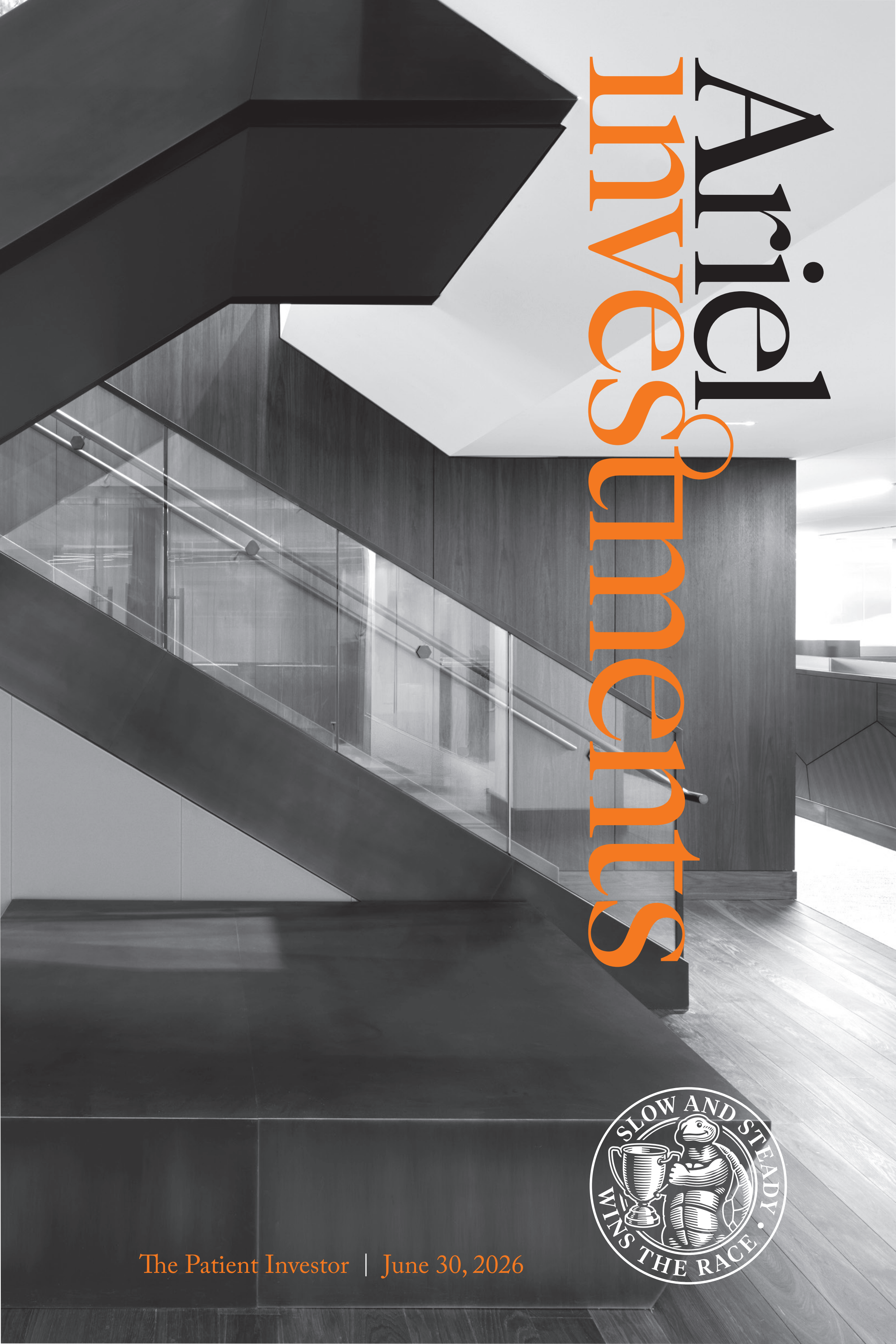

The Patient Investor | June 30, 2026

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Ariel Fund
Ariel Appreciation Fund

As of June 30, 2026

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

Mellody Hobson
Co-CEO

Our Track Record (%)

			ANNUALIZED				
	QTD	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception*
Ariel Fund Investor Class	13.59	11.91	29.82	14.57	6.78	11.00	10.96
Ariel Fund Institutional Class	13.67	12.08	30.22	14.92	7.11	11.35	11.08
Russell 2500 Value Index	18.50	24.16	38.54	19.40	10.28	11.28	11.13
Russell 2000 Value Index	17.19	22.99	43.01	18.72	8.24	10.89	10.41
S&P 500 Index	15.20	10.21	22.32	20.61	13.41	15.51	11.36

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

Our Track Record (%)

			ANNUALIZED				
	QTD	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception*
Ariel Appreciation Fund Investor Class	13.71	15.01	29.77	12.04	6.46	9.32	10.19
Ariel Appreciation Fund Institutional Class	13.80	15.17	30.16	12.39	6.78	9.66	10.32
Russell Midcap Value Index	13.40	17.58	26.62	16.50	9.48	10.63	11.21
Russell Midcap Index	13.83	15.30	21.63	16.51	8.50	12.00	11.36
S&P 500 Index	15.20	10.21	22.32	20.61	13.41	15.51	10.95

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

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:

The second quarter of 2026 was, by almost any measure, an extraordinary one for equities. Fueled by the AI boom, the S&P 500 reached new highs, surging +15.20%—its strongest quarterly gain in roughly six years.[1] Although our domestic value portfolios participated meaningfully in the rally, keeping up with the benchmarks proved challenging given the market's narrow leadership.

