

FORM ADV

Part 2A

Item 1 – Cover Page

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This brochure provides information about the qualifications and business practices of Ariel Investments, LLC. If you have any questions about the contents of this brochure, please contact us at 312.726.0140 or krivers@arielinvestments.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. Ariel Investments, LLC is an investment adviser registered with the SEC. Such registration does not imply a certain level of skill or training.

Additional information about Ariel Investments, LLC also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

The March 29, 2012 annual updating amendment to Part 2A of Form ADV contained the following material changes since the firm's last annual updating amendment dated March 31, 2011:

- (1) changes to the portfolio managers for the firm's mid cap value strategy, including:
 - a. changing from John W. Rogers, Jr. as Lead Portfolio Manager and Timothy Fidler as Portfolio Manager to John W. Rogers, Jr. and Timothy Fidler as Co-Portfolio Managers (effective in 2011); and
 - b. the departure of Matthew F. Sauer as a Co-Portfolio Manager (effective March 23, 2012 after his designation from Portfolio Manager to Co-Portfolio Manager effective in 2011); and
- (2) the hiring of a new portfolio manager and addition of international and global strategies.

Any material amendments to the firm's Form ADV brochure made prior to March 31, 2011, or after March 29, 2012, are not included above.

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Item 4 – Advisory Business

About the Firm

Ariel Investments, LLC (“Ariel”) is an investment adviser specializing in value investing through equity investments. Ariel was founded by John W. Rogers, Jr. in 1983.

Ariel’s sole managing member, Ariel Capital Management Holdings, Inc. (“Ariel Holdings”), an Illinois corporation, is Ariel’s principal owner. Ariel Holdings is responsible for the overall management of Ariel. John W. Rogers, Jr., Chief Executive Officer of Ariel, is the principal owner of Ariel Holdings.

Ariel’s Advisory Services

Overview

Ariel offers the following domestic equity investment strategies: micro-cap value, small cap deep value, small cap value, small/mid cap value, mid cap value, and focused value. In December 2011, Ariel launched international and global equity investment strategies. Ariel’s advice is currently limited to these strategies. Ariel is a money management firm headquartered in Chicago, Illinois. Taking a long-term view and applying independent thinking to our investment decisions, we span the market cap spectrum from micro to large and cover the globe with our international and global offerings.

Mutual Funds

Ariel serves as investment adviser or sub-adviser to several mutual fund portfolios.

Ariel is the investment adviser to the Ariel Investment Trust (the “Trust”). The Trust is composed of six separate series: Ariel Fund, Ariel Appreciation Fund, Ariel Focus Fund, Ariel Discovery Fund, Ariel International Equity Fund, and Ariel Global Equity Fund (each a “Fund” and collectively, the “Funds”).

While there are disclosures in this Part 2A of this Form ADV that relate to the Funds, most disclosures relate solely to Ariel’s separate account products. Please see the Funds’ Prospectus and Summary Prospectuses (collectively, “Prospectuses”) and Statement of Additional Information for additional disclosures relating to the Funds. The Prospectuses and Statement of Additional Information are available on Ariel’s web site, www.arielinvestments.com.

Sub-Advised Funds

Ariel serves as sub-adviser to the following mutual funds: Maxim Ariel Mid/Cap Value Fund and Maxim Ariel Small Cap Value Fund, both series of Maxim Series Fund, Inc.; and the ESG Managers® Portfolios, which are the multi-manager asset allocation funds of the Pax World Funds Series Trust I.

Other Services

Ariel has developed “model portfolios” as a basis from which Ariel’s portfolio managers may construct individual client portfolios. An actual client account invested in each strategy is designated as the model portfolio for that strategy and is selected because it has the least amount of client imposed restrictions and minimal planned cash flows. In general, the securities in each model portfolio represent the majority of the holdings in each portfolio with the balance developed by Ariel’s portfolio managers based on client objectives, investment restrictions and cash availability. Ariel believes that such models provide more structural consistency among similarly managed portfolios than if every portfolio was managed separately. Ariel enters into arrangements with third parties whereby it licenses its model portfolios for a fee. Ariel does not provide these third parties with additional services it commonly provides to discretionary accounts, such as proxy voting and reporting.

Ariel may from time to time prepare special reports, analyses, charts, graphs, formulas or other devices. There is no additional charge for these materials, which may be made available to clients, prospective clients, financial advisors, and consultants. For no extra charge, Ariel also may provide clients with investment supervisory services or furnish advice about securities other than as described above.

Managing to the Individual Needs of Clients

Ariel offers specific equity investment strategies and does not modify its investment strategy based on an individual client’s financial situation, investment experience or investment objective if it differs from the investment objective of Ariel’s strategy. Ariel allows reasonable investment restrictions that do not materially affect its investment strategy. See Item 12 for information that clients may wish to consider about investment restrictions.

Participation in Wrap Fee Programs

Ariel serves as a portfolio manager for a number of managed accounts under wrap programs sponsored by other firms (“third-party wrap programs”). Ariel manages these portfolios using the same investment strategies it offers to its other clients. Wrap program accounts may trade differently than other clients in that Ariel generally uses

the wrap program sponsor (“Sponsor”) to execute trades for wrap client accounts. Unless requested by the Sponsor, Ariel generally does not directly provide statements or one-on-one presentations to wrap program clients. The Sponsor is the client’s primary contact and determines the suitability of Ariel as an investment manager, selects one or more of Ariel’s strategies, develops and updates investment guidelines as needed, and determines the amount of assets allocated to Ariel for management.

Third-party wrap program clients pay a single fee to the Sponsor, covering the services rendered by both the Sponsor and Ariel. Each Sponsor pays Ariel a portion of the wrap fee on a quarterly basis based on the value of its client accounts that Ariel manages.

Assets Under Management

Ariel’s assets under management as of December 31, 2011 were \$4,383,718,404, all of which were managed on a discretionary basis.

Item 5 – Fees and Compensation

The extent and nature of advisory services that Ariel provides will vary depending upon the specific arrangements it makes with each client. As a result, Ariel’s fees will differ among its client accounts.

Separate Accounts: Institutional and High Net Worth Individuals

For its small cap, small/mid cap, mid cap, and focused value products, Ariel’s basic asset-based fee schedule is as follows:

- 1.00% on the first \$10 million;
- 0.75% on the next \$10 million; and
- 0.50% over \$20 million.

For its micro-cap value product, Ariel charges a flat asset-based fee of 1.25% of assets under management.

For its international equity (DM) product, Ariel’s asset-based fee schedule is as follows:

- 0.90% on the first \$25 million;
- 0.80% on next \$25 million;
- 0.70% on next \$50 million;
- 0.60% on next \$200 million;
- 0.50% on next \$200 million; and
- 0.40% over \$500 million.

For its global equity and international equity (DM/EM) products, Ariel's asset-based fee schedule is as follows:

- 1.00% on the first \$25 million;
- 0.90% on next \$25 million;
- 0.80% on next \$50 million;
- 0.70% on next \$200 million;
- 0.60% on next \$200 million; and
- 0.50% over \$500 million.

Fees different from the above may be negotiated. Fee schedules for some existing clients may differ from the above schedules.

Mutual Funds

Ariel receives annual fees from the Trust for investment advisory and certain administrative services provided to the Funds. Ariel is paid a monthly fee on average daily net assets at annual rates ranging from 0.65% to 1.00% for the first \$500 million, which is reduced at specified higher asset levels. Specific advisory fees and expense-related information may be found in the Funds' Prospectuses, Statement of Additional Information, and Annual Report.

Sub-Advised Funds

Ariel receives fees for the funds it sub-advises ranging initially from 0.40% to 0.50% of assets under management on an annual basis. Fees may be reduced at specified higher asset levels. The amount of fees charged may depend on the fund's investment objective and investment strategy, size of the fund and other factors. Specific advisory fees and expense-related information may be found in each sub-advised fund's Prospectuses, Statement of Additional Information, and Annual Report.

Other

The fees that Ariel receives from third parties for providing its model portfolios are subject to negotiation but generally range from 0.25% to 0.35% of the fair market value of assets under management on an annual basis. The fees that Ariel receives from wrap program Sponsors are subject to negotiation but generally start at 0.50% of assets under management on an annual basis. Some Sponsors may charge reduced fees at specified higher asset values.

Fees Upon Termination

Advisory contracts typically provide for termination effective 30 days after written notice by the client or Ariel. In the event of termination, Ariel is entitled to fees earned through the effective date of termination.

Method and Frequency of Billing

Ariel bills its clients directly or otherwise according to each client's specific direction. Ariel does not deduct fees directly from client assets. However, some clients direct Ariel to send statements to the custodian and further direct the custodian to pay Ariel's statements out of the assets of the account. Those clients that do so, and also elect to receive a copy of Ariel's statements, are encouraged to compare any statements received from Ariel with the statements received from the custodians.

Fees are generally billed on a quarterly basis, following the end of the quarter for which services were rendered. The fee will be calculated on a pro-rata basis in the event that the first or last quarter during which the agreement is in effect is less than a complete calendar quarter or in those instances where there is a significant principal addition or withdrawal.

Other Fees or Expenses

There are other fees or expenses associated with client accounts beyond the fees paid to Ariel for providing advisory services. These include transaction costs, which are commissions paid to brokers through which Ariel processes trades for its client accounts. Ariel does not accept custody of client assets and therefore requires its clients to separately engage custodians.

Ariel Distributors, LLC ("Ariel Distributors"), a wholly-owned subsidiary of Ariel, acts as the underwriter for distribution of shares of the Funds. Ariel Distributors receives a fee from the Investor Classes of the Funds at the annual rate of 0.25% of the average daily net assets of each Fund for Ariel Distributors' distribution services and for incurring certain marketing expenses.

Other fees and expense-related information for the Funds may be found in the Funds' Prospectuses, Statement of Additional Information, and Annual Report.

For more information about brokerage, see Item 12.

Pre-Paid Fee Arrangements

Ariel does not seek the payment of fees in advance from its own clients. However, Ariel's arrangements with wrap program Sponsors may provide for clients to pre-pay Ariel's fees in advance. The fees are paid to Ariel by the Sponsor at the beginning of the quarter for that quarter. Any refund due to a client for termination of Ariel's services before the end of the quarter is deducted from the next quarterly fee due to Ariel from the Sponsor. The amount of any such refund is determined by the Sponsor. The Sponsor is responsible for crediting any fees due to its clients.

Supervised Persons' Sales Incentive Compensation

Ariel's supervised persons may accept incentive compensation for the sale of Ariel's advisory services or shares of the Funds. Ariel's supervised persons do not recommend non-Ariel investment products or services. Shares of the Funds may be purchased through other distribution channels. To the extent that Ariel's supervised persons' recommendation of Ariel's products or services constitutes a conflict of interest, Ariel addresses this conflict through disclosure in this brochure.

