

Ariel Global 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 Global Fund may be obtained by visiting our website, arielinvestments.com. For the period ended September 30, 2026, the average annual total returns of Ariel Global Fund (Investor Class) for the 1, 5, and 10-year periods were +25.79%, +12.63% and +9.87%, respectively.

Global equity markets advanced in the third quarter, although renewed Middle East tensions and a higher-for-longer interest rate environment tempered gains. Rising oil prices lifted inflation expectations, pushing yields higher and prompting markets to reassess the path for monetary policy. Artificial intelligence remained the dominant investment theme, though enthusiasm narrowed. U.S. technology leaders gained while parts of Asia's semiconductor sector retreated, as investors weighed whether future returns would justify the extraordinary capital pouring into AI.

Those pressures unfolded differently around the world. Japan contended with higher energy costs and shifting rate expectations; Europe with persistent inflation and a cautious consumer; and China with an uneven recovery. The result was a market defined more by dispersion than direction across regions, sectors and individual companies.

For long-term investors, that unevenness matters. When capital crowds into the prevailing winners, strong businesses can fall quietly out of favor. In our view, periods like these open meaningful gaps between price and value, particularly when short-term sentiment obscures the durability of a company's competitive position, balance sheet and earnings power. Against this backdrop, Ariel Global Fund fell -1.98% during the quarter, trailing the MSCI ACWI Index's +1.60% gain and the MSCI ACWI Value Index's +3.75% advance.

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

Leading provider of observability and application performance monitoring software, **Dynatrace (DT)**, advanced on strong quarterly results that exceeded expectations across revenue, earnings and annual recurring revenue (ARR), which crossed \$2 billion. Accelerating net new ARR growth, robust customer additions and raised full-year guidance pointed to continued demand for the platform. The results reinforced our conviction that Dynatrace benefits from enterprises' growing need to monitor and manage increasingly complex AI-enabled IT environments. Traction in log analytics and emerging AI use cases show the platform's widening scope, while its differentiated technology and high customer retention support durable growth. We believe Dynatrace can capture a larger share of mission-critical software spending, creating a compelling runway for sustained earnings and free cash flow generation.

Japanese video game publisher, **Bandai Namco Holdings, Inc.**, was another contributor during the quarter as investors gained confidence in the company's accelerating earnings recovery. Growth across its core toys, collectibles and trading card franchises remained robust, with the Gundam Card Game emerging as a significant driver of global momentum. Meanwhile, stabilizing repeat sales of existing titles, supported by a stronger content release slate and growing live entertainment offerings, strengthened confidence in second-half earnings and drove a re-rating of the shares. We believe the market is increasingly recognizing the value of Bandai Namco's diversified, IP-driven model, which bolsters recurring revenue opportunities and long-term earnings growth across gaming, collectibles, merchandise, experiences and digital engagement. Despite the stock's strong performance, we think the recovery remains in its early stages and the company's earnings potential is not yet fully reflected in its valuation.

Global contract research and manufacturing organization **Pharmaron Beijing Co., Ltd.**, also rose during the quarter following an earnings beat and an increase in full-year revenue guidance, driven by robust order growth across its laboratory



services, contract development and manufacturing (CDMO) and clinical research platforms. Sustained momentum in the CDMO business reinforced confidence in the durability of the company's growth trajectory, while growing exposure to AI-enabled drug discovery presents an attractive incremental opportunity. We believe investors are increasingly recognizing Pharmaron's differentiated capabilities, broad service offering and strategically integrated position across the pharmaceutical development value chain, driving a re-rating of the shares.

Conversely, **Xiamen Faratronic Co., Ltd.**, a global leader in film capacitors with strong positions across electric vehicle (EV), renewable energy and industrial power applications, detracted over the period. Concerns about customer pricing negotiations and broader caution toward China's new energy sector weighed on sentiment despite continued solid end-market demand. In our view, these pressures are cyclical rather than structural. Faratronic's scale, technological expertise, and deep customer relationships should continue to support growth in electrification, renewable energy and data center power infrastructure. We also see meaningful opportunities arising from the adoption of higher-voltage power architectures and AI-driven power requirements. As a recent addition to the portfolio, we view the pullback as an attractive opportunity to build exposure to a high-quality franchise leveraged to the global electrification and energy transition themes.