When one considers the expected absolute returns of stocks over time, we find it hard to call double-digit three-month returns a "difficult stretch." And yet, just as a strong rally quietly has been unfolding in small-cap stocks this year, our small, small/mid, and mid-cap value portfolios have mostly lagged their benchmarks, as investors have piled into AI infrastructure-related stocks. As an advisor in *Pensions & Investments* recently noted, "…the managers that have done probably the poorest have been underexposed to some of the AI themes…"[2] as roughly two-thirds of the S&P 500's second quarter gains[3] and one-third of the Russell 2000 Value's gains have come from a single sector.[4]

The primary differentiator between an Ariel strategy that outperformed its benchmark and those that trailed was its technology exposure. Our non-existent weightings in the red-hot sector made it very difficult to keep up. The hotter, the harder. For example, tech shares in the Russell Midcap Value Index rose +63%, a gap that our strong stock selection in consumer discretionary and industrials in Appreciation Fund more than offset.[5] Meanwhile, technology in the Russell 2500 Value Index surged +84%, which proved too large a headwind for solid stock picks in Ariel Fund to overcome.[6]

Interestingly, the tech companies that propelled the benchmarks forward the most in recent months "…have since exited the small-cap index with the latest June reconstitution."[7]

Avoiding Tech Wrecks

"If their price is too damn high, exciting companies won't create wealth for investors. They will instead end up in the annals of terrible wealth destroyers."[8]

Our reluctance to fully participate in the market's hottest technology names does not result from a tactical sector view but instead reflects our investment discipline. We do not chase rallies we cannot underwrite. As the market's fixation has shifted from AI "adopters" to AI "enablers," the recent gains in semiconductor and memory-chip companies have been remarkable. Still, these businesses remain highly cyclical and capital intensive. Their history is marked by repeated periods of strong demand, capacity expansion, oversupply and ultimately margin compression. To embrace many of today's market favorites requires presuming this cycle will unfold differently and believing competition will not respond as it often has. Such a leap is a bet against economic gravity, which is a risk we are not willing to take.

We are always highly selective because rapid innovation, obsolescence and shifting competitive dynamics require an especially high hurdle for tech investments. While this discipline has weighed on relative results during a period of exceptionally narrow, AI-driven market leadership, we believe it remains essential to preserving capital and creating long-term value. Market leadership inevitably changes; our commitment to valuation, business quality and downside protection is foundational.

"Market leadership inevitably changes; our commitment to valuation, business quality and downside protection is foundational."

There are times when technology does clear our bar. We have invested successfully in technology-related businesses when both the underlying franchise and valuation met our standards. For example, we have long owned **Generac Holdings, Inc. (GNRC)** for its leading residential and commercial backup-power franchise. While we welcome the incremental demand created by AI-driven data centers, that was never the basis of our investment thesis. Similarly, we acquired **Accenture Plc (ACN)** in the wake of the dot-com collapse and held it successfully for more than a decade. In both cases, we were attracted to durable competitive advantages, high-quality management teams and compelling valuations.

Activists See What We See

Other rational owners increasingly share our views. A notable number of our portfolio companies have become the target of some form of shareholder activism since the start of 2025—spanning industrials, financials, health care and consumer names. During a period when our style has lagged, some of the market's most demanding capital allocators are underwriting the same names. This activity suggests these activists, by and large, agree that our quality franchises are materially undervalued. Value hidden in a

[1] Valetkevitch, Caroline and Niket Nishant (30 June 2026) "S&P 500, Nasdaq register best quarter since 2020 despite Iran war" *Reuters,* https://www.reuters.com/business/us-stock-futures-little-changed-strong-quarter-nears-end-2026-06-30/.
[2] Kozlowski, Rob (16 July 2026) "Why small-cap's revival is punishing active managers and what pension funds are doing about it" *Pensions & Investments,* https://www.pionline.com/asset-management/pi-pension-small-cap-equity-terminations-market-quality-july-2026/.
[3] S&P Dow Jones Indices (30 June 2026), "Index Dashboard: U.S.," pp. 1.
[4] FactSet.
[5] FactSet.
[6] FactSet.
[7] Kozlowski, Rob (16 July 2026) "Why small-cap's revival is punishing active managers and what pension funds are doing about it" *Pensions & Investments,* https://www.pionline.com/asset-management/pi-pension-small-cap-equity-terminations-market-quality-july-2026/.
[8] Sommer, Jeff (3 July 2026) "The Hottest Stock Markets Lead to the Biggest Losses," *The New York Times,* https://www.nytimes.com/2026/07/03/business/stocks-investing-markets.html.

temporary dislocation tends to be recognized. Again, quoting *Pensions & Investments*, "…when we look back through history, quality often trails large market rallies."[9]

Looking Ahead

"The big money is not in the buying and the selling, but in the waiting."[10]

The line—which Charlie Munger was fond of quoting from the old speculator Jesse Livermore—captures our disposition in a quarter like this one. A market that so richly rewards concentration can test the resolve of any patient investor, but more than four decades of investment experience counsels against capitulation. In our view, our companies are not fundamentally impaired despite being priced as if they are. More importantly, we believe they carry the earnings power to support materially higher prices when sentiment turns.

A market in which a single stock can rise more than +250% in three months,[11] and in which the largest initial public offering on record was priced at more than 90x trailing sales,[12] is one in which there is a big disconnect between price and value. This gulf is precisely where our opportunity set is created. And although counterintuitive in a market reaching new all-time highs, our new idea pipeline is overflowing because the damage to the perceived AI "losers" is so severe and, at times, indiscriminate.

The Japanese art of *kintsugi* repairs broken pottery by filling the fractures with gold—making the mended vessel more precious than the unbroken one. For disciplined value investors, market cracks can also get filled with gold—making the seemingly broken stock more valuable than the one that appears to be pristine.

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

[9] Kozlowski, Rob (16 July 2026) "Why small-cap's revival is punishing active managers and what pension funds are doing about it" *Pensions & Investments*, https://www.pionline.com/asset-management/pi-pension-small-cap-equity-terminations-market-quality-july-2026/.