Item 6 – Performance-Based Fees and Side-by-Side Management

At the time of this amendment, Ariel does not manage any accounts with a performance-based fee structure. However, Ariel may accept accounts with a performance-based fee structure, provided such clients qualify under applicable laws.

Potential conflicts of interest arise from managing accounts with performance-based fees alongside accounts with asset based fees, including the incentive to favor performance-based accounts to increase the manager's own profits. In the event Ariel obtains any performance-based fee accounts, Ariel currently has in place various procedures to mitigate conflicts. These include its regular review of accounts, dispersion reporting procedures, trade aggregation and allocation policies and trade rotation policy (see Items 12 and 13 for more detail).

Item 7 – Types of Clients

Ariel provides investment management services to mutual fund portfolios and separate account clients, including public and private retirement plans, union plans, foundations and endowment funds, high net worth individuals, and managed accounts under wrap programs sponsored by other firms.

Ariel requires a minimum of \$10 million for a separately managed investment advisory account to be opened for any of its strategies except its international equity and global equity strategies. For those strategies, Ariel requires a minimum of \$25 million to open a

separately managed investment advisory account. Smaller accounts may be accepted at the discretion of management.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Research Process

Ariel Small, Small/Mid, Mid, and Focused Value Strategies

The research process begins with the monitoring of a proprietary watchlist, which is comprised of current, former, and potential new investments. We read extensively, monitor computer screens, meet with industry contacts, and stay abreast of former holdings. We surround companies to arrive at a long-term picture and identify what others are missing. The chief tool is our extensive collection of contacts. We use strategic questioning of company management and independent sources to identify the key issues affecting an industry or company. We generally purchase only a few companies each year so we weigh our options carefully. Typically, key information is captured in a research report.

The industry analyst does three kinds of valuation work: a discounted cash-flow analysis, a change-of-control-based estimate, and a full trading value. Ariel develops independent long-range financial projections and details the risks. This flexible yet disciplined approach allows us to lean on some valuation metrics more heavily than others as the industry's shape merits: discounted cash-flows are less important for small banks than transaction multiples, whereas for consumer product companies discounted cash-flows are more critical. Ariel seeks to purchase companies that trade at a 40% or greater discount to the private market value we have calculated and/or that trade for 13x or less forward cash earnings estimates.

To identify what others are missing through our contrarian perspective, Ariel reaches out to its collection of independent contacts. These contacts help create an information matrix, which ultimately identifies where information is lacking and also helps Ariel identify the handful of key issues determining the difference between a good idea and a bad one. Armed with this knowledge, we can strategically interview management and independent sources, ignoring the immaterial information and concentrating on the critical points.

Buy decisions are made within the framework of a number of parameters:

- Ariel invests within its circle of competence, closely following certain industries and companies.
- Ariel generally does not try to time the market, and seeks to remain fully invested. Cash and cash equivalents are generally only by-products of Ariel's investment strategy, not a tactical or strategic decision. At times, Ariel may

maintain larger than normal cash positions in its investment strategies. Cash positions are generally not held for defensive purposes, but are maintained while Ariel searches for compelling investments.

For these strategies (except for the focused value strategy), the research team vets the idea in a vigorous discussion and each senior research team member weighs in. The final purchase decision rests with John W. Rogers, Jr., the Chief Investment Officer (acting as lead portfolio manager) for the small and small/mid cap value strategies. The decision to purchase stocks for the mid cap strategy is that of Co-Portfolio managers John W. Rogers, Jr. and Timothy Fidler.¹ The final decision for stocks purchased for the focused value strategy is that of its Co-Portfolio Managers, Charlie Bobrinskoy and Tim Fidler.

Ariel Micro-Cap Value and Small Cap Deep Value Strategies

The research process begins with screening more than 10,000 securities on size, valuation and industry parameters to yield roughly 2,000 issues. Of those we follow approximately 50 closely. We quickly move to determine whether or not a company is cheap enough via a deep value strategy focusing on book value (often 1x or below), tangible book value, and cash. Each potential investment is assessed based on its assets, its earnings power, or a combination of the two. There are no rigid criteria to our analytical process in attempting to determine that a margin of safety² exists between price and intrinsic value. We surround companies to arrive at a long-term view and identify what others are missing. One competitive advantage in this process is our extensive collection of contacts. Another key factor is our experience in deciding the best methodology to determine whether a margin of safety exists. Once we have measured the gap between stock price and intrinsic value, we hold an informal discussion with research members who are experts in the industry. After consultation with his portfolio manager, the lead portfolio manager, David Maley, makes the final decision on whether or not to initiate a position.

Ariel International Equity and Global Equity Strategies

In the first step of the research process, we seek to reduce the risk of large investment losses by quantitatively and qualitatively identifying and eliminating those businesses which, in our judgment, have the highest propensity to fail or become marginalized over time or are too risky to justify the returns generated. In step two, we interact with management teams (via offsite or onsite calls/meetings/factory/field visits), analysts and independent sources as well as tap a variety of informational sources to form our own

¹ Effective in 2011, the portfolio managers changed from John W. Rogers, Jr. as Lead Portfolio Manager and Timothy Fidler and Matthew Sauer as Portfolio Managers to John W. Rogers, Jr., Timothy Fidler, and Matthew Sauer as Co-Portfolio Managers. Effective March 23, 2012, Matthew F. Sauer resigned and left the firm.

² Attempting to purchase with a margin of safety on price cannot protect investors from the volatility associated with stocks, incorrect assumptions or estimations on our part, declining fundamentals or external forces.

proprietary view of the industry and the business. The investment team is organized by industry, and the bulk of the analyses at this stage is conducted by the analyst responsible for that industry. In step three, we debate and critique the thesis and assess several valuation scenarios. Finally, the portfolio is constructed by carefully weighing the risks and rewards of each investment opportunity. Our investment decisions will primarily be derived from bottom-up fundamental research and stock picking. While we do not attempt to predict macroeconomic events or themes, as part of our risk management and stress testing processes, we routinely consider many factors in our bottom-up analysis—both micro and macro.

Sell Discipline for All Strategies

Once purchased, holdings among all strategies are continually monitored for changes. Ariel sells stocks when it believes they are fully valued, when the valuation is no longer attractive, or when Ariel's reasons for purchase no longer apply. As a stock approaches full valuation, Ariel may not purchase such stock for new client accounts, which would cause those client accounts to differ from the model portfolio until the stock is sold from the model portfolio. Ariel also may sell a stock when there is a major change in the competitive landscape, a substantial shift in company fundamentals, a reduced assessment of management's abilities, or when more compelling investment opportunities exist.

See the Funds' Prospectus for a discussion of the research process relating to the Funds.

Investment Strategies

Ariel Micro-Cap Value Strategy

The Ariel micro-cap value strategy seeks long-term capital appreciation by investing in the common stocks of micro-cap companies which offer long-term, fundamental investment value. The deep value portfolio invests primarily in common stocks of U.S. companies which, currently or at the time of initial purchase by Ariel for the strategy, have market capitalizations under \$500 million. Prior to May 1, 2009, the strategy's market cap range was \$50 million to \$300 million; it was changed to broaden the availability of qualifying investments and to more closely resemble the range of its benchmark. The strategy may include the holding of cash for defensive purposes. Also, the strategy may include temporary investments in exchange-traded funds ("ETFs") while seeking other investment opportunities. During the period from June 2004 through January 2008, the investment strategy included periodically holding short positions in certain ETFs. This practice may have had a material effect on returns. The strategy is offered as a separate account product.

Ariel Small Cap Deep Value Strategy

The Ariel small cap deep value strategy seeks long-term capital appreciation by investing in small-sized companies that are selling at deep discounts to their intrinsic

value. The portfolio invests primarily in common stocks of U.S. companies which, currently or at the time of initial purchase by Ariel for the strategy, have market capitalizations under \$2 billion. The strategy is offered through Ariel Discovery Fund.

Ariel Small Cap Value Strategy

The Ariel small cap value strategy seeks long-term capital appreciation by investing in small-sized undervalued companies that show strong potential for growth. The portfolio invests primarily in common stocks of U.S. companies and generally will have a weighted average market capitalization³ between \$200 million and \$2 billion. The strategy will not hold stocks that fall within the top three quintiles of the Russell U.S. equity indexes (a comprehensive representation of market-cap weighted security indexes of the investable U.S. equity market). If such stock falls outside the parameters, it will be sold in the following quarter. The strategy is offered as a separate account product.

Ariel Small/Mid Cap Value Strategy

The Ariel small/mid cap value strategy seeks long-term capital appreciation by investing in small/mid-sized undervalued companies that show strong potential for growth. The portfolio invests primarily in common stocks of U.S. companies and generally will have a weighted average market capitalization⁴ between \$1 billion and \$7.5 billion. The strategy will not hold stocks that fall within the top two quintiles of the Russell U.S. equity indexes (a comprehensive representation of market-cap weighted security indexes of the investable U.S. equity market). If such stock falls outside the parameters, it will be sold in the following quarter. The strategy is offered as a separate account product and through Ariel Fund.

Ariel Mid Cap Value Strategy

The Ariel mid cap value strategy seeks long-term capital appreciation by investing in mid-sized undervalued companies that show strong potential for growth. The portfolio invests primarily in common stocks of U.S. companies and generally will have a weighted average market capitalization⁵ between \$2 billion and \$15 billion. The strategy will not hold stocks that fall within the top quintile of the Russell U.S. equity indexes (a comprehensive representation of market-cap weighted security indexes of the investable U.S. equity market). If such stock falls outside the parameters, it will be sold in the following quarter. The strategy is offered as a separate account product and through Ariel Appreciation Fund.

³ Ariel refined its method of monitoring the market capitalization of the strategy from looking at the market capitalization of a stock at the time of initial purchase to using a weighted average methodology. Ariel believes that the use of the weighted average methodology provides a more efficient method of ensuring that a portfolio remains within its market capitalization range, especially over longer, more volatile periods when the stocks' market capitalizations may vary more widely. The weighted average method now applies to Ariel's Small Cap, Small/Mid Cap, and Mid Cap Value strategies.

⁴ See footnote 3 above.

⁵ See footnote 3 above.

Ariel Focused Value Strategy

The Ariel focused value strategy seeks long-term capital appreciation by investing in undervalued companies that show strong potential for growth. The portfolio invests primarily in common stocks of U.S. companies which, currently or at the time of initial purchase by Ariel for the strategy, have market capitalizations in excess of \$10 billion. The strategy is offered as a separate account product and through Ariel Focus Fund.

