



# PROSPECTUS

*February 1, 2012*

**Ticker Symbol:**

**Ariel Fund (Investor Class ARGFX, Class I ARAIX)**

**Ariel Appreciation Fund (Investor Class CAAPX, Class I CAAIX)**

**Ariel Focus Fund (Investor Class ARFFX, Class I AFOYX)**

**Ariel Discovery Fund (Investor Class ARDFX, Class I ADYIX)**

**Ariel International Equity Fund (Investor Class AINTX, Class I AINIX)**

**Ariel Global Equity Fund (Investor Class AGLOX, Class I AGLYX)**

The Securities and Exchange Commission has not approved or disapproved of the shares of the Funds, nor has it determined whether this prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

**ARIEL**  
INVESTMENTS



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# Ariel Fund

## *Investment objective*

Ariel Fund pursues long-term capital appreciation by investing in undervalued companies that show strong potential for growth.

## *Fees and expenses of the Fund*

The table below describes fees and expenses that you may pay if you buy and hold shares of the Fund. You do not pay a sales charge or load when you buy or sell shares.

Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment)		
	Investor Class	Institutional Class (Class I) <sup>1</sup>
Management fees	0.59%	0.59%
Distribution and service (12b-1) fees	0.25%	None
Other expenses	0.20%	0.20%
Total annual operating expenses	1.04%	0.79%

<sup>1</sup> The inception date for the Class I shares is December 30, 2011. These expenses are based on estimated amounts for the current fiscal year.

The example below illustrates the expenses you would pay on a \$10,000 investment in Ariel Fund. It assumes the Fund earned an annual return of 5% each year, the Fund's operating expenses remain the same and that you redeem your shares at the end of each time period. The example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. Your actual expenses may be greater or less than the amounts shown.

	1-Year	3-Year	5-Year	10-Year
Investor Class	\$106	\$331	\$574	\$1,271
Institutional Class (Class I)	\$81	\$252	\$439	\$978

## *Portfolio Turnover*

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). Higher turnover rates may indicate higher transaction costs and may result in higher taxes when shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 29% of the average value of its portfolio.

## *Principal investment strategy*

Ariel Fund invests primarily in common stocks of U.S. companies and the Fund generally will have a weighted average market capitalization between \$1 billion and \$7.5 billion. The Fund 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) and if such stock falls outside the parameters, it will be sold by the end of the following quarter.

The essence of the Fund's strategy is a combination of patience and stock selection. The Fund seeks to hold investments for a relatively long period of time—generally five years.

The Fund seeks to invest in quality companies in industries in which Ariel Investments, LLC ("Ariel" or the "Adviser") has expertise including the financial services and consumer discretionary sectors. The Fund only buys when Ariel believes that these businesses are selling at excellent values.

Quality companies typically share several attributes that Ariel believes will result in capital appreciation over time: high barriers to entry, sustainable competitive advantages, predictable fundamentals that allow for double-digit earnings growth, skilled management teams and solid financials. Ariel’s strategy to focus on a limited number of names and industries is designed to add value in areas in which it has expertise. We believe this approach creates a portfolio of well-researched stocks. As disciplined value investors, we make opportunistic purchases when great companies are temporarily out of favor—generally seeking to invest in companies that are trading at a low valuation relative to potential earnings and/or a low valuation relative to intrinsic worth. We will sell a stock if its valuation reaches our private market value, as determined by the Adviser, or if there are material changes to a company’s fundamentals.

The Fund does not invest in corporations whose primary source of revenue is derived from the production or sale of tobacco products or the manufacture of handguns. We believe these industries are more likely to face shrinking growth prospects, draining litigation costs and legal liability that cannot be quantified.

Ariel Fund is a diversified fund that will generally hold between 30–50 securities in its portfolio.

### Principal risks

Although Ariel makes every effort to achieve the Fund’s objective of long-term capital appreciation, Ariel cannot guarantee it will attain that objective. You could lose money by investing in this Fund. The principal risks are:

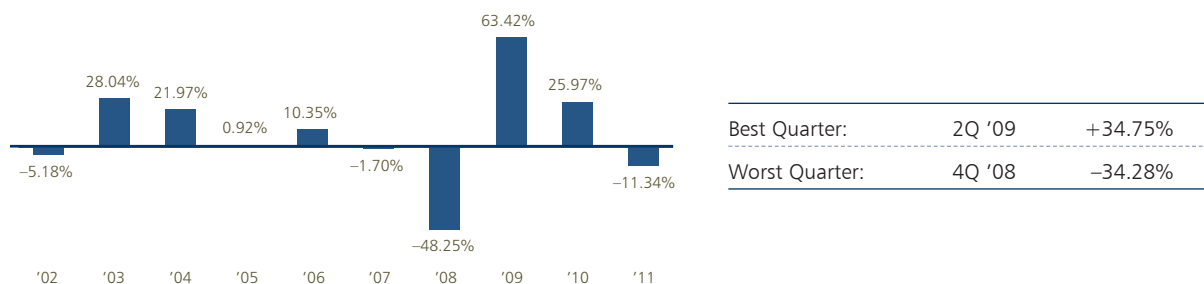
- ❖ Small and medium capitalization stocks held by the Fund could fall out of favor and returns would subsequently trail returns from the overall stock market. The performance of such stocks could also be more volatile.
- ❖ The general level of stock prices could decline.
- ❖ The Fund often invests a significant portion of its assets in companies within the financial services and consumer discretionary sectors and its performance may suffer if these sectors underperform the overall stock market.

