prestige plans to ramp production and its targeted marketing efforts to meet demand.

Vital Signs of Growth

Prestige continues to focus on modernizing its established product base while returning capital to shareholders. Management has also demonstrated resilience and discipline in navigating supply constraints in eye care, and we expect these efforts to restore stability over time. Looking ahead, the company's strategy rests on its core strengths: delivering high-quality, trusted products and advancing innovation to meet evolving consumer needs. As of September 30, 2025, Prestige trades at a 34% discount to our private market value and 12.7x next-twelve-months (NTM) price-to-earnings ratio. At these levels, we believe the stock offers compelling upside for the patient investor.

Siemens AG

Dong Zheng, CFA®
Vice President
Research Analyst, Global Equities

Siemens AG is a diversified German industrial and technology giant with capabilities spanning factory automation, smart infrastructure, energy systems, rail and mobility solutions and digital healthcare. Over the past decade, the company has simplified its portfolio, concentrating on businesses poised to benefit from long-term trends such as energy transition, digitization and industrial automation. At the same time, it has streamlined legacy systems and operations to sharpen efficiency and drive growth.

Engineering the Next Phase of Growth

Siemens is intensifying its focus on software, digital services and subscription-based "as-a-service" models—where customers pay for ongoing access rather than one-time purchases. This shift reflects a move from low-margin, industrial hardware to more profitable, recurring digital revenue streams. Its $5.1 billion acquisition of Dotmatics, a leader in life sciences research and development software, underscores this strategy. However, the transition carries execution risk, as possible headwinds include migrating legacy customers, defending market share against pure-play software competitors and preserving strong margins. If results fall short of lofty expectations, valuation multiples could face downward pressure. That said, Siemens' solid execution record and clear strategic vision give us confidence it can navigate these hurdles.

Built to Last

As a global industrial conglomerate, Siemens is naturally exposed to macroeconomic trends. Amid recent signs of weaker Chinese infrastructure activity and softer industrial capex, management signaled more modest guidance across several divisions for FY 2025. In response, the company is tightening costs, scaling back capacity and reducing headcount. While we believe long-term growth drivers such as automation, electrification and artificial intelligence remain compelling, the cyclical nature of the business makes short-term volatility a risk.

Steamrolling in Cash

Siemens' ability to generate robust free cash flow powers its reinvestment in high-growth areas such as U.S. manufacturing and software. Its financial strength also provides flexibility for targeted acquisitions, share buybacks and potential dividend hikes. Projected revenue growth of 3%-7% and modest FY25 earnings guidance indicate steady performance over the near-term. Our investment thesis rests on the company's position as a diversified industrial-technology hybrid—one we believe is built to weather near-term volatility while also offering sustainable value through its accelerating digital transformation.

Looking Ahead

Siemens enters its next chapter with a solid foundation and a clear roadmap. While much of its progress is reflected in current valuations, execution will be key to long-term multiple expansion. Given the stock's strong recent performance, we have trimmed our position to harvest gains. Nonetheless, we maintain our confidence in the company's growth story and are a buyer should shares offer a more compelling entry point. As of September 30, 2025, Siemens trades at 22.9x trailing price-to-earnings (P/E) ratio and 19.9x forward P/E estimates.

Our Portfolio Managers

Ariel Fund

John W. Rogers, Jr.
Lead Portfolio Manager

Kenneth E. Kuhrt, CPA
Portfolio Manager

Ariel Appreciation Fund

Timothy Fidler, CFA®
Co-Portfolio Manager

Kenneth E. Kuhrt, CPA
Co-Portfolio Manager

Ariel Focus Fund

Charles K. Bobrinskoy
Portfolio Manager

Ariel International Fund | Ariel Global Fund

Henry Mallari-D'Auria, CFA®
Lead Portfolio Manager

Micky Jagirdar
Portfolio Manager

Vivian Lubrano
Portfolio Manager

Important Disclosures

Risks of Investing in the Funds

The intrinsic value of the stocks in which the Funds invest may never be recognized by the broader market. The Funds are often concentrated in fewer sectors than their benchmarks, and their performance may suffer if these sectors underperform the overall stock market. Equity investments are affected by market conditions. Ariel Fund, Ariel Appreciation Fund and Ariel Focus Fund invest in small and/or mid-cap companies, which is riskier and more volatile than investing in large cap stocks. Ariel Focus Fund is a non-diversified fund and therefore may be more volatile than a more diversified investment. Ariel International Fund and Ariel Global Fund invest in foreign securities and may use currency derivatives and ETFs. Investments in foreign securities may underperform and may be more volatile than comparable U.S. stocks because of the risks involving foreign economies and markets, foreign political systems, foreign regulatory standards, foreign currencies and taxes. The International and Global Funds' use of currency derivatives and ETFs may increase investment losses and expenses and create more volatility. The International and Global Funds' investments in emerging markets present additional risks, such as difficulties selling on a timely basis and at an acceptable price.

Specific Stocks Held by the Funds

In this report, we candidly discuss specific stocks held by the Funds. Our opinions are current as of the date they were written but are subject to change. We want to remind investors that the information in this report is not sufficient on which to base an investment decision and should not be considered a recommendation to purchase or sell any particular security.