Ariel International Equity (DM) Strategy

The Ariel international equity (DM) strategy seeks long-term capital appreciation by investing primarily in common stock issued by companies outside the U.S. in developed international markets. Investments in foreign securities may be made through the purchase of individual securities on recognized foreign exchanges and developed over-the-counter markets, or through American Depositary Receipts (ADRs), Global Depositary Receipts (GDRs), European Depositary Receipts (EDRs) and International Depositary Receipts (IDRs), or other securities representing underlying shares of foreign issues, including certificates of deposit issued by foreign banks and foreign branches of U.S. banks. The strategy may invest in large, medium, or small companies without regard to market capitalization. The strategy may buy and sell currency on a spot basis and enter into foreign currency forward contracts for portfolio management. The strategy may buy or sell foreign currency options and securities, securities index options, futures contracts and related options, and enter into swap agreements, which are types of derivatives. These techniques may be used for any legally permissible purpose, including seeking to increase return through the use of derivatives as a substitute for securities or to reduce the risk of loss of certain holdings. The strategy may also invest in ETFs. The strategy is offered as a separate account product and through Ariel International Equity Fund.

Ariel Global Equity Strategy

The Ariel global equity strategy seeks long-term capital appreciation by investing primarily in common stock issued by companies both within and outside the U.S., including in countries with developed or emerging markets. Investments in foreign securities may be made through the purchase of individual securities on recognized foreign exchanges and developed over-the-counter markets, or through American Depositary Receipts (ADRs), Global Depositary Receipts (GDRs), European Depositary Receipts (EDRs) and International Depositary Receipts (IDRs), or other securities representing underlying shares of foreign issues, including certificates of deposit issued by foreign banks and foreign branches of U.S. banks. The strategy may invest in companies without regard to market capitalization. The strategy may buy and sell currency on a spot basis and enter into foreign currency forward contracts for portfolio management. The strategy may buy or sell foreign currency options and securities, securities index options, futures contracts and related options, and enter into swap agreements, which are types of derivatives. These techniques may be used for any

legally permissible purpose, including seeking to increase return through the use of derivatives as a substitute for securities or to reduce the risk of loss of certain holdings. The strategy may also invest in ETFs. The strategy is offered as a separate account product and through Ariel Global Equity Fund.

Ariel International Equity (DM/EM) Strategy

The Ariel international equity (DM/EM) strategy seeks long-term capital appreciation by investing primarily in common stock issued by companies outside the U.S., including in countries with developed or emerging markets. Investments in foreign securities may be made through the purchase of individual securities on recognized foreign exchanges and developed over-the-counter markets, or through American Depositary Receipts (ADRs), Global Depositary Receipts (GDRs), European Depositary Receipts (EDRs) and International Depositary Receipts (IDRs), or other securities representing underlying shares of foreign issues, including certificates of deposit issued by foreign banks and foreign branches of U.S. banks. The strategy may invest in companies without regard to market capitalization. The strategy may buy and sell currency on a spot basis and enter into foreign currency forward contracts for portfolio management. The strategy may buy or sell foreign currency options and securities, securities index options, futures contracts and related options, and enter into swap agreements, which are types of derivatives. These techniques may be used for any legally permissible purpose, including seeking to increase return through the use of derivatives as a substitute for securities or to reduce the risk of loss of certain holdings. The strategy may also invest in ETFs. The strategy is offered as a separate account product.

See the Funds' Prospectuses for more information about the Funds.

Investment Restrictions

Ariel may impose concentration limits on investments to maintain a desired level of diversification in client portfolios. These limits include security-specific limits, industry limits, and limits on investments in companies in the same business. The limits will vary among the different strategies.

In applying industry limits to its domestic strategies, Ariel may categorize certain diversified companies into more than one industry classification, with clients' investment in such a company apportioned among the various industry classifications. A diversified company's industry classification may be determined by reviewing the company's lines of business that produce significant revenues. For its international and global strategies, Ariel generally categorizes companies using the Global Industry Classification Standard ("GICS"). For related information about the Funds, see the Funds' Statement of Additional Information.

Ariel's clients in the aggregate may own a significant percentage of the stock of certain companies, and in some cases the aggregate or individual percentage of an issuer that clients hold may be limited or affected by "poison pill" rights plans and other corporate restrictions, federal and state regulatory restrictions, state control statutes, or foreign country restrictions. In order to comply with such restrictions on aggregate holdings, Ariel may, on occasion, be required to limit or sell a portion of clients' positions or may be unable to initiate or build a position for new clients in the stock of certain companies. In these cases, such clients' portfolios will differ from Ariel's model portfolios.

Other Considerations About the Companies In Which Ariel Invests

Ariel's domestic strategies generally do not invest in companies whose primary source of revenue is derived from the production or sale of tobacco products or the manufacture of handguns. The international and global strategies have no such restrictions.

For some of its strategies, Ariel also may consider a company's environmental record, which includes reviewing research from outside vendors. This research examines many aspects of a company's environmental record, including whether it is taking positive steps toward preserving our environment, whether a company is a defendant in any environmental cases and faces significant fines, and how the company performs relative to its peers within the respective industry on environmental issues. In the long run, Ariel believes a company that adopts environmentally sound policies is less likely to face any adverse effects of government regulation of its business.

Though publicly traded companies most often are in the form of corporations, Ariel may invest in publicly traded companies created under alternative business structures, such as partnerships and limited liability companies. Such investments may generate unrelated business income tax or result in other tax implications even for tax-exempt clients. Unless a client specifies in writing that investing in such alternative business structures is prohibited, Ariel will use its investment discretion in making such investments for its clients' accounts. Clients should consult a tax advisor for more information about possible tax implications of investments in alternative business structures.

There also may be tax consequences specific to investments in foreign companies. Clients should consult a tax advisor for information about the tax implications of investing in foreign companies.

For related information about the Funds, see the Funds' Prospectuses.

Material Investment Risks in Methods of Analysis, Strategies, and Types of Securities

Investing involves the risk of loss that clients should be willing to accept. Although Ariel makes every effort to achieve its strategies' objective of long-term capital appreciation, Ariel cannot guarantee it will attain that objective. You could lose money by investing in Ariel's strategies. During any given period, Ariel's value style may achieve better or worse results than other investment styles. The general level of stock prices could decline. Investing in equity stocks is risky and subject to the volatility of the markets. Each strategy also is subject to risks unique to itself. The risks below may apply depending on strategy type.

Micro, small and mid cap stocks held could fall out of favor, and returns would subsequently trail returns from the overall stock market. The performance of such stocks also could be more volatile than stocks of larger companies. There may be less trading in a smaller company's stock, which means that buy and sell orders in that stock could take longer to complete to avoid impacting price. Micro and small cap companies often have less predictable earnings, more limited product lines and markets, and more limited financial and management resources than larger companies.

Ariel's portfolios hold a limited number of securities. A fluctuation in one stock could significantly affect the overall performance of such portfolios. For many of its strategies, Ariel may invest a significant portion of its assets in companies within the financial services and consumer discretionary sectors. The performance of financial services companies can be impacted by regulatory changes, interest rate fluctuations and changes in general economic conditions. Consumer discretionary companies may be adversely affected by changes in consumer spending, commodity price volatility, increased competition, depletion of resources and labor relations. Performance may suffer if these sectors underperform the overall stock market. Ariel Focus Fund is a non-diversified fund and therefore may be subject to greater volatility than a more diversified investment.

Ariel may purchase foreign securities for its portfolios. Investments in foreign securities may be made through the purchase of individual securities on recognized foreign exchanges and developed over-the-counter markets, or through American Depositary Receipts (ADRs), Global Depositary Receipts (GDRs), European Depositary Receipts (EDRs) and International Depositary Receipts (IDRs), or other securities representing underlying shares of foreign issues, including certificates of deposit issued by foreign banks and foreign branches of U.S. banks. Ariel considers the following factors when deciding whether to define a company as either "domestic" or "foreign": (i) the location of the company's headquarters; (ii) the country in which the company is incorporated; (iii) where the company derives the majority of its revenues; (iv) where the company earns the majority of its profits; and (v) the location of the primary exchange trading the company's securities. Investments in foreign securities may underperform and may be

more volatile than comparable U.S. stocks. Foreign economies and markets may not be as strong or well regulated, foreign political systems may not be as stable, and foreign financial reporting and disclosure standards may not be as rigorous as those in the U.S. Investments in companies based in emerging or developing countries present risks greater than those in mature markets, including greater risk of adverse government intervention or economic turmoil, high inflation and more volatile interest and currency exchange rates. Securities issued by foreign companies are typically denominated in foreign currencies, resulting in a risk that adverse exchange rate fluctuations against the U.S. dollar could create losses and could depress prices for extended periods of time.

For its international and global strategies, Ariel also may buy and sell currency on a spot basis and enter into foreign currency forward contracts for portfolio management. Portfolios invested in these strategies may buy or sell foreign currency options and securities, securities index options, futures contracts and related options, and enter into swap agreements, which are types of derivatives. These techniques may be used for any legally permissible purpose, including seeking to increase a strategy's return through the use of derivatives as a substitute for securities or to reduce the risk of loss of certain holdings. The use of various types of derivatives may intensify investment losses from securities underlying the derivatives, may create more volatility and may expose the portfolios to other losses and expenses. Certain derivatives, such as swap transactions, may entail the risk that a counterparty or party will default on payment or other obligations under the derivative.

Some strategies also may invest in ETFs, which may be less liquid and subsequently more volatile than the underlying portfolio of securities. ETFs also have management fees that increase the cost compared to owning the underlying securities directly.

The international and global strategies are new with a brief operating history, and there can be no assurance that the strategies will grow and sustain in the long term.

The risks above also apply to the Funds. For more discussion of the risks of investing in the Funds, see the Funds' Statement of Additional Information.

Item 9 – Disciplinary Information

There are no legal or disciplinary events to report.

Item 10 – Other Financial Industry Activities and Affiliations

Management Persons Who Are Registered Representatives of Broker-Dealer

Some of Ariel's management persons are registered representatives of Ariel Distributors, the limited purpose broker-dealer that distributes the Funds of the Trust.

Material Relationships and Arrangements

Ariel serves as investment adviser to an investment company (the Trust). See Item 4 for more information about the Trust. Ariel has established policies and procedures designed to facilitate equal application of Ariel's fiduciary responsibilities among all of its clients despite any affiliations, such as this, that may create a conflict of interest. See Item 12 – Brokerage Practices.

Ariel Distributors, a registered broker-dealer, is a wholly-owned subsidiary of Ariel. Ariel Distributors limits its business to acting as the underwriter for distribution of shares of the Funds and participates in the distribution of a money market fund that can be purchased or exchanged for or from shares of the Funds, as described in the Funds' Prospectus.