[10] Shukla, Piyush (25 December 2025) "Wealth Quote of the Day by Charlie Munger: 'The big money is not in the buying and the selling, but in the waiting'—why Munger believed patience is where millions are made" *The Economic Times*, https://economictimes.indiatimes.com/news/international/us/wealth-quote-of-the-day-by-charlie-munger-the-big-money-is-not-in-the-buying-and-the-selling-but-in-the-waiting-why-munger-believed-patience-is-where-millions-are-made/articleshow/126189017.cms.

[11] Kantrowitz, Michael, CFA, et al. (1 July 2026) "What in the World Happened to Markets in 2Q?!?!" *Piper Sandler Portfolio Strategy & Macro Research*, pp. 21.

[12] Shulman, Joel (3 June 2026) "8 Things to Know Before SpaceX Goes Public" *Forbes*, https://www.forbes.com/sites/investor-hub/article/spacex-ipo-things-to-know/.

New positions for quarter ending June 30, 2026:

Company Name	Company Description	Ariel Fund	Ariel Appreciation Fund
Haemonetics Corporation	Developer and distributor of a broad portfolio of hematology products and solutions.	●	●
Houlihan Lokey Inc.	A global financial advisory firm with a leading position in middle-market M&A and restructuring.		●
Masco Corporation	The world's largest manufacturer of plumbing fixtures and a leading provider of paint in the United States.		●
Progressive Corporation	Personal auto insurer and one of the highest-quality compounders in financial services.		●
RLI Corp.	Specialty insurer among the industry's top underwriters.	●	
Royal Caribbean Group	The world's second-largest cruise operator.		●

Eliminated positions for quarter ending June 30, 2026:

Company Name	Exit Rationale	Ariel Fund	Ariel Appreciation Fund
ADT, Inc.	Sold in order to redeploy capital into higher conviction opportunities.		●
First American Financial Corporation	Sold to pursue other opportunities.	●	
Molson Coors Beverage Company	Sold in order to redeploy capital into higher conviction opportunities.		●
Paramount Skydance Corporation	Sold on valuation.	●	
Stanley Black & Decker	Sold in order to redeploy capital into higher conviction opportunities.		●

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. A concentrated portfolio may be subject to greater volatility than a more diversified portfolio. Investing in equity stocks is risky and subject to the volatility of the markets. ***Past performance does not guarantee future results.***

Per the Ariel Fund's Prospectus as of February 1, 2026, the Investor Class and Institutional Class had an annual expense ratio of 1.01% and 0.70% respectively. Per the Ariel Appreciation Fund's Prospectus as of February 1, 2026, the Investor Class and Institutional Class had an annual expense ratio of 1.15% and 0.84%, respectively.

Returns assume the reinvestment of dividends and other earnings. Returns are expressed in U.S. dollars. 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. The Funds' portfolios differ from their primary benchmarks with fewer holdings and more concentration in fewer sectors. 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 6/30/2026, Ariel Fund's position size, if any, in the above holdings was: Generac Holdings, Inc. 2.60%; Accenture plc 0.00%; Haemonetics Corporation 1.48%; Houlihan Lokey, Inc. 0.00%; Masco Corporation 0.00%; Progressive Corporation 0.00%; RLI Corporation 1.26%; Royal Caribbean Cruises, Ltd. 0.00%; ADT, Inc. 0.00%; First American Financial Corporation 0.00%; Molson Coors Beverage Company 0.00%; Paramount Skydance Corporation 0.00% and Stanley Black & Decker 0.00%. As of 6/30/2026, Ariel Appreciation Fund's position size, if any, in the above holdings was: Generac Holdings, Inc. 2.27%; Accenture plc 0.00%; Haemonetics Corporation 1.53%; Houlihan Lokey, Inc. 1.84%; Masco Corporation 2.72%; Progressive Corporation 0.79%; RLI Corporation 2.45%; Royal Caribbean Cruises, Ltd. 1.20%; ADT, Inc. 0.00%; First American Financial Corporation 2.84%; Molson Coors Beverage Company 0.00%; Paramount Skydance Corporation 0.00% and Stanley Black & Decker 0.00%.

Ariel Focus Fund

As of June 30, 2026

Charles K. Bobrinskoy
Vice Chairman

Our Track Record (%)

				ANNUALIZED			
	QTD	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception*
Ariel Focus Fund Investor Class	2.14	9.60	31.69	16.29	7.88	10.54	7.25
Ariel Focus Fund Institutional Class	2.18	9.71	32.02	16.59	8.15	10.82	7.43
Russell 1000 Value Index	13.87	16.26	27.12	17.78	11.18	11.53	8.95
S&P 500 Index	15.20	10.21	22.32	20.61	13.41	15.51	11.26

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

Dear Fellow Shareholders:

For the quarter ending June 30, 2026, Ariel Focus Fund's +2.14% return trailed its primary benchmark, the Russell 1000 Value Index, which gained +13.87%, and similarly lagged the broader market as measured by the S&P 500 which rose +15.20%. The last three months represented one of our most difficult quarters relative to indices fueled by a powerful, technology-led rally.

An Upside-Down Quarter

During the period, inflation soared to its highest level in three years—4.2%—as geopolitical tensions continued to escalate.[1] In an environment of rising prices and armed conflict, hard assets like energy, materials, defense and gold normally surge. Instead, these areas lagged as the high-multiple chipmakers at the center of the artificial-intelligence trade dominated.

To this point, information technology contributed +10.46 percentage points of the S&P 500's +15.20% return.[2] The tech shares that make up 18.0% of the Russell 1000 Value Index jumped +69.1% during the quarter. In just three short months, Micron Technology, Inc. and Intel Corporation shares skyrocketed +242% and +216% respectively as market sentiment shifted from AI "adopters" to AI "enablers."[3]

Ariel Focus Fund is a concentrated, all-cap strategy with just 1.3% of its portfolio held in a single technology name—**Oracle Corporation (ORCL)**. The significant difference in tech exposure between our portfolio and its benchmarks explains our performance shortfall. We do not own these names—and price is only part of the reason. Semiconductors are deeply cyclical, capital-intensive businesses—brilliant in a boom, brutal in the bust that follows. Today's valuations suggest that this cycle has changed. History says otherwise.

