

Ariel Global Fund

Quarter Ended June 30, 2026

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. Performance data current to the most recent month-end for Ariel Global Fund may be obtained by visiting our website, arielinvestments.com. For the period ended June 30, 2026, the average annual total returns of Ariel Global Fund (Investor Class) for the 1, 5, and 10-year periods were +34.74%, +12.18% and +10.57%, respectively.

Global equities rebounded strongly in the second quarter, supported by easing geopolitical tensions, resilient earnings and sustained investment across the artificial intelligence (AI) ecosystem. While U.S. technology companies remained market leaders, investor focus broadened to the semiconductor, memory and infrastructure companies enabling the next phase of AI deployment.

Regional performance reflected this dynamic. Taiwan and South Korea led returns as demand for advanced semiconductors and AI-related hardware remained robust, while Japan benefited from lower energy prices and increasing exposure to global technology spending. China participated more selectively, with gains concentrated in AI-linked and internet platform companies as weaker domestic demand and ongoing property-sector challenges continued to weigh on broader market sentiment.

Despite the broad market advance, performance dispersion remained significant across regions, sectors and individual companies, reinforcing the importance of fundamental research, valuation discipline and a long-term perspective. Against this backdrop, Ariel Global Fund rose +27.91% in the quarter, surpassing the MSCI ACWI Index's return of +14.93%, and the MSCI ACWI Value Index's +10.57% gain.

Ariel's non-consensus approach seeks to identify undervalued, out-of-favor, franchises that are misunderstood and therefore mispriced. Ariel Global Fund is overweight Utilities, Industrials, Communication Services and Health Care; underweight Information Technology, Consumer Discretionary and Financials, as well as lacks exposure to Energy and Real Estate. At the sector level, positive stock selection among Information Technology and Financials were the greatest contributors to returns, while our Communication Services holdings and positioning within Utilities were the largest performance detractors.

Semiconductor manufacturer **Intel Corporation**'s strong returns were fueled by robust demand in data center and AI markets and a notable improvement in profitability. The

results highlight an early recovery in server CPUs while reinforcing Intel's growing role in next-generation AI infrastructure. Confidence is further underpinned by its integrated manufacturing model, which positions the company to benefit from tighter industry capacity and strengthening prices. In our view, Intel is progressing beyond a cyclical recovery toward a structurally stronger, AI-driven growth story. Increasing exposure to AI workloads, stabilization in core businesses and improving execution on advanced process technologies are rebuilding both competitiveness and earnings power. As its product roadmap and foundry strategy gain traction, we see further upside in earnings and valuation. In our view, the recent rally reflects improving fundamentals, but not the full extent of the opportunity.

Leading electronic components provider **Murata Manufacturing Co., Ltd.** advanced as investors increasingly priced in a multi-year growth upcycle propelled by rising demand for multilayer ceramic capacitors (MLCC) in AI data centers. Upward revisions to long-term profit expectations reinforced confidence in sustained earnings expansion, supported by favorable product mix and pricing dynamics. The shift toward higher-value, high-capacitance components, where Murata maintains a clear technological edge, is expanding margins, while tighter industry capacity supports higher prices. In our view, Murata stands to benefit from rapid AI infrastructure buildout, with servers emerging as a key growth driver. At the same time, growing adoption of Edge AI is increasing MLCC content per device, further supporting demand. We view the stock as a compelling long-term investment given its diversification into adjacent areas such as power solutions and radio frequency (RF) modules, improving fundamentals and the recovery in its devices segment.

Shares of semiconductor manufacturer **MediaTek Inc.** also rose as investors grew more confident in its expanding role as a key supplier for Google's rapidly scaling cloud and AI infrastructure. Stronger expectations for Tensor Processing Unit (TPU) adoption, including faster deployment in upcoming generations, point to a steeper revenue ramp and



improving long-term growth visibility. Its cloud ASIC business is also highly profitable, with margin gains and operating leverage set to lift overall earnings power. We believe potential wins with other hyperscalers add further upside and reinforce MediaTek's position in the AI supply chain. Meanwhile, momentum in flagship smartphones and AI-enabled devices broadens the growth story. Overall, accelerating AI demand, improving margins and multiple growth drivers have led to a positive re-rating of the shares.