Other Potential Conflicts of Interest

A potential conflict of interest may arise when an investment adviser, directly or indirectly, establishes values for its clients' portfolio holdings for which no market quotations are readily available. In order to ensure client assets are accurately and fairly valued, Ariel has established a Pricing Committee to be responsible for determining a security's fair value.

Information regarding the potential conflicts of interest that arise from Ariel executing trades on behalf of its clients, including use and allocation of soft dollar arrangements, may be found in Item 12.

Ariel has adopted a Political Activities Policy and Procedures. The policy requires Ariel, its affiliates, and its employees and their spouses and dependent children to obtain prior approval from Ariel's Chief Compliance Officer before making, or directing or soliciting any other person to make, any political contribution or provide anything else of value, including volunteer services, to an existing state or local official, candidate for state or local position, political organization or candidate for federal office who holds a state or local position. The policy and procedures are designed to comply with various federal, state and local laws restricting "pay-to-play" activities of investment advisers.

Ariel may make charitable contributions or sponsor charitable events. Ariel does not make any contributions or sponsor events in order to obtain or retain advisory clients. Ariel has procedures to monitor such activities.

Potential conflicts of interest may arise when Ariel votes proxies for clients' portfolio holdings when the holding is also an Ariel client or has a material relationship with Ariel. For example, an investment adviser could compromise its advisory business with a client if the adviser sells securities issued by that client or votes proxies for securities

issued by that client in a manner contrary to that client's wishes. Ariel mitigates these potential conflicts of interest by following, among other things, a disciplined investment strategy and proxy voting procedures designed to detect and resolve potential conflicts of interest in the proxy voting process. For more information, see Item 17.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Ariel does not effect personal trades for its employees, officers, or directors, except through any Ariel separate accounts established by these persons. Ariel's proprietary investing is limited to open-end investment companies, venture capital offerings, private offerings, and Ariel's separate account products.

Ariel's Code of Ethics

Ariel, the Trust and Ariel Distributors (the "Ariel entities") have adopted a combined Code of Ethics (the "Code"), which states that our primary mission is to place the interests of our clients first. The Code describes the Ariel entities' policies and procedures pertaining to personal securities transactions, insider trading, giving and accepting gifts and entertainment, and outside business activities.

Personal securities trading of all Ariel employees is subject to compliance with our Code of Ethics. Generally, Ariel and its employees may not buy or sell securities owned in clients' portfolios or securities being considered for purchase or sale for clients. However, subject to Ariel's Code of Ethics, Ariel and its employees may buy and sell shares of the Funds and other mutual funds sub-advised by Ariel. Additionally, Ariel's Chief Compliance Officer may grant exceptions for Ariel's or its employees' purchase or sale of securities owned in clients' portfolios or being considered for purchase or sale for clients. Such exceptions include a codified de minimis exception applicable to the purchase or sale of securities owned in clients' portfolios or being considered for purchase or sale for clients.

Ariel employees also are prohibited from profiting from transactions in the same or equivalent security within 60 calendar days after the trade date and must hold Ariel-advised mutual fund shares for a minimum of 60 calendar days after trade date. Ariel excepts from these personal trading prohibitions trades in accounts that are separately managed by Ariel on behalf of Ariel employees. These accounts are traded and managed in accordance with Ariel's model portfolios. Ariel's management of separately managed accounts for itself and its employees raises a potential conflict of interest because of the potential that Ariel may preferentially allocate trades for itself and its employees to the detriment of other clients. Ariel addresses this conflict by following procedures designed to prevent such preferential treatment, including its trade

aggregation and allocation and trade rotation procedures (further discussed below in Item 12).

The Code prohibits employees of Ariel from:

1. Trading securities, either personally or on behalf of others, on the basis of material nonpublic information; and
2. Communicating material nonpublic information to others in violation of the laws.

The Code requires all employees of Ariel entities to report:

1. Upon hire and annually, all reportable securities accounts and “reportable securities” in which they have beneficial ownership; and
2. On a quarterly basis, all “reportable securities” transactions.

The Code requires employees of Ariel to obtain the consent of Ariel’s Chief Compliance Officer prior to executing most transactions in “reportable securities”⁶ and opening most new “reportable securities accounts”⁷.

The Code’s gift and entertainment provisions prohibit interested directors and trustees, officers and employees of the Ariel entities from:

1. Giving or accepting any cash gifts or excessive entertainment to or from a client, prospective client, or any person or entity that does or seeks to do business with or on behalf of Ariel or Ariel Distributors; and
2. Giving or accepting any non-cash gifts having a value of more than \$100 to or from any person or entity that does business with or on behalf of Ariel or Ariel Distributors.

The Code permits the providing or accepting of a business entertainment event, such as dinner or a sporting event, of reasonable value, if the person or entity providing the entertainment is present. The Code requires Ariel’s employees to report to Ariel’s Chief Compliance Officer gifts and entertainment received in excess of a specified value. Additionally, all gifts or entertainment to or from ERISA client fiduciaries, including Taft-Hartley client fiduciaries, must be reported to Ariel’s Chief Compliance Officer, regardless of amount.

The Code requires Ariel employees, before accepting outside employment, to obtain prior approval from the Chief Compliance Officer. The Chief Compliance Officer will consider various factors in evaluating whether such outside employment may be in conflict with, or may generate risk for, Ariel’s business.

⁶As defined by the Investment Advisers Act of 1940 and the Investment Company Act of 1940 rules pertaining to codes of ethics.

⁷Accounts in which one may hold any reportable security.

Employees of Ariel may serve as directors of public companies. Ariel mitigates the potential conflicts of interest in this area by requiring written approval by Ariel's Chief Compliance Officer prior to any employee serving as a director of any such public company. Ariel does not buy or sell for its clients securities of those public companies on which Ariel's employees serve on the Board of Directors. As of December 31, 2011, those companies were: Aon Corporation, DreamWorks Animation SKG, Inc., The Estee Lauder Companies Inc., Exelon Corporation, Groupon, Inc., InnerWorkings, Inc., McDonald's Corporation, and Starbucks Corporation.

The Code provides for the imposition of sanctions against those persons who violate the Code and for oversight of the Code's administration by Ariel's Chief Compliance Officer, the Board of Directors of Ariel Holdings and the Board of Trustees of the Trust. The Code also gives Ariel's Chief Compliance Officer the ability to grant exceptions and exemptions to the Code as appropriate.

A client or prospective client may request a copy of the Code by calling (800) 725-0140 or writing to Ariel Investments, LLC at 200 East Randolph Drive, Suite 2900, Chicago, IL 60601.

Item 12 – Brokerage Practices

Trading Oversight Committee

Ariel's brokerage selection process is the responsibility of its Trading Oversight Committee (the "Committee"). The Committee meets quarterly to review, administer, monitor, and enforce the trading and trade management policies and procedures contained in Ariel's compliance manual and to resolve conflicts that may arise in portfolio trading with the goal of seeking brokerage and trading arrangements that are intended to maximize client results. The Committee regularly reviews:

- quality of trade execution
- soft dollar arrangements and spending
- brokerage selection and commissions
- trade allocation and aggregation
- trade rotation
- client directed brokerage
- trade errors
- account performance dispersion
- restrictions monitoring procedures
- gift and entertainment logs for the research and trading departments

The Committee has five voting members, consisting of representatives from the domestic and international/global strategies' investment groups and the domestic and international/global strategies' trading desks. In addition, representatives from Ariel's

legal and compliance, research, and fund administration departments attend and participate in the Committee's meetings.

Best Execution and Soft Dollars

Ariel's policy is to seek the best price and favorable execution of client transactions considering all circumstances. However, there can be no assurance that best execution will in fact be achieved in any given transaction. Subject to Ariel's overall policy, in selecting brokers to execute transactions, Ariel considers customary practices in prevailing markets for the particular type of investments being traded, natural order flow, market impact, anonymity, the firm's reputation, the full range, quality and reliability of its services that are deemed useful to better serve clients, commission rates, and any other factors that Ariel, in its sole discretion, deems relevant, without having to demonstrate that any such factor is of a direct benefit to any particular client. In addition to execution, the services provided by brokers may include supplemental research, statistical information and objective performance evaluation.

Ariel may not always place brokerage transactions on the basis of the lowest commission rate available for a particular transaction. That is, Ariel may cause clients to pay commissions higher than those charged by other brokers in return for products and services that are useful to Ariel's research process. Ariel makes a good faith determination that the commissions paid are reasonable in relation to the value of the brokerage and other services provided. The provision of such services in exchange for brokerage business is commonly referred to as "soft dollar arrangements." Ariel only enters into soft dollar arrangements that are covered by the safe harbor provided under Section 28(e) of the Securities Exchange Act of 1934.

Brokers may furnish, for example, proprietary or third party research reports, supplemental performance reports, statistical analyses, and software and computer programs used for research and portfolio analysis, and other valuable research information to Ariel. Ariel generally seeks, at the beginning of the year, to direct client transactions to brokers that provide proprietary and third party research in order to ensure payment of its budgeted research commissions and soft dollars. Ariel uses soft dollar benefits to service all of its clients' accounts, and not only those that paid for soft dollar services through their brokerage commissions. Ariel does not seek to allocate soft dollar benefits to clients' accounts proportionately to the soft dollar credits the accounts generate. As a result of client-directed brokerage arrangements, some soft dollar services benefit clients who do not execute transactions through soft dollar brokers. Further, some soft dollar services are used for certain clients, but may be paid for by clients who do not require such services. Additionally, Ariel may receive certain research reports by sell-side brokers that are not used in investment decision making, but may receive other services from the sell-side broker that are used in the investment

decision making process, such as access to management and invitations to analyst conferences.

Ariel may receive certain brokerage and research products and services that provide both research and non-research (“mixed-use”) benefits. In these instances, Ariel uses client brokerage commissions to pay for the research portion and pays the non-research portion out of its own resources. Although the allocations between research and non-research portions will be made in accordance with Ariel’s overall fiduciary responsibilities, clients should be aware of the potential conflicts of interest created by the use and allocations of soft dollar arrangements. By entering into soft dollar arrangements, Ariel receives a benefit because it is relieved from paying for research products or services with its own money. In addition, soft dollar arrangements may cause Ariel to select a broker-dealer, trade frequently, or trade actively in certain accounts to obtain research used primarily by other, less frequently traded accounts, which may not be in the best interests of its clients. This is not Ariel’s practice, however, and Ariel’s disciplined investment strategy, utilized for all its clients, and its long-term holding approach, mitigate these potential conflicts. Ariel also attempts to address these potential conflicts through oversight of soft dollar usage by Ariel’s Trading Oversight Committee and an initial and annual approval of all soft dollar services by Ariel’s Chief Compliance Officer.

