

Ariel Fund

Quarter Ended September 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 Fund may be obtained by visiting our website, arielinvestments.com. For the period ended September 30, 2026, the average annual returns of Ariel Fund (Investor Class) for the 1-, 5-, and 10-year periods were +10.38%, +5.85% and +9.48%, respectively.

U.S. equities advanced in the third quarter, with the S&P 500 gaining +2.3% and the Nasdaq up +2.6%, but the headline gains masked a more bifurcated market beneath the surface. Strong earnings and enduring enthusiasm for artificial intelligence (AI) propelled a small group of technology giants higher, while rising interest rates, energy prices and geopolitical uncertainty weighed on the rest of the market. The Federal Reserve's September rate increase, against a backdrop of persistent inflation and resilient economic growth pushed treasury yields sharply higher and added to the pressure on small- and mid-cap companies.

As capital crowds into the market's most popular names, good businesses can fall from view—companies with sustainable competitive advantages, sound balance sheets and compelling long-term economics. When market euphoria becomes disconnected from the durability of company fundamentals, opportunities abound. Against this backdrop, Ariel Fund declined -4.45% during the quarter, modestly lagging the Russell 2500 Value Index's -4.36% return but outperforming the Russell 2000 Value Index, which fell -4.91%.

Bar-code manufacturer, **Zebra Technologies (ZBRA)** was the top contributor during the quarter following a strong earnings report and raise to full-year guidance. Revenue growth accelerated across end markets and geographies, while margins and earnings exceeded expectations as management effectively navigated ongoing memory supply constraints through pricing actions and operational execution. According to management, demand remains robust, with component availability, rather than end-market weakness, serving as the primary constraint on growth. The company also continues to return capital to shareholders through buybacks. We believe ZBRA remains well positioned to benefit from secular adoption of automation, digital workflows and supply chain modernization, with improving fundamentals supporting further earnings growth.

Charles River Laboratories (CRL) advanced following a strong earnings report and an increase to full-year guidance. Results reflected improving demand across biopharma and

biotechnology customers, supported by stronger bookings in Discovery & Safety Assessment and early signs of stabilization in research funding markets. Profitability also improved, driven by portfolio optimization and efficiency initiatives, including increased automation within Manufacturing Solutions. Additionally, the company continues to repurchase shares while maintaining a strong balance sheet. We believe CRL will continue to benefit from a recovery in biopharmaceutical R&D spending, supporting sustainable growth and earnings expansion over time.

Global leader in laboratory equipment and biological testing, **Bio-Rad Laboratories Inc. (BIO)** also contributed to performance during the quarter, following better-than-expected results and the reaffirmation of its full-year outlook. Organic revenue exceeded expectations despite continued weakness in academic research spending and China, while stronger margins versus expectations reflected improved operational discipline and execution. Shares also benefited from the announcement of a broad restructuring program designed to streamline operations and enhance profitability, which should provide margin expansion over the long term. In addition, the company continued to return capital through buybacks and remained engaged in constructive discussions with activist investor, Elliott Investment Management, regarding execution, capital allocation and value creation. While near-term headwinds remain, we believe Bio-Rad's operational improvements, cost actions and strategic investments support compelling long-term earnings growth.

By comparison, **Norwegian Cruise Line Holdings (NCLH)** declined during the quarter as investors focused on weaker yield expectations, uneven booking trends and ongoing execution challenges. Sentiment was further pressured by softer demand, particularly for European itineraries. In the wake of higher fuel costs and geopolitical uncertainty, near-term guidance softened. While management has taken steps to improve commercial execution, revenue management and cost discipline, the market remains focused on near-term margin pressure and the pace of the turnaround. We believe NCLH's



efforts to strengthen its premium brands, enhance destination offerings, improve the guest experience and reduce leverage, position the business for more sustainable earnings growth over the longer term.

Market leader in the U.S. lawn and garden industry, **Scotts Miracle Gro (SMG)**, fell as higher commodity and transportation costs pressured margins and weighed on near-term profitability. Despite these headwinds, underlying operating trends remain solid with management reaffirming its broader outlook while continuing to execute its SMG 2.0 strategy. Investors remain focused on the company's efforts to improve profits, reduce debt and enhance capital allocation under new leadership. In our view, SMG's iconic brands, deep retail relationships and opportunities in organic products and digital channels position the company for stronger long-term performance.

Lastly, U.S. direct-to-consumer pool and spa care services company, **Leslie's Inc. (LESL)**, declined during the quarter as weaker consumer demand and continued margin pressure weighed on operating performance. Management withdrew its full-year outlook and began evaluating strategic alternatives as concerns over liquidity and leverage intensified. We exited the position in search of more favorable risk-reward opportunities.

Also during the quarter, we received shares of **ADI Global Distribution, Inc. (ADIG)** and **Midera Food Processing, Inc. (MFP)** following their respective separations from our existing holdings, **Resideo Technologies, Inc. (REZI)** and **Middleby Corporation (MIDD)**. While both companies possess attractive business characteristics and favorable industry positions, we parted ways with both in order to redeploy the proceeds into higher-conviction names.

As mentioned previously, we also exited **Leslie's, Inc. (LESL)** as continued operating deterioration, elevated leverage and rising liquidity concerns weakened our conviction in the investment case.

The U.S. economy remains remarkably resilient, supported by healthy corporate earnings, a strong labor market and sustained investment in AI. At the same time, lingering inflation, higher interest rates and elevated valuations leave less room for error.

This tension between economic strength and a more restrictive cost of capital is likely to shape the period ahead. While market leadership may remain concentrated, it has also created a bevy of opportunities beyond the handful of companies commanding investors' attention. As returns become increasingly driven by earnings rather than multiple expansion, we expect greater differentiation between businesses with durable growth, strong balance sheets and consistent cash generation and those that rely on optimistic assumptions.

We expect continued market volatility given the ongoing uncertainty looming around inflation, monetary policy and economic growth. We view volatility as our friend, since it enables actively patient investors to "buy low" which is the best way to make money. Looking ahead, we believe the environment should increasingly reward a disciplined, fundamental approach focused on businesses whose intrinsic value and long-term earnings power are not fully reflected in current share prices.

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

Per the Fund's Prospectus as of February 1, 2026, the Fund's Investor Class shares had an annual expense ratio of 1.01%.

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 9/30/2026, Zebra Technologies Corporation constituted 5.0% of Ariel Fund; Charles River Laboratories International, Inc. 4.6%; Bio-Rad Laboratories, Inc. 4.6%; Norwegian Cruise Line Holdings, Ltd. 2.5%; Scotts Miracle-Gro Company 2.5%; Leslie's Inc. 0.0%; ADI Global Distribution, Inc. 0.0%; Resideo Technologies, Inc. 2.2%; Midera Food Processing, Inc. 0.0% and The Middleby Corporation 2.5%. Portfolio holdings are subject to change. The performance of any single portfolio holding is no indication of the performance of other portfolio holdings of Ariel Fund.

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

Index returns reflect the reinvestment of income and other earnings. Indexes are unmanaged, and investors 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. Its inception date is July 1, 1995. 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. Its inception date is June 1, 1993. Russell® is a trademark of 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. Its inception date is March 4, 1957. The Nasdaq Composite Index measures all Nasdaq domestic and international based common type stocks listed on The Nasdaq Stock Market. Its inception date is February 5, 1971.

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.