Conversely, **AT&T Inc.** underperformed during the quarter as investors grew more concerned about competitive pressures in the U.S. telecommunications market. Although quarterly results were solid, modest increases in wireless churn and softer pricing weighed on sentiment, while recent capital raising by satellite providers fueled concerns about future industry disruption. We believe those fears are overstated, as viable satellite-based mobile services remain several years away and will require significant technological advances to compete at scale. In the meantime, AT&T continues to execute well, expanding its leading fiber network and strengthening its converged broadband and wireless offering, which we believe will support customer growth and market share gains. Given its attractive valuation, improving earnings outlook, and shareholder returns through dividends and share repurchases, we continue to view the recent weakness as an attractive opportunity.

UK telecommunications provider **BT Group plc** declined as investors digested in-line earnings and unchanged guidance, offering limited incremental near-term upside. While EBITDA and cash flow modestly exceeded expectations, the absence of a meaningful upgrade to medium-term targets and limited clarity on capital returns weighed on sentiment. Continued weakness in the International segment and ongoing broadband line losses also tempered confidence, partially offsetting stabilizing trends in its wholesale fixed line infrastructure arm, Openreach and improving performance in Consumer. BT is ending a peak investment cycle, with fiber capital expenditures set to decline and cost efficiencies expected to meaningfully enhance free cash flow. At the same time, the competitive landscape is becoming more favorable, as smaller fiber competitors face funding constraints while BT accelerates its network rollout. Together with improving pricing dynamics and structurally rising data demand driven by AI and digital infrastructure, we believe BT is well positioned for a gradual re-rating as execution continues.

The **Walt Disney Company (DIS)** also traded lower during the quarter despite reporting better-than-expected earnings and raising aspects of its outlook. Investor sentiment was tempered by concerns that much of the earnings beat stemmed from the timing of sports programming costs rather than underlying operational strength, resulting in a weaker near-term outlook for the Sports segment. In addition, while management highlighted healthy demand across its parks and streaming

businesses, investors remained cautious amid broader macroeconomic uncertainty and the potential impact of softer consumer spending. As a result, strong operating performance and improved shareholder returns, including an increased share repurchase authorization, were overshadowed by concerns around earnings sustainability and near-term visibility. Despite these headwinds, we continue to view Disney as a unique collection of high-quality media, streaming, parks and consumer franchises with significant potential.

We initiated thirteen new positions during the quarter.

We reinitiated a position in **Capital One Financial Corp.** Its core credit card business is stabilizing, with credit trends improving following the post-pandemic normalization cycle, while earlier reserve builds support a more favorable provisioning outlook. Disciplined balance sheet management and strengthening net interest margin dynamics further support earnings growth. In addition, the Discover acquisition is expected to enhance Capital One's competitive position through ownership of a proprietary payments network, creating opportunities for meaningful synergies and greater strategic flexibility over time. We believe the market is underappreciating the company's earnings potential as credit costs normalize and returns improve.

We bought **Dynatrace (DT)**, a leading provider of observability and application performance monitoring software, as we believe the company is well positioned to benefit from the growing complexity of modern IT environments and the increasing adoption of artificial intelligence. Customer feedback and industry checks indicate healthy demand driven by strength in Dynatrace's core monitoring platform, growing traction in log analytics and emerging AI-related use cases. We are particularly attracted to the company's deep technical moat, which has resulted in strong customer retention and limited evidence of competitive displacement despite rapidly evolving AI technologies. As organizations invest more heavily in cloud infrastructure, automation and AI-enabled applications, we believe Dynatrace is positioned to capture more mission-critical software spending. With accelerating growth potential, strong free cash flow generation and an attractive valuation, we view Dynatrace as a compelling opportunity.