Ariel may invest for its clients in the stock of publicly-traded broker-dealers with which Ariel may place client trades. Ariel also is authorized to place clients’ portfolio transactions with or through brokers who have sold shares of mutual funds advised or sub-advised by Ariel, subject to Ariel’s best execution obligations. Such transactions are not executed in consideration for the promotion or sales of shares issued by such mutual funds. Ariel has adopted and implemented policies and procedures designed to ensure that personnel responsible for portfolio trading and for negotiating agreements with unaffiliated broker-dealers neither take into account a broker’s sale of the Funds’ shares when selecting brokers nor agree to place trades with a broker in exchange for its sales of the Funds’ shares.

Ariel’s personnel may receive gifts and entertainment from broker-dealers through whom Ariel places trades. In order to prevent trading personnel from favoring one broker-dealer over another for client trades based on gifts or entertainment received, Ariel’s Code requires employees to report to the Chief Compliance Officer gifts and entertainment received in excess of a specified value. As mentioned previously, the Committee reviews the gift and entertainment reports of the research and trading departments.

Brokerage for Client Referrals

Ariel does not select brokers in exchange for client referrals. Although the Funds may use brokers who sell shares of the Funds to trade securities in the Funds' portfolios, the Funds do not consider the sale of Fund shares as a factor when selecting brokers to effect portfolio transactions. Ariel's Head Traders certify to this fact on a quarterly basis.

Directed Brokerage

Certain clients may direct Ariel to use particular brokers for executing transactions in their accounts. Also, due to trading constraints applicable to certain clients, Ariel may use a single broker-dealer to effect their trades. Additionally, because of the nature of the fee structure of certain third-party wrap programs, Ariel generally will execute trades with the wrap program Sponsor (if Sponsor is a broker) or a broker affiliated with, or designated by, the Sponsor. Directing brokerage may cost clients more money. To the extent Ariel is restricted in such a way to place a client's brokerage transactions with a particular broker, Ariel may be unable to achieve the most favorable execution of transactions because Ariel will be unable to negotiate commissions, aggregate client orders and seek execution of transactions as efficiently as possible and at the best price.

Certain institutional clients direct Ariel to place all or a portion of their brokerage with minority-owned and/or local brokers, or brokers who provide the client with certain services, such as performance monitoring and commission recapture. Ariel does not use brokerage from another client account to pay for a product or service purchased under these client-directed brokerage arrangements.

To the extent that Ariel's clients' directed brokerage is not available to pay for Ariel's soft dollar arrangements, clients who give Ariel brokerage discretion will pay for a disproportionate share of Ariel's soft dollar arrangements.

Aggregation and Allocation of Trades

Ariel typically aggregates contemporaneous client purchase or sale orders (except for wrap/retail orders) into blocks for execution in order to achieve more efficient execution, lower per share brokerage costs and, in the aggregate, better and fairer prices. Where purchases or sales are made on a block basis, price and per share commission and transaction costs are allocated to each advisory client on a pro rata basis subject to available cash, account restrictions, tax status, account size, weighting of securities in a portfolio, directed brokerage, and other relevant investment factors.

Because of client guidelines and/or market conditions (including a limited supply or demand for certain securities), not all investment opportunities can be made available to all clients, but Ariel endeavors to allocate investment opportunities fairly over time.

Ariel takes a number of factors into account when making allocation decisions, including but not limited to client guidelines or investment restrictions, cash levels, tax status, size of account, weighting of securities in a portfolio, any client directed brokerage requirements, and other relevant investment factors.

Some clients impose guidelines or investment restrictions that are not a part of Ariel's strategies. Ariel will use its discretion in interpreting and applying such investment restrictions. Clients who impose such investment restrictions should be aware that the performance of their accounts will differ from the model portfolios. Some investment restrictions must be checked manually by members of Ariel's portfolio management team, which may cause accounts with such restrictions to be traded after accounts that do not have similar investment restrictions. As a result of the delay, these accounts may receive a different price on securities transactions than the unrestricted accounts.

Ariel may aggregate trades for execution and request that the executing broker "step-out" a portion of the aggregate trade to clients' directed brokers. The executing broker gives up the trades to the directed broker who receives any related commissions and clears, settles and confirms the transaction to Ariel and the clients involved.

For its domestic strategies, Ariel's investment philosophy allows for the purchase of shares only in certain IPOs and syndicate offerings, generally those of undervalued companies, with low price-to-earnings ratios and/or valuations significantly below the company's intrinsic worth. Ariel's policy is to allocate IPOs and syndicate offerings fairly and equitably over time among those clients eligible to receive these securities. The following Ariel clients are not eligible to receive IPO shares from Ariel: all wrap and retail clients; clients who are "restricted persons" as defined in FINRA Rule 5130; individual clients who have not responded to Ariel's Rule 5130 questionnaire; clients restricting such investments from their accounts; and any Ariel proprietary account or any accounts in which Ariel's affiliated persons may have an interest other than Ariel-advised investment companies.

Upon receiving incoming orders of similar purchases and sales of securities for clients, Ariel's trading desk determines the sequencing of such orders among the clients in accordance with Ariel's rotation policy, which sequences transactions among all clients and further sequences the trades of each third-party wrap program. Ariel's trading desk attempts to coordinate the timing of orders to prevent Ariel from "bidding against" itself on such orders. Ariel's trading desk may place orders for certain directed brokerage clients (including third-party wrap program clients and retail clients that direct brokerage) behind orders for non-directed brokerage clients depending upon factors such as the number of other orders awaiting execution, the type of order, the liquidity of the order, and the clients' cash positions.

Ariel may seek to purchase shares of stock for one or more accounts and sell the same stock in one or more other accounts. Normally, Ariel will utilize an alternative trading system (ATS) that commingles buy and sell orders from many sources and executes trades automatically in aggregate amounts available to match. The use of ATSs for aggregate orders subjects them to outside market forces for determination of stock price. On rare occasions and to the extent permitted by law, Ariel may effect cross trades between client accounts when it deems the transaction to be in the best interests of both client accounts. In the event one of Ariel's investment strategies has an opposite-way or same-way trade order in the same security as another Ariel strategy, Ariel's traders for those strategies will immediately consult with one another regarding how to proceed with the order, bearing in mind the best interest of all Ariel clients.

Upon request, additional information is available to any client regarding discretionary brokerage arrangements, including, but not limited to, total commission commitments and the benefits and services received by Ariel and the identity of all brokers involved in trading its account. This disclosure is intended to provide context for Ariel's use of soft dollars and other trading practices, from which clients and potential clients can discern the nature of the potential conflicts of interest created by such practices.

Trading Error Policy and Procedures

Ariel views a trade error as involving an unintentional mistake in the handling of a trade order for which Ariel is responsible. Examples of trading errors include: trading a security in the wrong account; trading in the wrong security; purchasing or selling an incorrect amount of the security, or failing to enter an order given by the portfolio manager; selling a security instead of buying it; buying a security instead of selling it; and buying or selling a security in violation of a client-imposed or regulatory restriction. Trade errors do not include intentional acts or errors related to the investment selection decision.

The Chief Compliance Officer and President must be notified immediately of all trade errors upon their discovery. The Chief Compliance Officer will collaborate with all relevant personnel, promptly, equitably and in the best interests of Ariel's clients, to investigate the cause of the error and assist with the implementation of procedures to prevent similar errors; and approve the reimbursement amount (if any) to a client as a result of the error. Ariel is responsible for any costs relating to its trade errors. Clients will be notified of any trade errors that occur in their accounts.

Trading for the International and Global Strategies

In executing brokerage transactions for the international and global strategies, Ariel may execute such transaction on the principal stock exchange of the country in which a company is domiciled or on a stock exchange in another country. Brokerage

commissions and other costs of transactions made on foreign stock exchanges generally are higher than in the U.S. Ariel will seek to achieve the best net results for such transactions.

Item 13 – Review of Accounts

Account Reviews

For Ariel's domestic strategies, a Portfolio Manager or the Director of Research Operations reviews client accounts at least monthly, to ensure compliance with Ariel's investment strategy and client objectives. Client accounts are invested according to one of Ariel's model portfolios, and Ariel uses internally-generated exception reports to monitor consistency. Continuous monitoring of client accounts is performed using electronic real-time stock quotation systems. Accounts are monitored for compliance with investment restrictions on a pre-trade and post-trade basis. Pre-trade, in the event a purchase or sale of a security in a client account would violate any of the investment restrictions monitored by Ariel's trading system, appropriate employees receive a violation notification message via a pop-up screen. Post-trade, on a nightly basis, the trading system executes automated investment compliance tests for each account.

For Ariel's international and global strategies, its Portfolio Manager, or a designated member of the international/global research team, reviews client accounts at least monthly, to ensure compliance with Ariel's investment strategy and client objectives. Client accounts generally are invested according to one of Ariel's model portfolios. However, variations in account specific factors such as the timing and amount of cash flows and clients' custodian limitations will cause client accounts to vary from the model portfolio, which itself is a representative client account that may have limitations of its own. Ariel uses internally-generated exception reports to monitor consistency. Continuous monitoring of client accounts is performed using electronic real-time stock quotation systems. Accounts are monitored for compliance with investment restrictions on a pre-trade and post-trade basis.

Reports to Clients

Statements containing portfolio information and performance results are distributed to clients monthly, quarterly or periodically, based upon client needs or preferences. In addition, formal meetings with clients are arranged quarterly, semi-annually, or annually at the request of the clients based on their need to discuss their portfolio and performance results. Wrap program clients should consult their program's disclosure statement for the types of reports they will receive from the program Sponsor.

Clients will receive account statements from the custodians holding their accounts. We encourage clients to review the account statements sent directly by their custodians to

confirm the holdings and transactions in their accounts. Any statement sent directly by Ariel is not intended to be a substitute for account statements and other reports provided directly by the custodian. If a client does not receive such custodian account statement, Ariel encourages the client to follow-up directly with their custodian. Depending upon a client's arrangements with its custodian, the client and/or its custodian will receive trade confirmations from the broker-dealers that execute trades on its behalf.

Item 14 – Client Referrals and Other Compensation

Ariel does not receive compensation from any third party for providing investment advice to its clients. Ariel does not directly or indirectly compensate any person who is not its supervised person for client referrals.

Item 15 – Custody

Clients will receive account statements from the custodians holding their accounts. Clients also may receive account statements directly from Ariel and, in such event, are encouraged to compare the statements received from Ariel with the statements received from the custodians.

A client investing in the global or international strategies should be aware that the custodian it appoints will use sub-custodians (some or all of which may be affiliates of the custodian) to hold the client's assets in the jurisdictions in which Ariel may invest. It is the exclusive responsibility of the custodian, and not Ariel, to select and monitor the activities of the sub-custodians. The client shall direct Ariel to place all foreign exchange transactions in connection with the purchase or sale of securities in the account at such rates as the client and custodian shall agree. A clients' custodian may limit trading to certain countries, such that Ariel may not be able to trade for that client account in certain countries in which its strategy invests.