Notwithstanding the tech surge, we would have expected our more defensive positioning to serve our portfolio well given the war-and-inflation backdrop. And yet, defense manufacturer **Lockheed Martin Corporation (LMT)** fell -15.1%; fertilizer producer **Mosaic Company (MOS)** dropped -16.1%; and even **Prestige Consumer Healthcare, Inc. (PBH)**, a defensive consumer-health business, plummeted -20.2%. The very companies built to perform when prices rise and conflict spreads were badly battered.

On Energy

While Technology was the benchmark's best performing sector during the quarter, Energy was the worst. As tensions eased in mid-June, oil gave back nearly all of its earlier gains, peaking at $124 a barrel before plummeting to $73 by quarter-end.[4] Our energy holdings fell -17%—with **APA Corporation (APA)** and **Chevron Corporation (CVX)** among the largest detractors. And yet, these companies own irreplaceable, long-lived, low-obsolescence assets. We purchased their shares at a time of falling exploration budgets despite rising demand. We expect our patience to be rewarded in time.

What Worked

Our best performers in the quarter delivered results for reasons specific to their own operations rather than global macro trends. **Generac Holdings, Inc. (GNRC)**,

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[1] U.S. Bureau of Labor Statistics (10 June 2026) "Consumer Price Index News Release," https://www.bls.gov/news.release/archives/cpi_06102026.htm.

[2] S&P Dow Jones Indices (30 June 2026) "U.S. Index Dashboard," pp. 1.

[3] Kantrowitz, Michael, CFA, et al. (1 July 2026) "What in the World Happened to Markets in 2Q?!?!" *Piper Sandler Portfolio Strategy & Macro Research,* pp. 2, 5, 6, 21.

[4] Kantrowitz, Michael, CFA, et al. (1 July 2026) "What in the World Happened to Markets in 2Q?!?!" *Piper Sandler Portfolio Strategy & Macro Research,* pp. 5.

a maker of backup power equipment, surged +49.9% as data center related demand strengthened. **Madison Square Garden Sports Corporation (MSGS)**, owner of the New York Knicks and Rangers, rose +25.0%, and **Madison Square Garden Entertainment Corporation (MSGE)**, owner of the irreplaceable arena and its live-events business, gained +37.3%. **Affiliated Managers Group, Inc. (AMG)** climbed +22.3% on growing recognition of its higher-margin alternative-asset managers. **PHINIA, Inc. (PHIN)**, a fuel-systems and aftermarket auto-parts supplier, advanced +20.8%. **Mohawk Industries, Inc. (MHK)**, the flooring maker, gained +23.2% and **BorgWarner, Inc. (BWA)**, a powertrain manufacturer, rose +22.7%. All the aforementioned names trade at modest valuations—which offers downside protection.

The Case for Looking Different

A very large portion of the Russell 1000 Value Index has de facto become an AI-infrastructure investment—value in name but increasingly concentrated in the same momentum trade. For those holding meaningful exposure to growth, AI and momentum, we believe Ariel Focus Fund offers true diversification.

We buy what others are selling, and we see the greatest opportunity in the areas currently being shunned. As a result, our largest holdings trade at deep discounts to the broad market—Affiliated Managers Group at 9x earnings, PHINIA and **BOK Financial Corporation (BOKF)** at 13x. As Ben Graham taught, such discounts can take time to be recognized.

> "We buy what others are selling, and we see the greatest opportunity in the areas currently being shunned."

In our view, **FactSet Research Systems, Inc. (FDS)** is the clearest example of a business shunned for all the wrong reasons. While the market has branded it a casualty of artificial intelligence, we see the opposite. As one of FactSet's own clients, we know firsthand how deeply its data is wired into our research and how costly it would be to change providers. As we build AI into our research, our spending is likely to rise, not fall. To this end, FactSet partners with the large language model providers rather than competing with them. We added to the position on weakness.

Our purchase and sale activity was modest during the quarter—one initiation and one exit. We purchased **DENTSPLY Sirona, Inc. (XRAY)**, the world's largest maker of professional dental equipment, whose shares had been left for dead after years of disappointment. At $10.61 against our $26.26 estimate of its private market value, we are buying a global leader that is repairing itself—paying down debt, cutting costs and launching new products—while the market prices in permanent decline. We exited **J.M. Smucker Co. (SJM)**, redeploying the proceeds toward more attractive opportunities. We added to **Bio-Rad Laboratories, Inc. (BIO)** on weakness during the quarter.

Looking Ahead

We entered 2026 cautiously given elevated market valuations. The second quarter only heightened that view. This year's market gains have come almost entirely from rising earnings, not from investors paying more for them—yet the market's forward price/earnings multiple still sits at a rich 20.3x. We continue to believe that higher inflation—driven by trillion-dollar deficits, tariffs and deglobalization—favors the hard assets and cash-generative businesses we own. The four-decade interest rate decline is behind us.

Despite the difficult second quarter, our year-to-date results remain positive. Concentration works against us in a narrow, momentum-led market like this one, but can also work powerfully in our favor when breadth returns and value is again rewarded. We have seen that pattern reassert itself many times over more than two decades. Patience is needed and is often rewarded.

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.

Per the Ariel Focus Fund's Prospectus as of February 1, 2026, the gross expense ratio for the Investor Class and Institutional Class was 1.19% and 0.89%, and had an annual net expense ratio of 1.00% and 0.75%, 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, 2027. 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.