We added **FedEx Freight Holding Co., Ltd.** following its spinoff from our existing holding, **FedEx Corporation (FDX)**. As a standalone company, FedEx Freight is the leading pure-play less-than-truckload (LTL) carrier in North America, benefiting from unmatched scale, network density and a strong competitive position. We believe the separation from FedEx unlocks upside, as non-union LTL peers have historically commanded materially higher multiples. As a standalone business, FedEx Freight can sharpen its commercial strategy, improve pricing discipline and target a



higher-quality freight mix. Margin expansion can also result from yield improvements, volume growth and cost efficiencies. Importantly, the broader LTL backdrop is improving, supported by a recovery in U.S. industrial activity and favorable supply dynamics. Overall, we view the company as a high-quality franchise with structural advantages and multiple levers that can create value.

We purchased **Merck KGaA**, a leading life science tools company, based on our conviction that a biopharma spending recovery is underway following a prolonged period of inventory destocking and funding constraints. The inflection is most evident in Process Solutions, Merck's mission-critical biologics manufacturing business, which benefits from recurring revenue, deep customer integration and high switching costs. Improving order trends are reinforcing confidence in both near-term performance and the company's longer-term growth outlook. While investor sentiment remains pressured by weaker demand in academia and China, we believe accelerating bioprocessing activity will be the primary driver of earnings growth. At current levels, we do not believe the stock price fully reflects the strength of Merck's competitive position or its improving earnings trajectory.

We also bought **Orsted AS**, a leading offshore wind developer, following a sustained period of operational setbacks and political uncertainty. Cost overruns, project delays and policy challenges—particularly in U.S. offshore wind—undermined confidence and culminated in a large rights offering in 2025. In our view, the current valuation still reflects a business facing persistent execution risk, despite clear signs of improvement. Several of Orsted's largest projects are now well advanced, offering visibility into future cash flows. Meanwhile, management has strengthened the balance sheet, tightened capital allocation and shifted toward a lower-risk operating model. Looking ahead, rising electricity demand from U.S. data centers should support renewable power pricing, while Europe's increasing focus on energy security is expected to create a more favorable backdrop for offshore wind development. We do not believe the current valuation fully reflects Orsted's improving fundamentals or earnings potential.

We added **PPL Corporation**, a utility with an improving regulatory backdrop and a clear path to steady, visible earnings growth. Recent rate case outcomes in key jurisdictions have been more constructive than expected, enhancing return visibility and reducing near-term uncertainty. Favorable developments in Kentucky and Pennsylvania, alongside limited exposure to Rhode Island, support more stable earnings. Beyond its core utility operations, we think PPL's partnership with Blackstone to develop contracted generation assets introduces an additional growth lever with attractive, infrastructure-like returns. This initiative is well aligned with rising power demand, particularly from data center expansion. With improving regulatory clarity, a defined

rate base growth outlook and incremental upside from new investments, we believe PPL offers a compelling and balanced total return opportunity.

We purchased **Pharmaron Beijing Co., Ltd.**, a global contract research and manufacturing organization that we expect to benefit from China's growing role in biopharma innovation. As large pharmaceutical companies increasingly source innovation externally, China's drug development ecosystem is gaining share, supported by lower costs, improving scientific capabilities and faster development timelines. Pharmaron's integrated platform across discovery, development and manufacturing allows it to participate across the drug lifecycle, positioning the company to capture this structural shift. Industry data suggests Chinese biotechs can advance programs faster and at lower costs than global peers, which is generating more out-licensing activity as well as demand for outsourced services. While prior concerns around regulatory scrutiny, geopolitical tensions and data integrity have weighed on sentiment, we believe these risks are now better understood and reflected in the current valuation. With improving growth visibility, continued new order momentum and meaningful operating leverage to a strengthening innovation cycle, we believe Pharmaron represents an attractive long-term investment opportunity.