Item 16 – Investment Discretion

Ariel exercises investment discretionary authority over many of its client accounts. See Item 4 for amount of discretionary assets under management. Certain clients impose investment restrictions contrary, or in addition, to the general investment restrictions discussed in Item 8 above. Some clients otherwise limit Ariel's authority by requiring pre-investment approval, directing brokerage, or setting the cash level of the account. Clients who impose investment restrictions or other limitations on investment discretion should be aware that the performance of their accounts will differ from the model portfolios.

Item 17 – Voting Client Securities

Ariel has established Proxy Voting Policies and Procedures (the “Proxy Policies”) concerning proxies voted by Ariel on behalf of each client who delegates proxy voting authority to Ariel and delivers the proxies to us. A client may retain proxy voting powers, give particular proxy voting instructions to us, or have a third party fiduciary vote proxies. Our Proxy Policies are subject to change as necessary to remain current with applicable rules and regulations and our internal policies and procedures.

Ariel’s Domestic Strategies

As part of our domestic strategies’ investment process, Ariel places extraordinary emphasis on a company’s management, its Board and its activities. Ariel looks for companies with high quality management teams, as represented by their individual industry experience, and their individual reputations within the community. Furthermore, Ariel strives to invest with management teams who show integrity, candor, and foster open and honest communication with their shareholders. As a result, it is generally Ariel’s policy to vote in favor of proposals recommended by the Board.

Ariel has established general guidelines for voting clients’ proxies. While these generally guide Ariel’s decision-making, all issues are analyzed by the Ariel Analyst who follows the company as well as Ariel’s Director of Research Operations. As a result, there may be cases in which particular circumstances lead Ariel to vote an individual proxy differently than otherwise stated within Ariel’s general proxy voting guidelines. In such cases, Ariel will document its reasoning.

If it is determined that a material conflict of interest may exist, such as a business relationship with a portfolio company, it is Ariel’s policy to generally vote in accordance with the recommendations of Institutional Shareholder Services, Inc. (“ISS”). If, in a conflict situation, Ariel decides to vote differently than ISS, the proxy will be referred to Ariel’s Domestic Proxy Resolution Committee, which is charged with determining whether the decision to vote differently than ISS is in the best interests of Ariel’s clients and is not the product of a conflict.

Ariel’s International and Global Strategies

With respect to our international and global strategies (which include U.S. securities), it is generally our policy to vote in accordance with ISS’s voting recommendations. If Ariel decides to vote differently than ISS, the proxy will be referred to Ariel’s International/Global Proxy Resolution Committee, which is charged with determining whether the decision to vote differently than ISS is in the best interests of Ariel’s clients and not the result of a conflict in those instances where a conflict has been identified.

Voting Limitations

Ariel generally will not vote its clients' proxies in the following circumstances:

- For those securities not specifically acquired for a client's account by Ariel (e.g., if a new Ariel client transferred securities to Ariel and Ariel has not yet sold the securities through the account transition process).
- In those instances where Ariel receives a meeting notice without enough time to fully process the proxy.
- For those Ariel clients who engage in securities lending programs through their custodians, and the security is on loan at the record date.
- In those international markets where share blocking applies due to liquidity constraints.
- In those international markets requiring the re-registration of the clients' shares in the underlying clients' names unless the sub-custodian is able to timely re-register the shares.
- In those international markets requiring the client's execution of a power of attorney to permit the sub-custodian to vote the proxy unless the client has provided the requisite power of attorney to the local sub-custodian.

For those proxy votes in which Ariel's clients held shares on the record date, but no longer held shares on the voting recommendation date, it is generally Ariel's policy to vote in accordance with ISS's recommendation.

Ariel may be required to vote shares in securities of regulated companies (such as banks) in conformance with conditions specified by the industry's regulator. Additionally, the issuer of a security may impose limitations upon Ariel's ability to vote proxies for its clients. In certain circumstances, this may mean that Ariel will refrain from voting shares.

For each proxy, Ariel maintains records as required by applicable law. Proxy voting information will be provided to clients in accordance with their agreement with us or upon request. A client may request a copy of Ariel's Proxy Voting Policies and Procedures, or a copy of the specific voting record for their account, by calling Ariel at (800) 725-0140, or writing to Ariel Investments, LLC at 200 East Randolph Drive, Suite 2900, Chicago, IL 60601.

Item 18 – Financial Information

Ariel does not require prepayment of client fees six months or more in advance and is, therefore, not required to include a balance sheet. In addition, Ariel does not have any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients, nor has it been the subject of a bankruptcy proceeding.

Item 19 – Additional Information

Education and Business Backgrounds for Certain Officers Not Included in Part 2B

Mellody Hobson – Age 42 – President. Ms. Hobson joined Ariel in 1991. She held the position of Senior Vice President, Director of Marketing from 1994 until being named President in 2000. Ms. Hobson also serves as a Director of Ariel Holdings and as Chairman of the Trust's Board of Trustees. Ms. Hobson earned an AB from the Woodrow Wilson School of International Relations and Public Policy at Princeton University.

Merrilyn J. Kosier – Age 52 – Executive Vice President and Chief Marketing Officer, Mutual Funds. Ms. Kosier also serves as a Trustee of the Trust. She joined Ariel in 1999. Prior to joining Ariel in 1999, she served as a senior executive at the Acorn family of funds and Kemper Financial Services. Ms. Kosier earned a BBA in Marketing from Andrews University and an MBA from Loyola University.

Krista L. Rivers, CFP®⁸ - Age 41 – Senior Vice President and Director, Institutional Marketing & Client Services. Ms. Rivers joined the firm in 1993 and now leads all institutional distribution. She graduated from Ohio University with a BA in business administration and holds a Certified Financial Planner designation.

Mareil  B. Cusack – Age 53 –Vice President, General Counsel. Ms. Cusack joined Ariel in 2007 and was named General Counsel in October 2008. Previously, she was Associate General Counsel and Chief Enforcement Counsel at the Chicago Stock Exchange, Chief Legal Counsel for the Illinois Gaming Board, and an attorney at the U.S. Securities and Exchange Commission's Chicago Regional Office, departing as Branch Chief. Ms. Cusack earned a BA in European History and Economics from the University of Pennsylvania and a JD from the University of Virginia.

Wendy D. Fox – Age 49 – Vice President, Chief Compliance Officer. Ms. Fox joined Ariel in 2004. Prior to joining Ariel, Ms. Fox worked as an attorney for the U.S. Securities and Exchange Commission's Chicago Regional Office. Ms. Fox earned a BA in English Literature from the University of Michigan and a JD from Washington University School of Law.

⁸ *Minimum Qualifications for Professional Designation:* Certified Financial Planner (CFP) certificants must pass the comprehensive CFP Certification Examination, pass the Certified Financial Planner Board's (CFP Board) *Fitness Standards for Candidates and Registrants*, agree to abide by CFP Board's *Code of Ethics and Professional Responsibility* and *Rules of Conduct* which put clients' interests first and comply with the *Financial Planning Practice Standards* which spell out what clients should be able to reasonably expect from the financial planning engagement. The renewal requirements include a certification application, an annual certification fee, and 30 hours of continuing education every two years. For more information, visit the CFP Board's web site, www.cfp.net.

Maureen Longoria, CPA⁹ – Age 33 – Vice President and Controller. Ms. Longoria previously held the position of director of financial planning and analysis. Prior to joining the firm in 2005, Maureen worked in the audit group of CBIZ/Mayer Hoffman McCann P.C., an independent certified public accounting firm. She graduated with a BS in accountancy from the University of Illinois at Urbana-Champaign.

Anti-Money Laundering Program

Ariel has an anti-money laundering program. Through an unaffiliated third-party service, Ariel checks existing and prospective clients against lists, including the Department of the Treasury's Office of Foreign Assets Control ("OFAC"), to determine whether they appear on such lists. Ariel may request certain information and documentation from clients in order to confirm their identity. Depending on the circumstances, applicable law, rules or regulations may require or allow Ariel to provide certain information (e.g., currency transaction reports or suspicious activity reports) to governmental agencies, and may prevent Ariel from disclosing its actions to its clients and prospective clients.

Privacy Notice

Ariel's most important asset is its relationship to clients. Ariel's entire staff is dedicated to serving its clients. Ariel strives to maintain clients' trust and confidence, and it is Ariel's policy not to share clients' personal information with anyone unless it is for one of the following reasons:

- at a client's direction;
- to provide a client with service or information about Ariel's services;
- to maintain Ariel's high standards of performance and compliance; or
- as required by law.

Clients, upon opening an account and on an as needed basis, submit to Ariel a variety of personal data, including address, telephone number and certain tax and financial information. Ariel generates reports to service client accounts such as trade tickets and account statements, and Ariel receives reports regarding client accounts, such as confirmations from securities firms.

⁹ *Minimum Qualifications for Professional Designation:* Illinois CPAs must obtain a minimum of a bachelor's degree and complete at least 150 semester hours of credit that have an accounting concentration and are deemed acceptable by the Illinois Board of Examiners. In addition, Illinois CPAs must pass all four parts of the Uniform CPA exam and also pass the professional ethics exam given by the American Institute of CPAs. CPAs who are licensed in Illinois are required to have 120 hours of continuing professional education credit during each three-year period. For more information, visit the Illinois Board of Examiners' web site, www.illinois-cpa-exam.com.

In order to provide quality service, when placing orders or executing transactions, Ariel discloses information to others on a limited basis. These entities include custodians and securities firms. Ariel also may provide information to companies that perform necessary services to properly maintain Ariel's business, such as maintenance of computer systems and to accountants and attorneys who help Ariel assess and maintain performance and compliance standards. To protect and properly maintain this information, Ariel has established procedures and personnel practices that are designed to ensure confidentiality and protect Ariel's clients' records. A former client's information is protected to the same extent as that of a current client.

The Funds' Privacy Notice is available on Ariel's web site, www.arielinvestments.com.

Business Continuity

Ariel has a business continuity plan that provides for meeting the goal of recovering its critical business functions in the event of a disaster. Critical business functions include: communicating with clients; managing and trading client investment portfolios; performing investment research and analysis; accessing key network based files; and regulatory reporting. Depending on the nature and severity of the disaster, Ariel's critical and internet-based business applications will be made available within the first four (4) hours following a disaster. Other important, but not critical, business applications will be made available as soon as possible thereafter and normally within one (1) calendar day.