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 6/30/2026, the Ariel Focus Fund held the following positions referenced: Oracle Corporation 1.27%; Lockheed Martin Corporation 3.50%; Mosaic Company 1.69%; Prestige Consumer Healthcare, Inc. 3.61%; APA Corporation 3.85%; Chevron Corporation 3.52%; Generac Holdings, Inc. 1.19%; Madison Square Garden Sports Corporation 2.64%; Madison Square Garden Entertainment Corporation 1.95%; Affiliated Managers Group, Inc. 5.48%; PHINIA, Inc. 5.77%; Mohawk Industries, Inc. 3.92%; BorgWarner, Inc. 2.39%; BOK Financial Corporation 5.43%; FactSet Research Systems, Inc. 3.45%; DENTSPLY Sirona, Inc. 1.57%; J.M. Smucker Co. 0.00% and Bio-Rad Laboratories, Inc. 1.79%. 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.

Ariel International Fund
Ariel Global Fund

As of June 30, 2026

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

Our Track Record (%)

				ANNUALIZED			
	QTD	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception*
Ariel International Fund Investor Class	21.50	17.94	23.33	18.88	9.52	7.64	7.33
Ariel International Fund Institutional Class	21.60	18.11	23.61	19.16	9.79	7.92	7.59
MSCI EAFE Net Index	10.82	9.44	20.23	16.44	9.05	9.66	8.50
MSCI ACWI ex-US Net Index	14.49	13.68	27.66	18.81	8.79	9.93	8.15
MSCI EAFE Value Net Index	7.49	9.63	26.95	21.50	13.15	10.45	8.48
MSCI ACWI ex-US Value Net Index	12.15	14.49	33.21	22.42	12.42	10.47	7.97

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

Our Track Record (%)

				ANNUALIZED			
	QTD	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception*
Ariel Global Fund Investor Class	27.91	24.74	34.74	19.83	12.18	10.57	9.98
Ariel Global Fund Institutional Class	27.95	24.90	35.05	20.11	12.46	10.85	10.26
MSCI ACWI Net Index	14.93	11.25	23.67	19.69	10.98	12.79	11.57
MSCI ACWI Value Net Index	10.57	11.86	23.05	17.46	10.37	10.09	9.32

* 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 recovered sharply in the second quarter of 2026, as investors moved past first quarter geopolitical stress and refocused on earnings resilience. U.S. technology remained central to market sentiment, but the dispersion underneath was more telling: the major hyperscalers saw investors scrutinize the size and cost of funding the buildout, while attention shifted toward the global suppliers providing the chips, memory, power and critical components needed for deployment. Regional performance clustered around the AI supply chain. South Korea and Taiwan led on semiconductor and hardware exposure. Lower oil prices eased pressure on Japan's import bill just as the global technology rally lifted its market. Although there were pockets of strength in AI and platform companies in China, broader sentiment remained constrained by macro weakness, property-sector pressure and policy uncertainty.

Against this backdrop, our International and Global portfolios meaningfully outperformed their benchmarks. More specifically, our portfolios were buoyed by our early conviction in AI "picks and shovels" as well as our disciplined navigation during heightened market volatility when war-driven energy spikes weighed on import-dependent markets. We continue to see opportunities in companies enabling AI deployment, while actively managing risk by taking profits, trimming positions and reducing relative exposure.

Building for the Long Haul: Localization is Here to Stay

Stepping back from the quarter, localization remains one of the more durable investment themes we see across global markets. Governments and companies are rebuilding domestic capacity, securing supply chains and investing in the infrastructure needed to support economic resilience. That shift is creating opportunities across energy, industrials, health care and technology.

Europe's offshore wind ambitions reflect the scale of this change. In January, nine European nations signed the Hamburg Declaration, targeting 300 gigawatts of offshore wind by 2050 through faster permitting and cross-border grid investment. Weeks later, a U.K. auction delivered 8.4 gigawatts of new capacity ahead of expectations. The economics are increasingly supportive: renewables are already Europe's cheapest source of new electricity, and costs are expected to further decline through 2040. This quarter, we added **Orsted AS**, the world's largest offshore wind developer in response to this trend—and precisely because we believe the market does not appreciate the scope and scale of the projects that the company currently has under construction.

China's biopharma sector tells a similar story. A fast-follower market has become an increasingly important innovation partner for global drug development. For the first time in 2024, registered clinical trials in China surpassed 5,000, reflecting research infrastructure built over many years.[1] Drug development timelines are now 50–70% faster than the global average and at a fraction of U.S. costs.[2] Chinese Contract Research Organizations (CROs) are gaining relevance in immunotherapy, oncology and autoimmune disease. China-based drug development and manufacturing partner to global pharma, **Pharmaron Beijing Co., Ltd.**, is a new holding that reflects this view, recently validated by its agreement with Eli Lilly for an oral GLP-1 therapy.

Watching the Signals, Trusting the Process

Across the portfolio, our AI exposure remains deliberately upstream. We are not trying to underwrite which model or application wins. We are focused on the infrastructure capacity required to support AI deployment, where demand is visible, supply is constrained and earnings revisions continue to improve. To this end, we own the companies enabling deployment—semiconductors, memory, data-center infrastructure and power. These issuers include: **Murata Manufacturing Company, Ltd.**, a Japanese electronic components leader; **MediaTek, Inc.**, a Taiwanese semiconductor designer; **Intel Corporation**, a U.S. semiconductor manufacturer; and **Infineon Technologies AG**, a German power semiconductor company. Accordingly, our portfolios benefitted meaningfully when Japan's technology market and the broader semiconductor complex rebounded.