We initiated a position in **Shenzhen Inovance Technology Co., Ltd.**, China's leading industrial automation company, as evidence of a cyclical recovery in factory automation continues to build. After several years of inventory correction and weak capital spending, order trends are improving. Both Inovance and global peers are pointing to a stronger than expected rebound boosted by investments in electronics, semiconductors, logistics and the energy transition. Shares have lagged on concerns around electric vehicle (EV) demand, moderating share gains and margin pressure, but we view these risks as overstated. Inovance continues to gain share across core automation categories, benefiting from supply chain localization and an expanding product portfolio. Meanwhile, margins are expected to stabilize as pricing, mix and operating leverage improve. Beyond its core business, we see incremental upside from newer growth areas such as robotics, energy storage and data center power infrastructure. With demand recovering and earnings momentum building, we believe Inovance is well positioned for sustained long-term growth.

We also added **Sunny Optical Technology Group Co., Ltd.**, a global leader in optical components and imaging solutions. We believe the company is well positioned to benefit from growth across consumer electronics, AI and intelligent sensing. Its leading optical engineering capabilities and strong innovation track record have enabled it to gain share in premium smartphone cameras while expanding into attractive markets such as optical interconnects, robotics and extended reality. We are particularly encouraged by management's



focus on the convergence of optics and AI, which we believe will expand the company's growth opportunities and strengthen its competitive position. Supported by a scaled manufacturing platform, deep customer relationships and growing opportunities beyond smartphones, we believe Sunny offers a compelling combination of technological leadership and durable growth.

We purchased **WuXi AppTec Co., Ltd.**, a leading global contract developer for manufacturing organization (CDMO), based on its integrated platform across the pharmaceutical value chain and deep relationships with multinational clients. Recent inclusion on the list mandated by Section 1260H of the U.S. National Defense Authorization Act (NDAA) has created a sentiment-driven dislocation, but we believe the direct operational impact is limited, as core client activities and existing contracts remain largely unaffected. Exposure to U.S. federal funding is minimal for most customers, further mitigating risk. We also see potential for the designation to be challenged or reversed, as seen in prior cases, which could act as a catalyst for sentiment recovery. In our view, the market is overreacting to geopolitical risks relative to the company's strong fundamentals and long-term growth profile. This creates an attractive entry point into a high-quality franchise with durable demand and a leading position in a structurally growing industry.

We bought **Xiamen Faratronic Co., Ltd.**, a global leader in film capacitors with strong positions across EVs and renewable energy applications. The company stands to benefit from electrification trends, with rising demand from new energy vehicles and data centers supporting future growth. We think Faratronic's scale, technology leadership and deep customer relationships provide a real advantage in these structurally expanding markets. We also expect an improving cost structure to support margin recovery in its EV business, helping lift overall profitability. Faratronic is a high-quality way to gain exposure to the global energy transition with accelerating earnings potential.

We added **Vanguard Total World Stock ETF** as a cash alternative.

Lastly, we initiated a position in **Melrose Industries PLC**, a high-quality aerospace supplier with a differentiated franchise in engine components and a compelling runway for long-term cash flow growth. We believed the market was underappreciating the company's long-term cash generation potential as newer engine platforms matured. However, following an incident at one of the company's aerospace facilities that heightened legal, regulatory and operational uncertainties, we exited the position as this development threatened to delay the free cash flow inflection underpinning our investment thesis.

By comparison, we exited several holdings on valuation, including:

- **Algonquin Power & Utilities Corporation**, the renewable energy and utility services provider;
- **Emaar Properties PJSC**, the leading real estate developer in the Middle East and North Africa;
- **Fortum Oyj**, the European independent power producer;
- **KB Financial Group Inc.**, South Korea's largest financial institution by assets and customer base;
- **Microsoft Corporation**, the global enterprise software and cloud computing leader; and
- **SUMCO Corporation**, a leading supplier of advanced silicon wafers used in both central and graphics processing units (CPUs and GPUs).

