Ariel investments

Performance as of September 30, 2026 (%)			Annualized				
	QTD	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception
Ariel Focus Fund							06/30/2005
ARFFX Investor Class	**-1.26**	**8.22**	**7.68**	**18.16**	**8.65**	**9.68**	**7.09**
AFOYX Institutional Class	**-1.20**	**8.40**	**7.92**	**18.48**	**8.92**	**9.96**	**7.28**
Russell 1000® Value Index	2.61	19.27	23.81	20.07	11.92	11.43	8.97
S&P 500® Index	2.30	12.75	15.74	22.88	13.79	15.33	11.24

Past performance is not indicative of future results. An investment's return and principal value 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 over short term periods may not be sustainable and is not representative of performance over longer periods. Performance data as of the most recent month-end may be obtained by visiting our website, arielinvestments.com.

Dear Fellow Shareholders: For the quarter ending September 30, 2026, Ariel Focus Fund lost -1.26% compared to the +2.61% gain for the Russell 1000 Value Index and +2.30% return for the S&P 500. For the year-to-date period ended September 30, 2026, the Fund's +8.22% return significantly trailed the +19.27% gain of the Russell 1000 Value Index, but less so versus the S&P 500 which grew +12.75%. Our underperformance results from a market increasingly driven by a narrow group of mega-cap technology stocks along with weakness in many of the attractively valued businesses we own. Although the environment has been challenging, we remain focused on the long-term earnings power of our companies as well as the gap between their share prices and underlying worth.

A Market of Extremes

Today's market concentration represents ever-narrowing leadership that has created a meaningful performance headwind. More specifically, *two stocks*—Microsoft Corporation (MSFT) and Apple Inc. (AAPL)[1]—account for 221 basis points of the Russell 1000 Value Index's +2.61% third quarter gain. Furthermore, the Technology sector makes up 17.8% of the index versus 1.9% of our portfolio, represented by our sole technology name, **Oracle Corporation (ORCL)**.

Meanwhile, several of our holdings declined as investors grew increasingly cautious about the economy, interest rates and the strength of cyclical demand. Despite solid fundamentals that met or exceeded expectations, a widening gap between operating performance and market sentiment led to a selloff in some of our portfolio company shares. We know periods of heightened uncertainty may often create short-term fears that send prices below our estimate of intrinsic value. As a result, our deeply discounted Ariel Focus Fund is trading at 11.6x forward earnings versus 16.9x for the Russell 1000 Value Index and 19.0x for the S&P 500. At quarter-end, the portfolio also traded at a meaningful discount to our assessment of its private market value, which we believe, combined with the earnings power of the businesses we own, provides a strong foundation for long-term returns.

[1]Microsoft Corporation and Apple Inc. are not current holdings.

Resideo: Fundamentals Versus Price

Resideo Technologies, Inc. (REZI), a leader in home comfort controls and security systems, illustrates the growing gap between business performance and market sentiment. A year ago, we highlighted the company's $1.6 billion settlement with Honeywell International, Inc., which we expected would reduce annual cash obligations by nearly $60 million, alongside management's plan to separate the business into two public companies.[2]

In August 2026, Resideo completed the separation of **ADI Global Distribution, Inc. (ADIG)**, distributing one ADI share for every two Resideo shares while repaying approximately $900 million of debt.[3] A few days later, the company reported record second-quarter revenue of $1.98 billion and 26% growth in adjusted earnings per share.[4] Despite these accomplishments, Resideo's shares fell -16.0% during the quarter as concerns over housing activity, mortgage rates and security-system demand weighed on investor perceptions. Still, our appraisal of the company remained largely unchanged. At $18.15, Resideo shares trade at a 41% discount to our private market value estimate of $30.78. Given the compelling valuation, we added to our position in recent months and chose to hold the ADI Global shares that also trade well below our assessment of intrinsic value. In our view, the market's focus on near-term pressures has overshadowed Resideo's progress in simplifying its structure, strengthening its balance sheet and improving its earnings power—and they were not alone. Auto components manufacturer **PHINIA, Inc. (PHIN)** fell -27.5%, and dental products manufacturer, **Dentsply Sirona, Inc. (XRAY)** dropped -16.5%, despite both reporting earnings well above expectations.

Positioning for the Long Term

The positive performance contributions of our Energy and Materials holdings partially offset the negative impact of our Consumer Discretionary and Technology names. We selectively added to some of our cheapest stocks and trimmed positions with less upside. Given our redeployment of capital into existing holdings at compelling prices, we did not buy any new names nor eliminate any positions during the quarter.

Looking ahead, inflation, interest rates and the durability of earnings growth are likely to remain important market drivers. Persistent federal deficits, tariffs and the costs of deglobalization could keep inflation elevated and limit the Federal Reserve's flexibility. Against this backdrop, our task is to distinguish between businesses facing permanent impairment and those temporarily out of favor. We will remain patient when fundamentals support our conviction and focus on opportunities where the disconnect between price and underlying business value is greatest.

We appreciate the opportunity to serve you and welcome any questions you might have.

Sincerely,



Charles K. Bobrinskoy
Vice Chairman

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[2]Ariel Investments, 3Q25 Ariel Focus Fund Quarterly Letter, September 30, 2025, pp. 2.
[3]Resideo (12 August 2026) "Q2'26 Earnings Presentation" *Resideo*, pp. 19, https://s206.q4cdn.com/301352751/files/doc_financials/2026/q2/Resideo-Q226-Earnings-Presentation-Final.pdf
[4]Resideo (12 August 2026) "Q2'26 Earnings Presentation" *Resideo*, pp. 14, https://s206.q4cdn.com/301352751/files/doc_financials/2026/q2/Resideo-Q226-Earnings-Presentation-Final.pdf

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 9/30/2026, the Ariel Focus Fund held the following positions referenced: Oracle Corporation 2.99%; Resideo Technologies, Inc. 3.84%; ADI Global Distribution, Inc. 0.83%; PHINIA, Inc. 4.35% and Dentsply Sirona, Inc. 3.41%. 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, 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.
Index returns reflect the reinvestment of income and other earnings. Indexes are unmanaged, and investors cannot invest directly in an index. 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. Russell® is a trademark of the London Stock Exchange Group, which is the source and owner of the Russell Indexes' trademarks, service marks, and copyrights. Neither Russell nor its licensors accept any liability for any errors or omissions in the Russell Indexes or underlying data and no party may rely on any Russell Indexes and/or underlying data contained in this communication. No further distribution of Russell data is permitted without Russell's express written consent. Russell does not promote, sponsor or endorse the content of this communication. 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.

Investors should consider carefully the investment objectives, risks, and charges and expenses before investing. For a current prospectus or summary 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 prospectus or summary 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.