We are continuing to seek opportunities where capital spending is accelerating and where bottlenecks persist. A number of leading indicators help us monitor whether the thesis is advancing. For example, we are tracking token consumption which is up roughly 8x year to date, while the physical limitations around new infrastructure suggest supply will continue chasing demand.[3]

Consistent with our approach, these positions came with controversy. While the market viewed Intel as a legacy chipmaker, we saw a strategic manufacturing asset with a credible foundry turnaround. We built our position in **SUMCO Corporation** when utilization and sentiment were depressed, but our research pointed to a turn in wafer demand that was not yet reflected in expectations. We held through the skepticism as the thesis progressed, then exited after the stock more than doubled and was fully priced. That repeatable discipline—not any single company or sector—defines how we invest: identify controversy, underwrite the inflection, monitor the evidence and redeploy capital when price catches up.

[1] Barwick, Panle et. al (1 April 2026) "From free rider to innovator: How China became a global pharmaceutical powerhouse" *Centre for Economic Policy Research,* https://cepr.org/voxeu/columns/free-rider-innovator-how-china-became-global-pharmaceutical-powerhouse.
[2] Popli, Anirudh Roy et. al (January 2026) "Life Sciences Practice: The emerging epicenter: Asia's role in biopharma's future" *McKinsey & Company,* pp. 8.
[3] OpenRouter, "AI Model Rankings: Weekly usage of models across OpenRouter" accessed June 22, 2026. https://openrouter.ai.

We see underappreciated secular transformation opportunities in areas the AI rally has left behind, including bioprocessing at **Merck KGaA** and telecommunications at **Orange SA**, where company-specific change is underway but not yet fully reflected in valuations.

"That repeatable discipline—not any single company or sector—defines how we invest: identify controversy, underwrite the inflection, monitor the evidence and redeploy capital when price catches up."

Several holdings detracted during the quarter, including **Bandai Namco Holdings, Inc.**, a Japanese entertainment and gaming company; **China Mengniu Dairy Company, Ltd.**, a leading Chinese dairy producer; previously discussed Pharmaron Beijing; and **Algonquin Power & Utilities Corporation**, a North American utility and renewable power company. Meanwhile, we exited some positions, including **Microsoft Corporation**, a U.S. software and cloud computing leader, and **Melrose Industries PLC**, a U.K.-based aerospace components supplier, to pursue new ideas.

China Mengniu Dairy: No GPUs, Just Cows—Still a Supply-Chain Story

China Mengniu Dairy Company has been treated as a weak-consumption story, but we see more: a supply cycle beginning to turn. After years of herd expansion, excess milk and pressure on raw milk prices, the industry is starting to rebalance as herds shrink and imports fall. Many investors remain focused on the depth of China's consumer slowdown; our differentiated view is that supply discipline can drive recovery even if demand only improves modestly.

Dairy cycles move slowly. A cow takes roughly two years to raise before producing milk for five to seven years. This creates long supply lags in both directions. That lag helped create the glut Mengniu has been navigating, but it also means the reset can become durable once excess capacity leaves the system. We are monitoring raw milk prices, herd size, production volumes, import levels and channel demand to track whether the cycle is moving from oversupply toward balance.

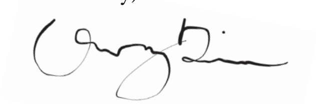
We believe the catalyst is not a dramatic consumption rebound. Tighter supply is translating into pricing stabilization, margin recovery and cleaner earnings. The company is also driving margin improvement through its own initiatives, independent of the broader cycle—shifting its product mix toward higher-value categories like cheese, fresh milk and premium yogurt while demonstrating tighter cost discipline. That mix shift is already showing up in the numbers: Mengniu's full-year 2025 gross margin rose to 39.9%, even as revenue declined, with management crediting both lower raw milk procurement costs and a growing share of higher-margin products. In our view, gradual raw milk price recovery, steadier share and continued mix improvement could materially improve profitability. The market is still focused on how deep the trough became; we are focused on how much earnings can recover as the cycle turns.

Looking Forward

We expect the driver of market returns to continue broadening in the second half of 2026 and beyond. AI remains an important force, but the more encouraging signal is improving participation across sectors and geographies, supported by resilient earnings, clearer policy direction and improving corporate confidence. For active investors, that breadth matters. It creates a healthier backdrop than one dependent on a narrow group of technology leaders and more opportunities to find companies whose progress is not yet reflected in share prices.

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, 2026, the gross expense ratio for the Investor Class and Institutional Class was 1.38% and 1.05%, and had an annual net expense ratio of 1.13% and 0.88%, 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, 2027. The net expense ratios 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, 2026, the gross expense ratio for the Investor Class and Institutional Class was 1.69% and 1.35%, and had an annual net expense ratio of 1.19% and 0.94%, 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, 2027. 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. There is no guarantee that any expressed views will come to fruition or any investment will perform as described.

As of 6/30/2026, Ariel International Fund's position size, if any, in the above holdings was Orsted AS 2.86%; Pharmaron Beijing Co., Ltd. 0.49%; Murata Manufacturing Company, Ltd. 3.09%; MediaTek, Inc. 1.81%; Intel Corporation 0.00%; Infineon Technologies AG 4.58%; SUMCO Corporation 0.00%; Merck KGaA 3.01%; Orange SA 2.86%; Bandai Namco Holdings, Inc. 2.59%; China Mengniu Dairy Company, Ltd. 0.95%; Algonquin Power & Utilities Corporation 1.89%; Microsoft Corporation 0.00% and Melrose Industries PLC 0.00%. As of 6/30/2026, Ariel Global Fund's position size, if any, in the above holdings was Orsted AS 1.84%; Pharmaron Beijing Co., Ltd. 0.92%; Murata Manufacturing Company, Ltd. 1.90%; MediaTek, Inc. 1.94%; Intel Corporation 3.08%; Infineon Technologies AG 2.36%; SUMCO Corporation 0.00%; Merck KGaA 2.16%; Orange SA 1.67%; Bandai Namco Holdings, Inc. 1.42%; China Mengniu Dairy Company, Ltd. 1.90%; Algonquin Power & Utilities Corporation 0.00%; Microsoft Corporation 0.00% and Melrose Industries PLC 0.00%.