We also took advantage of market volatility during the quarter to further refine Ariel Global Fund. Consistent with our disciplined capital allocation framework, we exited several positions and redeployed capital into opportunities where we have greater conviction in the earnings outlook, competitive positioning, and potential for long-term shareholder value creation. These sales included:

- **Banca Monte dei Paschi di Siena SpA**, the Italian banking group;
- **Kuaishou Technology**, China's leading livestreaming and short-form video platform;
- **Lojas Renner S.A.**, the Brazilian apparel retailer;
- **Minh Group Ltd.**, the global automotive components supplier with growing exposure to the European electric vehicle value chain;
- **Syensqo SA**, the specialty chemicals manufacturer; and
- **Wizz Air Holdings Plc**, the ultra-low-cost airline serving Central and Eastern Europe.

Looking ahead, we believe the opportunity set is becoming increasingly attractive. While AI remains a powerful secular force reshaping the global economy, market leadership is broadening, creating opportunities across a wider range of companies, sectors and geographies. Supported by resilient earnings, improving business fundamentals, strengthening corporate confidence and a more constructive policy backdrop, this evolution points to a more balanced and durable foundation for future returns. In our experience, such environments often provide fertile ground for active investors, as company-specific fundamentals become more important than macro narratives. Against this backdrop, we believe a disciplined focus on intrinsic value, business quality and long-term competitive advantages will continue to uncover compelling opportunities where market expectations remain disconnected from underlying business prospects.

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 Fund invests may never be recognized by the broader market. The Fund is often concentrated in fewer sectors than its benchmarks, and its 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.

As of February 1, 2026, Ariel Global Fund Investor Class had an annual net expense ratio of 1.19% and an annual gross expense ratio of 1.69%. Currently, an expense ratio cap of 1.13% is in place for the Investor Class to waive fees and reimburse certain expenses that exceed this cap. Ariel Investments LLC (the Advisor) is contractually obligated to maintain this expense ratio cap through 1/31/27. The net expense ratio for the Investor Class does 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. There is no guarantee that any of the views expressed will come to fruition or any investment will perform as described.

As of 6/30/2026, Intel Corporation constituted 3.1% of Ariel Global Fund; Murata Manufacturing Company, Ltd. 1.9%; MediaTek, Inc. 1.9%; AT&T, Inc. 1.7%; BT Group plc 1.5%; Walt Disney Company 2.7%; Capital One Financial Corporation 0.9%; Dynatrace, Inc. 1.5%; FedEx Freight Holding Company, Inc. 0.3%; FedEx Corporation 1.3%; Merck KGaA 2.2%; Orsted AS 1.8%; PPL Corporation 2.1%; Pharmaron Beijing Co., Ltd. 0.9%; Shenzhen Inovance Technology Co., Ltd. 1.7%; Sunny Optical Technology Group Co., Ltd. 1.4%; Vanguard Total World Stock ETF 0.9%; WuXi AppTec Co., Ltd. 1.2%; Xiamen Faratronic Co., Ltd. 2.4%; Melrose Industries PLC 0.0%; Algonquin Power & Utilities Corporation 0.0%; Banca Monte dei Paschi di Siena SpA 0.0%; Emaar Properties PJSC 0.0%; Fortum Oyj 0.0%; KB Financial Group Inc. 0.0%; Kuaishou Technology 0.0%; Lojas Renner S.A. 0.0%; Microsoft Corporation 0.0%; Minth Group Ltd. 0.0%; SUMCO Corporation 0.0%; Syensqo SA 0.0% and Wizz Air Holdings Plc 0.0%. 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 Global Fund.

A glossary of financial terms provided herein may be found on our website at www.arielinvestments.com.

Indexes are unmanaged. An investor cannot invest directly in an index. 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. Its inception date is 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. Its inception date is December 8, 1997. All MSCI Index net returns reflect the reinvestment of income and other earnings, including the dividends net of the maximum withholding tax applicable to non-resident institutional investors that do not benefit from double taxation treaties. MSCI uses the maximum tax rate applicable to institutional investors, as determined by the company's country of incorporation. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used to create indices or financial products. This report is not approved or produced by MSCI.

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