Global power semiconductor leader **Infineon Technologies AG** declined during the quarter as investors reacted to softer-than-expected margin guidance, tempering near-term earnings expectations. We view the weakness as a function of conservative guidance rather than any change in underlying fundamentals. We believe Infineon remains well positioned to benefit from growing demand for AI-related power semiconductors, supported by its market leadership and critical role in next-generation data center power infrastructure.

Lastly, **First Solar, Inc. (FSLR)** fell during the quarter as higher long-term interest rates weighed on renewable energy stocks and investor sentiment weakened following the company's decision to pursue patent claims in federal court rather than through the International Trade Commission. Despite these concerns, operating results remained strong. Gross margin expanded, earnings per share increased, management maintained full-year guidance and the contracted backlog now extends through the end of the decade. We believe the market still treats First Solar as a rate-sensitive clean energy company, overlooking its position as the only U.S. solar module manufacturer at scale. In our view, domestic manufacturing incentives, strong pricing and a highly visible backlog point to earnings power well above what its share price implies.

We initiated eight new positions during the quarter.

We added paints and coatings manufacturer **Akzo Nobel N.V.**, which is merging with Axalta Coating Systems Ltd. The transaction has shareholder approval and awaits regulatory review, but the shares have lagged as investors question the strategic rationale and whether the announced cost synergies are achievable. We see two highly complementary businesses with real room to cut overlapping costs, improve procurement and enhance profitability. We also view the accompanying governance changes, including stronger shareholder-aligned incentives and improved board accountability as a positive. End-market conditions are also improving, with European home improvement activity stabilizing and North American auto refinish demand showing signs of recovery. Taken together, we believe the combined company's earnings potential is worth more than the market assumes.

We repurchased Japanese machinery manufacturer **Ebara Corporation**, a former holding whose semiconductor equipment business is largely overlooked within its broader industrial portfolio. Ebara is the world's second-largest supplier of chemical mechanical planarization (CMP) tools, a critical step in semiconductor manufacturing, and has benefited from strong AI-driven demand from both logic and memory customers. In our view, the market still prices Ebara as a cyclical industrial company rather than recognizing the earnings power of its semiconductor franchise. We believe growing chip complexity, increased adoption of advanced packaging technologies and a recovery in memory spending should support long-term CMP demand. Likewise, we think management's focus on improving returns and narrowing margin gaps versus best-in-class peers adds further upside.

We initiated a position in **Komatsu Ltd.**, one of the world's leading manufacturers of mining and construction equipment during the period. We believe the company offers an attractive opportunity to participate in a sustained mining upcycle, supported by elevated gold and copper prices and a growing pipeline of global copper project investments that should drive multi-year demand for mining equipment. At the same time, North American construction markets appear to be approaching a cyclical recovery, with dealer inventories largely normalized and pricing trends improving. While investor concerns regarding thermal coal exposure and increasing competition from Chinese manufacturers have weighed on sentiment, we believe these risks are largely reflected in the current valuation. We think Komatsu's high-margin aftermarket business, extensive service network and leadership in autonomous haulage systems provide durable competitive advantages, particularly in ultra-large mining equipment where the company maintains a strong market position. With several end markets poised for improvement and the shares trading at a meaningful discount to peers, we believe Komatsu offers a compelling risk-reward profile with significant long-term upside potential.



We bought **NatWest Group plc**, a U.K. lender with several business-specific earnings drivers that extend beyond the interest rate environment. The bank's structural hedge continues to support net interest income as maturing assets are reinvested at higher yields, while loan growth has outpaced peers and management has raised its return targets. The acquisition of Evelyn Partners also expands NatWest's capital-light wealth management platform and diversifies its revenue base. We believe these factors position the company to deliver stronger and more durable earnings growth than the share price assumes.

We added leading semiconductor and technology licensing company **Qualcomm Inc.** to the portfolio this quarter, reflecting our view that the company's growth opportunities extend well beyond smartphones. While wireless remains a core franchise, Qualcomm has successfully expanded into automotive, edge computing and AI-enabled applications, creating multiple long-term growth drivers. We are particularly encouraged by its emerging role in AI infrastructure, where its power-efficient architecture is well suited to the growing demand for lower-cost, energy-efficient computing. Early traction with hyperscale customers reinforces this opportunity. Meanwhile, improving smartphone fundamentals and the adoption of on-device AI are increasing semiconductor content and supporting a more favorable upgrade cycle. Under CEO Cristiano Amon, Qualcomm has broadened its addressable market and strengthened its competitive position across several attractive end markets. We believe the shares remain attractively valued relative to the company's earnings power and diversification potential.