Knowles Corporation

Benjamin Rosner, CFA®
Vice President
Domestic Research

Knowles Corporation (KN) is a leading provider of specialty audio components and precision electronic devices used in complex applications across the industrial, healthcare and defense sectors. The company was founded in 1946 when Hugh Knowles developed miniature microphones and speakers for hearing aids. Since then, Knowles has evolved into an industrial technology company, with a unique ability to serve niche markets. Built on decades of technical expertise and deep customer relationships, the company is well-positioned to benefit from its strong reputation, distinct competitive advantages and multiple avenues for growth.

This is Worth Hearing

Knowles is the cornerstone of the hearing aid industry. Over the past 80 years, the company has established trusted relationships with virtually every major global hearing aid manufacturer. These partnerships have been fostered through decades of innovation, with Knowles consistently helping customers bring advanced hearing solutions to market. We believe these longstanding relationships represent a durable competitive advantage, especially as hearing loss becomes more prevalent across an aging population.

Let's be Precise

While the hearing aid business provides a stable foundation, the precision devices segment is driving the company's next phase of growth. Rather than competing in crowded markets for standard electronic components used in smartphones, laptops and other basic consumer products, Knowles focuses on highly specialized devices used in applications where reliability is critical. These components are designed to power life-saving medical devices, military defense systems and electric vehicle infrastructure. Knowles faces limited competition in these markets because they are too niche to attract large manufacturers and too technically demanding for most competitors. We believe this combination of specialized expertise and high barriers to entry positions the company for long-term growth.

Changing the Tune

In recent years, Knowles has taken decisive steps to accelerate its transformation into an industrial technology company. In 2024, management sold one of its lower margin divisions that manufactured audio components used in smartphones, speakers and other household appliances. They used the proceeds to acquire Cornell Dubilier, a leader in high quality capacitors, specifically designed to regulate voltage, smooth power delivery and protect circuits in demanding environments. The acquisition increased the company's exposure to higher-growth end markets, diversified its portfolio and strengthened its fundamentals.

Sound Fundamentals

The company's transformation has reshaped its long-term outlook. By focusing on niche markets, Knowles has built a resilient business with durable competitive advantages and meaningful exposure to attractive secular growth trends. As management continues to execute its strategy, we expect Knowles to deliver shareholder value for years to come.

MASCO

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

Masco Corporation (MAS) is one of the largest manufacturers of plumbing fixtures and paint, supplying consumers with a broad range of products for home improvement projects. The company's portfolio includes well-known brands such as Behr paint, Delta faucets and Hansgrohe shower systems, alongside complementary offerings like AXOR premium faucets and KILZ primer. While many housing-related manufacturers rely on new home construction, Masco derives most of its revenue from repair and remodeling activity. This business model is particularly valuable given the cyclical nature of the housing market. Coupled with the company's operational discipline and strong capital allocation strategy, we believe Masco is well-positioned to generate long-term earnings growth.

Growth in the Pipeline

The plumbing segment continues to outperform, reinforcing our view that Masco's focus on repair and remodeling is a meaningful competitive advantage. Results were driven by higher volumes and solid pricing, supported by Masco's trusted brands and favorable product mix. Looking ahead, we think plumbing is well-positioned to sustain momentum as consumers continue to invest in kitchen and bath renovations, water-efficiency upgrades and premium fixtures. Demand also extends beyond discretionary remodeling projects because fixture failures typically require immediate attention. Together, these dynamics should propel the plumbing business forward over time.

Renovating the Bottom Line

Despite a difficult macroeconomic environment, Masco continues to expand margins by maintaining strong operational discipline throughout cycles. The company has benefited from higher pricing, productivity initiatives and tighter cost controls. Additionally, years of supply chain improvements have strengthened operations and helped offset higher input costs. As a result, Masco has consistently grown earnings faster than revenue, a sign that management is improving the quality of the overall business. We believe the company's focus on operational excellence should support durable profitability over the long term.

Capital is Flowing

Masco's capital allocation strategy remains a key pillar of our investment case. The company generates significant cash flow, providing management with flexibility to invest in its business while returning excess capital to shareholders. During the most recent quarter, Masco repurchased $202 million in stock and subsequently announced an additional $300 million accelerated share repurchase program. We view these actions as an encouraging sign from the new Chief Executive Officer, Jonathon Nudi.

Painting a Brighter Picture

Despite a muted housing backdrop, Masco continues to benefit from its scale, strong brand equity and operational advantages. We expect these attributes, along with the company's deep technical expertise and well-established supply chain, to support margin expansion over time. In our view, the market is underappreciating Masco's compelling fundamentals, as the company is trading at a modest discount to our private market value of $91.14.

Murata Manufacturing Co., Ltd.

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

Headquartered in Japan, **Murata Manufacturing Co., Ltd.** is a leading manufacturer of advanced electronic components, including capacitors, sensors and communication modules that power modern devices. Notably, the company dominates the global market for multi-layer ceramic capacitors (MLCCs), tiny components enabling next-generation technologies, such as electric vehicles (EVs), 5G networks and artificial intelligence (AI) infrastructure. Due to the surge in AI and electrification, MLCC content per device has meaningfully increased and Murata has been a clear beneficiary. MLCCs accounted for over half of the company's revenue during the most recent fiscal year. However, with valuations nearing all-time highs, we significantly trimmed our position to take profits and redeploy capital toward opportunities with more compelling short-term risk-reward profiles.

Wired to Win

Murata has spent decades developing the manufacturing expertise necessary to produce MLCCs at scale. These components are composed of multiple layers of ceramic material sandwiched between conductive electrodes. While they vary in size, the smallest are no larger than a grain of sand and must be manufactured with nanometer-level precision to perform reliably. Few companies possess the technical capabilities necessary to compete effectively, leaving the industry consolidated among a handful of manufacturers. As a result, Murata controls 40% of the global market and has established itself as the supplier of choice for many of the world's leading technology companies.