You should consider investing in the Fund if you are looking for long-term capital appreciation and are willing to accept the associated risks.

### Performance

The bar chart below and the table on the following page show two aspects of the Fund: variability and performance. The bar chart shows the variability of the Fund’s Investor Class annual total returns over time by showing changes in the Fund’s Investor Class performance from year to year. The table shows the Fund’s Investor Class average annual total returns for certain time periods compared to the returns of the S&P 500 Index, a broad measure of market performance, and indices that reflect the market sectors in which the Fund invests. The bar chart and table provide some indication of the risks of investing in the Fund. To obtain updated performance information, visit the Fund’s website at [arielinvestments.com](http://arielinvestments.com) or call 800.292.7435. The Fund’s past performance, before and after taxes, is not necessarily an indication of its future performance.

Total Return for the Year Ended December 31



Best Quarter:	2Q '09	+34.75%
Worst Quarter:	4Q '08	-34.28%

Average Annual Total Returns	As of December 31, 2011			
	1-Year	5-Year	10-Year	Since Inception (11/6/86)
Investor Class Return Before Taxes	-11.34%	-1.48%	4.35%	10.39%
Investor Class Return After Taxes on Distributions	-11.37%	-1.80%	3.88%	8.89%
Investor Class Return After Taxes on Distributions and Sale of Fund Shares	-7.33%	-1.25%	3.77%	8.68%
S&P 500 Index (reflects no deductions for fees, expenses or taxes)	2.11%	-0.25%	2.92%	9.21%
Russell 2000 Value Index (reflects no deductions for fees, expenses or taxes)	-5.50%	-1.87%	6.40%	10.03%
Russell 2500 Value Index (reflects no deductions for fees, expenses or taxes)	-3.36%	-0.58%	7.16%	10.72%
Russell 2500 Index (reflects no deductions for fees, expenses or taxes)	-2.51%	1.25%	6.57%	10.01%

After tax returns are calculated using the highest historical individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on your tax situation and are not relevant if Fund shares are held in tax-deferred arrangements, such as Individual Retirement Accounts (IRAs). One of the Fund's benchmarks has been changed from the Russell 2500 Index to the Russell 2000 Value Index as the Adviser believes the new index is more indicative of the market capitalization and style profile of the Fund. The inception date for the Fund's Class I shares is December 30, 2011.

### *Investment adviser*

Ariel Investments, LLC is the investment adviser to the Fund.

### *Portfolio managers*

John W. Rogers, Jr., Lead Portfolio Manager since 1986

John P. Miller, CFA, Portfolio Manager since 2006

Kenneth E. Kuhrt, CPA, Portfolio Manager since December 2011

# Ariel Appreciation Fund

## Investment objective

Ariel Appreciation Fund pursues long-term capital appreciation by investing in undervalued companies that show strong potential for growth.

## Fees and expenses of the Fund

The table below describes fees and expenses that you may pay if you buy and hold shares of the Fund. You do not pay a sales charge or load when you buy or sell shares.

Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment)		
	Investor Class	Institutional Class (Class I) <sup>1</sup>
Management fees	0.70%	0.70%
Distribution and service (12b-1) fees	0.25%	None
Other expenses	0.20%	0.20%
Total annual operating expenses	1.15%	0.90%

<sup>1</sup> The inception date for the Class I shares is December 30, 2011. These expenses are based on estimated amounts for the current fiscal year.

The example below illustrates the expenses you would pay on a \$10,000 investment in Ariel Appreciation Fund. It assumes the Fund earned an annual return of 5% each year, the Fund's operating expenses remain the same and that you redeem your shares at the end of each time period. The example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. Your actual expenses may be greater or less than the amounts shown.

	1-Year	3-Year	5-Year	10-Year
Investor Class	\$117	\$365	\$633	\$1,398
Institutional Class (Class I)	\$92	\$287	\$498	\$1,108

## Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). Higher turnover rates may indicate higher transaction costs and may result in higher taxes when shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 26% of the average value of its portfolio.

## Principal investment strategy

Ariel Appreciation Fund invests primarily in common stocks of U.S. companies and the Fund generally will have a weighted average market capitalization between \$2 billion and \$15 billion. The Fund 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) and if such stock falls outside the parameters, it will be sold by the end of the following quarter.

The essence of the Fund's strategy is a combination of patience and stock selection. The Fund seeks to hold investments for a relatively long period of time—generally five years.

The Fund seeks to invest in quality companies in industries in which the Adviser has expertise including the financial services and consumer discretionary sectors. The Fund only buys when Ariel believes that these businesses are selling at excellent values.