We also reestablished a position in **Reckitt Benckiser Group plc**, the U.K. consumer health and hygiene company behind Dettol, Lysol, Durex and Mucinex. We believe the shares trade at an unwarranted discount to their consumer staples peers, despite attractive exposure to faster-growing emerging markets, which account for nearly half of core revenue. Recent results have been pressured by a weak cold and flu season, stranded costs from portfolio actions and continued litigation concerns. However, emerging market growth remains robust, margins continue to improve and a favorable outcome in the company's first infant formula liability trial has reduced a key overhang. We believe these factors support stronger earnings growth than is currently reflected in the valuation.

We also purchased **Standard Chartered PLC**, a UK-headquartered international bank connecting many of the world's fastest-growing markets across Asia, Africa and the Middle East with global financial centers. We are drawn to the company's differentiated "super connector" model, anchored in cross-border transaction banking, trade finance and global markets businesses that move capital and commerce across its network. Wealth management provides a complementary engine, with strong net new money inflows and an increasing mix of higher-fee investment products that lift revenue while

reducing interest rate sensitivity. We believe continued execution on efficiency initiatives, coupled with topline growth, should drive meaningful returns on equity. The company's strong capital position adds further support, providing capacity for dividends and shareholder repurchases. While geopolitical and emerging market risks are inherent to the franchise, we believe the current valuation more than accounts for them, leaving room for both earnings growth and multiple expansion as execution continues.

We bought **United Parcel Service, Inc. (UPS)**, the global parcel delivery leader, after a prolonged period of underperformance left the shares trading at a historically wide discount to peers. Over the past 18 months, UPS has intentionally reduced its lower-margin Amazon business while streamlining its network through facility closures, automation and operating efficiencies. With those actions largely complete, management is now focused on higher-value segments, including business-to-business shipping, small and mid-sized customers and healthcare logistics. In our view, the market has mistaken a deliberate shift toward profitability for structural weakness. As network optimization benefits emerge and parcel demand improves, we believe UPS is well positioned to drive stronger margins, earnings growth and shareholder returns.

By comparison, we exited the following names on valuation:

- Leading Taiwan-based manufacturer of pneumatic equipment, **AirTAC International Group**
- One of Ireland's leading banks with a strong presence across retail and commercial banking, **Bank of Ireland Group plc**
- Japanese multinational tire manufacturer, **Bridgestone Corporation**
- Global leader in package delivery, **FedEx Corporation**
- Leading electronic components provider, **Murata Manufacturing Co., Ltd.**
- German-based specialty chemical company **Wacker Chemie AG**

We also sold out of leading pure-play less-than-truckload (LTL) carrier in North America, **FedEx Freight Holding Co., Ltd.** to pursue other opportunities.

Looking ahead, we expect the dispersion that defined the quarter to widen further as markets become more discerning. As capital grows more expensive and monetization remains uneven, we believe companies with durable demand and proven earnings power will separate from those sustained largely by optimism.

At the same time, the opportunity set may broaden. Improving business conditions and earnings growth beyond the largest technology companies could allow market leadership to extend across industries and geographies, even as inflation,



higher borrowing costs and geopolitical uncertainty keep volatility elevated.

In this environment, fundamentals matter more than headlines. We remain focused on taking profits where price has caught up with value, and directing capital toward businesses whose improving earnings, competitive advantages or company-specific catalysts are not yet fully reflected in share prices.

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 9/30/2026, Dynatrace, Inc. constituted 4.8% of Ariel Global Fund; Bandai Namco Holdings, Inc. 2.1%; Pharmaron Beijing Co., Ltd. 1.5%; Xiamen Faratronic Co., Ltd. 1.3%; Infineon Technologies AG 2.1%; First Solar, Inc. 2.1%; Akzo Nobel NV 0.7%; Ebara Corporation 0.2%; Komatsu, Ltd. 3.1%; NatWest Group plc 1.2%; QUALCOMM, Inc. 4.0%; Reckitt Benckiser Group PLC 1.9%; Standard Chartered PLC 1.6%; United Parcel Service, Inc. 1.1%; AirTAC International Group 0.0%; Bank of Ireland Group PLC 0.0%; Bridgestone Corporation 0.0%; FedEx Corporation 0.0%; FedEx Freight

Holding Co., Ltd. 0.0%; Murata Manufacturing Co., Ltd. 0.0% and Wacker Chemie AG 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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