Fully Charged

AI and electrification are reshaping the global technology landscape, and Murata sits at the intersection of both trends. Increasingly sophisticated electronic systems require a growing number of MLCCs, driving demand across data centers, communications infrastructure and electric vehicles. As consumption outpaces manufacturing capacity, supply tightens, pricing strengthens and profitability improves, reinforcing Murata's competitive position and supporting a stronger earnings profile.

Powering Returns

Over the past year, the key drivers of our investment thesis have materialized. MLCC utilization increased, pricing became more attractive and investors recognized Murata's central role in AI and electrification trends. Together, these developments drove a meaningful appreciation in the stock price. With near-term upside reflected in the current valuation, we trimmed our position and reallocated capital toward more compelling opportunities while maintaining exposure to the company's long-term growth potential.

Orsted AS

Andrew Pon, CFA®
Vice President
Research Analyst, Global Equities

Headquartered in Denmark, **Orsted AS** is a global leader in developing, constructing and operating offshore wind farms. We initiated a position following a prolonged period of operational setbacks and political uncertainty that significantly weighed on investor sentiment. Cost overruns, project delays and policy challenges, particularly in U.S. offshore wind, undermined confidence and resulted in a large rights offering in 2025. Today, Orsted is on stronger footing. Several of its largest projects are nearing completion, reducing execution risk and enhancing visibility into future cash flows. At the same time, management has strengthened the balance sheet, adopted a more disciplined approach to capital allocation and shifted toward a lower-risk operating model. We are also encouraged by a more supportive backdrop for renewable development in Europe. Despite these clear signs of improvement, we believe the current valuation still reflects a business facing persistent execution risks, creating an attractive entry point for long-term investors.

Weathering the Storm

Political uncertainty has weighed on the sector for years, but recent developments suggest the outlook is improving. U.S. court rulings against halt and suspension orders on several offshore wind projects, including Orsted's Revolution Wind and Sunrise Wind, have established an important precedent against retroactive interference of approved projects. Meanwhile, discussions between policymakers and developers have become more constructive, reducing the likelihood of unexpected regulatory changes. With the midterm elections approaching, we think the near-term political environment for wind developers is stabilizing.

Turning the Tide

Management has taken significant steps to strengthen the balance sheet. These efforts include a large rights offering and substantial sales of ownership stakes in major projects. Orsted agreed to sell a 50% stake in Hornsea 3, a UK offshore wind farm, and divested its European onshore wind and solar business. Meanwhile, the company adopted a more disciplined approach to new projects by expanding its supplier base, increasing use of project-level financing, focusing on fewer core markets and hedging its cost exposure. Management also indicated they do not plan to pursue new U.S. offshore wind projects after Revolution Wind and Sunrise Wind are complete. Together, we believe these actions reduce operational risk, improve cash flow visibility and position Orsted for sustainable long-term growth.

Catching a Second Wind

Looking ahead, Europe remains Orsted's most compelling expansion opportunity. The region's increasing emphasis on energy security, domestic power generation and renewable infrastructure supports a favorable operating environment. Recent offshore wind auctions reinforce our positive outlook, as policymakers have introduced stronger funding and longer contract terms that improve project economics and support future development.

Tailwinds Ahead

We believe the current valuation does not fully capture Orsted's improving fundamentals or long-term earnings potential. Investors remain cautious despite the supportive political backdrop, stronger balance sheet and more disciplined capital allocation approach. In our view, this is a compelling opportunity to own a high-quality, global leader at an attractive price.

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

Vivian Lubrano
Portfolio Manager

Ted Mann, CFA®
Portfolio Manager

Important Disclosures

Risks of Investing in the Funds

Investing in equity stocks is risky and subject to the volatility of the markets. The performance of any single portfolio holding is no indication of the performance of other portfolio holdings or its strategy. 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

The companies highlighted in the Company Spotlights were held in one or more of the following Fund portfolios during the quarter ending June 30, 2026: Ariel Fund, Ariel Appreciation Fund, Ariel Focus Fund, Ariel International Fund or Ariel Global Fund. We candidly discuss various individual companies to illustrate our investment process. The information and our opinions were current as of the date above but are subject to change. The information shown 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. These securities do not represent all securities purchased or sold to investors during the period. The performance of any single portfolio holding is no indication of the performance of other portfolio holdings of any Fund or of any particular Fund itself. Portfolio holdings are subject to change. **Past performance does not guarantee future results.** Please visit our website, arielinvestments.com to see the holdings of the Funds.

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 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.

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What's Inside

LOOKING AHEAD Co-CEOs John W. Rogers, Jr. and Mellody Hobson acknowledge that a market so richly rewarding concentration can test the resolve of any patient investor, but more than four decades of investment experience counsels against capitulation. In our view, our companies are not fundamentally impaired despite being priced as if they are. More importantly, we believe they carry the earnings power to support materially higher prices when sentiment turns.

THE CASE FOR LOOKING DIFFERENT Vice Chairman Charlie Bobrinskoy says for those holding meaningful exposure to growth, AI and momentum, we believe Ariel Focus Fund offers true diversification.

WATCHING THE SIGNALS, TRUSTING THE PROCESS Chief Investment Officer, Global and Emerging Markets Equities, Henry Mallari-D'Auria is focused on the infrastructure capacity required to support AI deployment, where demand is visible, supply is constrained and earnings revisions continue to improve. To this end, we own the companies enabling deployment—semiconductors, memory, data-center infrastructure and power.

COMPANY SPOTLIGHTS Views from our investment team on Knowles Corporation, Masco Corporation, Murata Manufacturing Co., Ltd. and Orsted AS.

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