Class Action Lawsuits

From time to time, Ariel receives notification of class action lawsuits wherein its clients may have a claim of monetary relief. Although Ariel does not actively seek out such notifications, Ariel may receive paperwork for making claims in such lawsuits' settlements. Ariel will notify its clients regarding the existence of lawsuits when all the following criteria have been met:

- Ariel receives notification of the class action lawsuit;
- the class has been certified;
- a monetary settlement has been reached in the lawsuit; and
- the settlement involves an existing client of Ariel.

In these cases, Ariel will notify the appropriate party representing the client. Ariel does not make claims on behalf of its clients.

Global Investment Performance Standards (GIPS®)

Ariel claims compliance with the Global Investment Performance Standards ("GIPS"). Ariel has been independently verified for the periods April 1, 1990 through December

31, 2011. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Ariel has obtained performance examinations for all of its marketed composites. The verification and performance examination reports are available upon request. A list of composite descriptions and policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

Potential Conflicts of Interest of Service Providers Other than Ariel

From time to time, Ariel pays the educational affiliates of investment consulting firms for Ariel employees' attendance at continuing education programs, conferences and regional workshops designed specifically to keep senior executives up-to-date on developments in the industry and continuing education on key investment issues. These conferences, which are widely attended by asset management firms and plan sponsors, enable Ariel employees to spend valuable time with clients and consultants and update them on the firm. Although these investment consulting firms have informed Ariel that these conference payments to their respective educational affiliates play no role in the consultants' recommendations of Ariel and other investment managers to institutional clients, these payments nevertheless create potential conflicts of interest for the firms.

In addition, Ariel pays various meeting fees to certain Sponsors to exhibit at or attend meetings and conferences. Ariel may pay various training fees to certain Sponsors to provide the Sponsors' employees with continuing education about Ariel and its products. These payments create potential conflicts of interest for the Sponsors.

The Funds, Ariel or Ariel Distributors pay brokers, dealers, financial intermediaries, recordkeepers and other service providers (collectively, "Intermediaries") for distribution, shareholder servicing and recordkeeping, and providing continuing support to the Funds' shareholders. Intermediaries may receive:

- distribution and shareholder servicing fees from Ariel Distributors;
- fees from the Funds for providing recordkeeping and shareholder account services to investors who hold shares of the Funds through dealer-controlled omnibus accounts; and
- other compensation, known as "revenue sharing," paid by Ariel or Ariel Distributors.

Further information about these payments and those entities that may receive payments from Ariel or Ariel Distributors for their distribution and servicing of the Funds may be found in the Funds' Prospectuses and Statement of Additional Information. Investors also should consult their financial intermediary regarding the details of payments such

intermediaries may receive, if any, in connection with the sale of shares of the Funds. These payments create potential conflicts of interest for the Intermediaries.

FORM ADV

Part 2B

Item 1 – Cover Page

Supervised Person: John W. Rogers, Jr.

Ariel Investments, LLC

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Phone 312.726.0140

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www.arielinvestments.com

Date: March 29, 2012

This brochure supplement provides information about John W. Rogers, Jr. that supplements Ariel Investment, LLC's brochure. You should have received a copy of that brochure. Please contact Krista Rivers, Senior Vice President and Director of Institutional Marketing & Client Services, if you did not receive the firm's brochure or if you have any questions about the contents of this supplement.

Item 2 – Educational Background and Business Experience

John W. Rogers, Jr. – Age 53 – Chairman, Chief Executive Officer, Chief Investment Officer, Lead Portfolio Manager for Ariel’s small-cap and small/mid-cap products and Ariel Fund and Co-Portfolio Manager for Ariel’s mid cap product and Ariel Appreciation Fund. Mr. Rogers makes the final investment decisions for Ariel’s small-cap and small/mid-cap strategies. Mr. Rogers also serves as Chairman of the Board of Directors of Ariel Capital Management Holdings, Inc. (“Ariel Holdings”), Ariel’s parent company, and as a Trustee of the Ariel Investment Trust. Mr. Rogers earned an AB in Economics from Princeton University.

Item 3 – Disciplinary Information

There is no disciplinary information to disclose about Mr. Rogers.

Item 4 – Other Business Activities

Mr. Rogers is not actively engaged in any other business activities.

Item 5 – Additional Compensation

No one who is not a client provides an economic benefit to Mr. Rogers for providing advisory services.

Item 6 – Supervision

Ariel monitors advice provided by each of its supervised persons by a system of supervisory controls designed to ensure compliance with Federal securities laws. All supervisors are required to report material compliance violations directly to Ariel’s Chief Compliance Officer. Ariel’s Chief Compliance Officer handles all compliance violations, or evidence of compliance violations, on an individual basis. Ariel provides appropriate continuing education to its supervised persons on compliance matters that are appropriate under the circumstances.

As founder, Chairman and CEO, Mr. Rogers does not report to a supervisor.

FORM ADV

Part 2B

Item 1 – Cover Page

Supervised Person: Charles K. Bobrinskoy

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Date: March 29, 2012

This brochure supplement provides information about Charles K. Bobrinskoy that supplements Ariel Investment, LLC's brochure. You should have received a copy of that brochure. Please contact Krista Rivers, Senior Vice President and Director of Institutional Marketing & Client Services, if you did not receive the firm's brochure or if you have any questions about the contents of this supplement.

Item 2 – Educational Background and Business Experience

Charles K. Bobrinskoy – Age 52 – Vice Chairman, Director of Research and Co-Portfolio Manager for Ariel’s focused value product and Ariel Focus Fund. Mr. Bobrinskoy joined Ariel in 2004 and oversees Ariel’s investment team and trading operations. He is a Director of Ariel Capital Management Holdings, Inc., Ariel’s parent company. Mr. Bobrinskoy earned an AB in Economics from Duke University and an MBA from the University of Chicago.

Item 3 – Disciplinary Information

There is no disciplinary information to disclose about Mr. Bobrinskoy.

Item 4 – Other Business Activities

Mr. Bobrinskoy is not actively engaged in any other business activities.

Item 5 – Additional Compensation

No one who is not a client provides an economic benefit to Mr. Bobrinskoy for providing advisory services.

Item 6 – Supervision

Ariel monitors advice provided by each of its supervised persons by a system of supervisory controls designed to ensure compliance with Federal securities laws. All supervisors are required to report material compliance violations directly to Ariel’s Chief Compliance Officer. Ariel’s Chief Compliance Officer handles all compliance violations, or evidence of compliance violations, on an individual basis. Ariel provides appropriate continuing education to its supervised persons on compliance matters that are appropriate under the circumstances.

Supervisor:

John W. Rogers, Jr., Chairman and Chief Executive Officer
312.726.0140

FORM ADV

Part 2B

Item 1 – Cover Page

Supervised Person: Rupal J. Bhansali

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Date: March 29, 2012

This brochure supplement provides information about Rupal J. Bhansali that supplements Ariel Investment, LLC's brochure. You should have received a copy of that brochure. Please contact Krista Rivers, Senior Vice President and Director of Institutional Marketing & Client Services, if you did not receive the firm's brochure or if you have any questions about the contents of this supplement.

Item 2 – Educational Background and Business Experience

Rupal J. Bhansali – Age 44 – Senior Vice President, and Chief Investment Officer, International Equities. Ms. Bhansali joined Ariel in October 2011. She is portfolio manager for Ariel’s international and global products, Ariel International Equity Fund, and Ariel Global Equity Fund. She oversees the entire research effort of these offerings. She joined Ariel after spending 10 years with MacKay Shields where she was senior managing director, portfolio manager and head of international equities. During her tenure, Rupal successfully managed both institutional and retail portfolios. She earned a Bachelor of Commerce in Accounting & Finance and a Master of Commerce in International Finance & Banking from the University of Mumbai as well as an MBA in Finance from the University of Rochester where she was a Rotary Foundation Scholar.

Item 3 – Disciplinary Information

There is no disciplinary information to disclose about Ms. Bhansali.

Item 4 – Other Business Activities

Ms. Bhansali is not actively engaged in any other business activities.

Item 5 – Additional Compensation

No one who is not a client provides an economic benefit to Ms. Bhansali for providing advisory services.

Item 6 – Supervision

Ariel monitors advice provided by each of its supervised persons by a system of supervisory controls designed to ensure compliance with Federal securities laws. All supervisors are required to report material compliance violations directly to Ariel’s Chief Compliance Officer. Ariel’s Chief Compliance Officer handles all compliance violations, or evidence of compliance violations, on an individual basis. Ariel provides appropriate continuing education to its supervised persons on compliance matters that are appropriate under the circumstances.

Supervisor:

John W. Rogers, Jr., Chairman and Chief Executive Officer
312.726.0140

FORM ADV

Part 2B

Item 1 – Cover Page

Supervised Person: Timothy Fidler

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Date: March 29, 2012

This brochure supplement provides information about Timothy Fidler that supplements Ariel Investment, LLC's brochure. You should have received a copy of that brochure. Please contact Krista Rivers, Senior Vice President and Director of Institutional Marketing & Client Services, if you did not receive the firm's brochure or if you have any questions about the contents of this supplement.

Item 2 – Educational Background and Business Experience

Timothy Fidler, CFA® – Age 41 – Senior Vice President of Research, Co-Portfolio Manager for Ariel's mid-cap and focused value products, Ariel Appreciation Fund, and Ariel Focus Fund. Mr. Fidler joined Ariel in 1999. In addition to his portfolio management duties, he is also responsible for the firm's proprietary research in the retail and business services industries. He graduated Phi Beta Kappa from Northwestern University with a BA with honors distinction and earned his MBA with high honors from the University of Chicago.

Minimum Qualifications for Professional Designation

The Chartered Financial Analyst (CFA) charter is a professional designation established in 1962 and awarded by CFA Institute. To earn the CFA charter, candidates must pass three sequential, six-hour examinations. The three levels of the CFA Program test a wide range of investment topics, including ethical and professional standards, fixed-income analysis, alternative and derivative investments, and portfolio management and wealth planning. In addition, CFA charterholders must have at least four years of acceptable professional experience in the investment decision-making process and must commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct. For more information, visit the CFA Institute's web site, www.cfainstitute.org.

Item 3 – Disciplinary Information

There is no disciplinary information to disclose about Mr. Fidler.

Item 4 – Other Business Activities

Mr. Fidler is not actively engaged in any other business activities.

Item 5 – Additional Compensation

No one who is not a client provides an economic benefit to Mr. Fidler for providing advisory services.

Item 6 – Supervision

Ariel monitors advice provided by each of its supervised persons by a system of supervisory controls designed to ensure compliance with Federal securities laws. All supervisors are required to report material compliance violations directly to Ariel's Chief Compliance Officer. Ariel's Chief Compliance Officer handles all compliance violations, or evidence of compliance violations, on an individual basis. Ariel provides

appropriate continuing education to its supervised persons on compliance matters that are appropriate under the circumstances.