Please Read the Funds' Prospectuses

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 website, arielinvestments.com. Please read the summary prospectus or full prospectus carefully before investing. Distributed by Ariel Distributors, LLC, an affiliated entity of Ariel Investments LLC. Ariel Distributors, LLC is a member of the Securities Investor Protection Corporation.

Information about the Funds' Indexes

Each Fund's primary index is the first one listed below each respective Fund's performance data. 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 relatively lower price-to-book ratios, lower forecasted growth values and lower sales per share historical growth. Inception of this benchmark is July 1, 1995. This index pertains to Ariel Fund.

The Russell 2000® Value Index measures the performance of the small-cap value segment of the U.S. equity universe. It includes those Russell 2000 companies with lower price-to-book ratios, lower forecast growth and lower sales per share historical growth. The inception date of this benchmark is June 1, 1993. This index pertains to Ariel Fund.

The Russell 2500™ Index measures the performance of the small to mid-cap segment of the U.S. equity universe, commonly referred to as "smid" cap. The Russell 2500™ Index is a subset of the Russell 3000® Index. It includes approximately 2500 of the smallest securities based on a combination of their market cap and current index membership. Inception of this benchmark is June 1, 1990. This index pertains to Ariel Fund.

The Russell Midcap® Value Index measures the performance of the mid-cap value segment of the U.S. equity universe. It includes those Russell Midcap Index companies with lower price-to-book ratios, lower forecasted growth values and lower sales per share historical growth. The inception date of this benchmark is February 1, 1995. This index pertains to Ariel Appreciation Fund.

The Russell Midcap® Index measures the performance of the mid-cap segment of the U.S. equity universe. The Russell Midcap® Index is a subset of the Russell 1000® Index. It includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership. The inception date of this benchmark is November 1, 1991. This index pertains to Ariel Appreciation Fund.

The Russell 1000® Value Index measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000 companies with lower price-to-book ratios, lower forecasted growth values and lower sales per share historical growth. The inception date of this benchmark is January 1, 1987. This index pertains to Ariel Focus Fund.

The S&P 500® Index is widely regarded as the best gauge of large-cap U.S. equities. It includes 500 leading companies and covers approximately 80% of available U.S. market capitalization. This index pertains to Ariel Fund, Ariel Appreciation Fund and Ariel Focus Fund.

The MSCI EAFE Index is an equity index of large and mid-cap representation across 21 Developed Markets (DM) countries around the world, excluding the U.S. and Canada. Inception of this benchmark was May 31, 1986. The MSCI EAFE Value Index captures large and mid-cap securities exhibiting overall value style characteristics across Developed Markets countries around the world, excluding the U.S. and Canada. Inception of this benchmark was December 8, 1997. These indexes pertain to Ariel International Fund.

The MSCI ACWI (All Country World Index) ex-US Index is an index of large and mid-cap representation across 22 Developed Markets (DM) and 24 Emerging Markets (EM) countries. Inception of this benchmark was January 1, 2001. The MSCI ACWI ex-US Value Index captures large and mid-cap securities exhibiting overall value style characteristics across 22 Developed and 24 Emerging Markets countries. Inception of this benchmark was December 8, 1997. These indexes pertain to Ariel International Fund.

The MSCI ACWI (All Country World Index) Index is an equity index of large and mid-cap representation across 23 Developed Markets (DM) and 24 Emerging Markets (EM) countries. Inception of this benchmark was January 1, 2001. The MSCI ACWI Value Index captures large and mid-cap securities exhibiting overall value style characteristics across 23 Developed Markets countries and 24 Emerging Markets (EM) countries. Inception date of this benchmark was December 8, 1997. These indexes pertain to Ariel Global Fund.

All MSCI Index net returns reflect the reinvestment of income and other earnings, including the dividends net of the maximum withholding tax applicable to non-resident institutional investors that do not benefit from double taxation treaties. MSCI uses the maximum tax rate applicable to institutional investors, as determined by the companies' country of incorporation.

Ariel Investment Trust

c/o U.S. Bank Global Fund Services
P.O. Box 219227
Kansas City, MO 64121-9227

800.292.7435

- arielinvestments.com
- linkedin.com/company/ariel-investments
- instagram.com/arielinvestments
- x.com/arielinvests

What's Inside

SMALL CAPS STRIKE A CHORD Co-CEOs John W. Rogers, Jr. and Mellody Hobson explain how a small-cap earnings recovery provided a source of harmony with estimates turning decisively higher for the first time in over a year.

PERFORMANCE ROUNDUP Vice Chairman Charlie Bobrinskoy says strong performance over the last three months produced more trading than normal as some holdings moved from large, attractively priced positions to fairly priced and more modest weights.

U.S. POLICY IS SEEDING NON-U.S. EQUITY UPSIDE Chief Investment Officer, Global and Emerging Markets Equities, Henry Mallari-D'Auria describes how de-globalization has ignited *little fires everywhere*—conflicts, choices and rebellions—that can flare up and transform everything.

COMPANY SPOTLIGHTS Views from our investment team on Generac Holdings, Inc., Informa PLC, Prestige Consumer Healthcare, Inc. and Siemens AG.

tpi (50) ©12/25 AI–03