Supervisor:

Charles K. Bobrinskoy, Vice Chairman and Director of Research

312.726.0140

FORM ADV

Part 2B

Item 1 – Cover Page

Supervised Person: David M. Maley

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Date: March 29, 2012

This brochure supplement provides information about David M. Maley that supplements Ariel Investment, LLC's brochure. You should have received a copy of that brochure. Please contact Krista Rivers, Senior Vice President and Director of Institutional Marketing & Client Services, if you did not receive the firm's brochure or if you have any questions about the contents of this supplement.

Item 2 – Educational Background and Business Experience

David M. Maley – Age 51 – Senior Vice President of Research and Lead Portfolio Manager for Ariel’s micro-cap value product and Ariel Discovery Fund. Mr. Maley joined Ariel in April 2009. He makes the final investment decisions for Ariel’s micro-cap value product and Ariel Discovery Fund. Prior to joining Ariel, Mr. Maley founded Maple Hill Capital Management in 2002 and operated a micro-cap private fund while also managing a large cap growth and income portfolio for Harris Bank. He earned a BBA in finance with high honors from the University of Notre Dame and an MBA from the University of Chicago.

Item 3 – Disciplinary Information

There is no disciplinary information to disclose about Mr. Maley.

Item 4 – Other Business Activities

Mr. Maley is not actively engaged in any other business activities.

Item 5 – Additional Compensation

No one who is not a client provides an economic benefit to Mr. Maley for providing advisory services.

Item 6 – Supervision

Ariel monitors advice provided by each of its supervised persons by a system of supervisory controls designed to ensure compliance with Federal securities laws. All supervisors are required to report material compliance violations directly to Ariel’s Chief Compliance Officer. Ariel’s Chief Compliance Officer handles all compliance violations, or evidence of compliance violations, on an individual basis. Ariel provides appropriate continuing education to its supervised persons on compliance matters that are appropriate under the circumstances.

Supervisor:

Charles K. Bobrinskoy, Vice Chairman and Director of Research
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FORM ADV

Part 2B

Item 1 – Cover Page

Supervised Person: John P. Miller

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Date: March 29, 2012

This brochure supplement provides information about John P. Miller that supplements Ariel Investment, LLC's brochure. You should have received a copy of that brochure. Please contact Krista Rivers, Senior Vice President and Director of Institutional Marketing & Client Services, if you did not receive the firm's brochure or if you have any questions about the contents of this supplement.

Item 2 – Educational Background and Business Experience

John P. Miller, CFA® – Age 46 – Senior Vice President of Research and Portfolio Manager for Ariel's small-cap and small/mid-cap products and Ariel Fund. Mr. Miller joined Ariel in 1989. Mr. Miller works directly with John W. Rogers, Jr. in the portfolio management process for the firm's clients. Additionally, he oversees the firm's proprietary research in the asset management and media/entertainment industries. He earned a BB in Management from Western Illinois University and an MBA from the University of Chicago.

Minimum Qualifications for Professional Designation

The Chartered Financial Analyst (CFA) charter is a professional designation established in 1962 and awarded by CFA Institute. To earn the CFA charter, candidates must pass three sequential, six-hour examinations. The three levels of the CFA Program test a wide range of investment topics, including ethical and professional standards, fixed-income analysis, alternative and derivative investments, and portfolio management and wealth planning. In addition, CFA charterholders must have at least four years of acceptable professional experience in the investment decision-making process and must commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct. For more information, visit the CFA Institute's web site, www.cfainstitute.org.

Item 3 – Disciplinary Information

There is no disciplinary information to disclose about Mr. Miller.

Item 4 – Other Business Activities

Mr. Miller is not actively engaged in any other business activities.

Item 5 – Additional Compensation

No one who is not a client provides an economic benefit to Mr. Miller for providing advisory services.

Item 6 – Supervision

Ariel monitors advice provided by each of its supervised persons by a system of supervisory controls designed to ensure compliance with Federal securities laws. All supervisors are required to report material compliance violations directly to Ariel's Chief Compliance Officer. Ariel's Chief Compliance Officer handles all compliance violations, or evidence of compliance violations, on an individual basis. Ariel provides

appropriate continuing education to its supervised persons on compliance matters that are appropriate under the circumstances.

Supervisor:

Charles K. Bobrinskoy, Vice Chairman and Director of Research

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FORM ADV

Part 2B

Item 1 – Cover Page

Supervised Person: Sabrina Carollo

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Date: March 29, 2012

This brochure supplement provides information about Sabrina Carollo that supplements Ariel Investment, LLC's brochure. You should have received a copy of that brochure. Please contact Krista Rivers, Senior Vice President and Director of Institutional Marketing & Client Services, if you did not receive the firm's brochure or if you have any questions about the contents of this supplement.

Item 2 – Educational Background and Business Experience

Sabrina Carollo, CFA® – Age 41 – Senior Vice President, Director of Research Operations. Ms. Carollo joined Ariel in 2001. She serves as an industry specialist and is responsible for managing research operations. She also oversees the department's broker relationships. Ms. Carollo earned a BA in Accounting from Ball State University.

Minimum Qualifications for Professional Designation

The Chartered Financial Analyst (CFA) charter is a professional designation established in 1962 and awarded by CFA Institute. To earn the CFA charter, candidates must pass three sequential, six-hour examinations. The three levels of the CFA Program test a wide range of investment topics, including ethical and professional standards, fixed-income analysis, alternative and derivative investments, and portfolio management and wealth planning. In addition, CFA charterholders must have at least four years of acceptable professional experience in the investment decision-making process and must commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct. For more information, visit the CFA Institute's web site, www.cfainstitute.org.

Item 3 – Disciplinary Information

There is no disciplinary information to disclose about Ms. Carollo.

Item 4 – Other Business Activities

Ms. Carollo is not actively engaged in any other business activities.

Item 5 – Additional Compensation

No one who is not a client provides an economic benefit to Ms. Carollo for providing advisory services.

Item 6 – Supervision

Ariel monitors advice provided by each of its supervised persons by a system of supervisory controls designed to ensure compliance with Federal securities laws. All supervisors are required to report material compliance violations directly to Ariel's Chief Compliance Officer. Ariel's Chief Compliance Officer handles all compliance violations, or evidence of compliance violations, on an individual basis. Ariel provides appropriate continuing education to its supervised persons on compliance matters that are appropriate under the circumstances.

Supervisor:

Charles K. Bobrinskoy, Vice Chairman and Director of Research
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FORM ADV

Part 2B

Item 1 – Cover Page

Supervised Person: Kenneth E. Kuhrt

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Date: March 29, 2012

This brochure supplement provides information about Kenneth E. Kuhrt that supplements Ariel Investment, LLC's brochure. You should have received a copy of that brochure. Please contact Krista Rivers, Senior Vice President and Director of Institutional Marketing & Client Services, if you did not receive the firm's brochure or if you have any questions about the contents of this supplement.

Item 2 – Educational Background and Business Experience

Kenneth E. Kuhrt, CPA – Age 36 – Senior Vice President of Research and Portfolio Manager for Ariel’s micro-cap value, small cap value, and small/mid cap value products and for Ariel Discovery Fund and Ariel Fund. Mr. Kuhrt joined Ariel as a research analyst in 2004. Mr. Kuhrt works directly with John W. Rogers, Jr. and David Maley in the portfolio management process for the firm’s clients. Mr. Kuhrt received a BS in Accountancy from the University of Illinois at Urbana-Champaign and an MBA from the University of Chicago.

Minimum Qualifications for Professional Designation

Illinois CPAs must obtain a minimum of a bachelor's degree and complete at least 150 semester hours of credit that have an accounting concentration and are deemed acceptable by the Illinois Board of Examiners. In addition, Illinois CPAs must pass all four parts of the Uniform CPA exam and also pass the professional ethics exam given by the American Institute of CPAs. CPAs who are licensed in Illinois are required to have 120 hours of continuing professional education credit during each three-year period. For more information, visit the Illinois Board of Examiners’ web site, www.illinois-cpa-exam.com.

Item 3 – Disciplinary Information

There is no disciplinary information to disclose about Mr. Kuhrt.

Item 4 – Other Business Activities

Mr. Kuhrt is not actively engaged in any other business activities.

Item 5 – Additional Compensation

No one who is not a client provides an economic benefit to Mr. Kuhrt for providing advisory services.

Item 6 – Supervision

Ariel monitors advice provided by each of its supervised persons by a system of supervisory controls designed to ensure compliance with Federal securities laws. All supervisors are required to report material compliance violations directly to Ariel’s Chief Compliance Officer. Ariel’s Chief Compliance Officer handles all compliance violations, or evidence of compliance violations, on an individual basis. Ariel provides appropriate continuing education to its supervised persons on compliance matters that are appropriate under the circumstances.

Supervisor:

Charles K. Bobrinskoy, Vice Chairman and Director of Research
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FORM ADV

Part 2B

Item 1 – Cover Page

Supervised Person: Todd Trubey

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Date: March 29, 2012

This brochure supplement provides information about Todd Trubey that supplements Ariel Investment, LLC's brochure. You should have received a copy of that brochure. Please contact Krista Rivers, Senior Vice President and Director of Institutional Marketing & Client Services, if you did not receive the firm's brochure or if you have any questions about the contents of this supplement.

Item 2 – Educational Background and Business Experience

Todd Trubey, PhD – Age 43 – Vice President of Portfolio Strategies. Mr. Trubey joined Ariel in 2007. Mr. Trubey is responsible for the firm's peer analysis and competitive research and also works closely with senior management and the investment team on white papers and portfolio commentary. Mr. Trubey came to Ariel after spending seven years at Morningstar, Inc., where, most recently, he served as a senior mutual fund analyst specializing in small-cap, long-short and Buffett-style funds. Mr. Trubey graduated *summa cum laude* with a BA in English from the University of the South and also holds a master's and PhD in English from Northwestern University.

Item 3 – Disciplinary Information

There is no disciplinary information to disclose about Mr. Trubey.

Item 4 – Other Business Activities

Mr. Trubey is not actively engaged in any other business activities.

Item 5 – Additional Compensation

No one who is not a client provides an economic benefit to Mr. Trubey for providing advisory services.

Item 6 – Supervision

Ariel monitors advice provided by each of its supervised persons by a system of supervisory controls designed to ensure compliance with Federal securities laws. All supervisors are required to report material compliance violations directly to Ariel's Chief Compliance Officer. Ariel's Chief Compliance Officer handles all compliance violations, or evidence of compliance violations, on an individual basis. Ariel provides appropriate continuing education to its supervised persons on compliance matters that are appropriate under the circumstances.

Supervisor:
Mellody Hobson, President
312.726.0140