Quality companies typically share several attributes that Ariel believes will result in capital appreciation over time: high barriers to entry, sustainable competitive advantages, predictable fundamentals that allow for double-digit earnings growth, skilled management teams and solid financials. Ariel’s strategy to focus on a limited number of names and industries is designed to add value in areas in which it has expertise. We believe this approach creates a portfolio of well-researched stocks. As disciplined value investors, we make opportunistic purchases when great companies are temporarily out of favor—generally seeking to invest in companies that are trading at a low valuation relative to potential earnings and/or a low valuation relative to intrinsic worth. We will sell a stock if its valuation reaches our private market value, as determined by the Adviser, or if there are material changes to a company’s fundamentals.

The Fund does not invest in corporations whose primary source of revenue is derived from the production or sale of tobacco products or the manufacture of handguns. We believe these industries are more likely to face shrinking growth prospects, draining litigation costs and legal liability that cannot be quantified.

Ariel Appreciation Fund is a diversified fund that will generally hold between 30–50 securities in its portfolio.

### Principal risks

Although Ariel makes every effort to achieve the Fund’s objective of long-term capital appreciation, Ariel cannot guarantee it will attain that objective. You could lose money by investing in this Fund. The principal risks are:

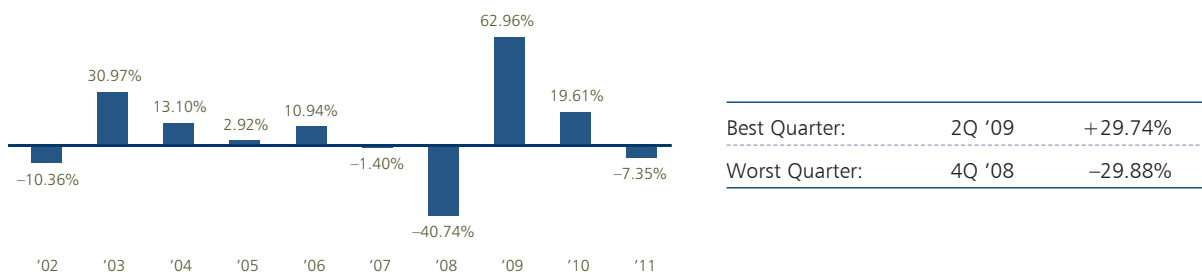
- ❖ Medium capitalization stocks held by the Fund could fall out of favor and returns would subsequently trail returns from the overall stock market. The performance of such stocks could also be more volatile.
- ❖ The general level of stock prices could decline.
- ❖ The Fund often invests a significant portion of its assets in companies within the financial services and consumer discretionary sectors and its performance may suffer if these sectors underperform the overall stock market.

You should consider investing in the Fund if you are looking for long-term capital appreciation and are willing to accept the associated risks.

### Performance

The bar chart below and the table on the following page show two aspects of the Fund: variability and performance. The bar chart shows the variability of the Fund’s Investor Class annual total returns over time by showing changes in the Fund’s Investor Class performance from year to year. The table shows the Fund’s Investor Class average annual total returns for certain time periods compared to the returns of the S&P 500 Index, a broad measure of market performance, and indices that reflect the market sectors in which the Fund invests. The bar chart and table provide some indication of the risks of investing in the Fund. To obtain updated performance information, visit the Fund’s website at [arielinvestments.com](http://arielinvestments.com) or call 800.292.7435. The Fund’s past performance, before and after taxes, is not necessarily an indication of its future performance.

Total Return for the Year Ended December 31



Average Annual Total Returns	As of December 31, 2011			
	1-Year	5-Year	10-Year	Since Inception (12/1/89)
Investor Class Return Before Taxes	-7.35%	1.08%	4.81%	9.84%
Investor Class Return After Taxes on Distributions	-7.55%	0.29%	4.17%	8.66%
Investor Class Return After Taxes on Distributions and Sale of Fund Shares	-4.52%	0.71%	4.07%	8.39%
S&P 500 Index (reflects no deductions for fees, expenses or taxes)	2.11%	-0.25%	2.92%	8.24%
Russell Midcap Value Index (reflects no deductions for fees, expenses or taxes)	-1.38%	0.04%	7.67%	10.69%
Russell Midcap Index (reflects no deductions for fees, expenses or taxes)	-1.55%	1.41%	6.99%	10.43%

After tax returns are calculated using the highest historical individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on your tax situation and are not relevant if Fund shares are held in tax-deferred arrangements, such as Individual Retirement Accounts (IRAs). The inception date for the Fund's Class I shares is December 30, 2011.

### *Investment adviser*

Ariel Investments, LLC is the investment adviser to the Fund.

### *Portfolio managers*

John W. Rogers, Jr., Lead Portfolio Manager from 2002-2011, Co-Portfolio Manager since December 2011

Timothy Fidler, CFA, Portfolio Manager from 2009-2011, Co-Portfolio Manager since December 2011

Matthew F. Sauer, Portfolio Manager from 2006-2011, Co-Portfolio Manager since December 2011

# Ariel Focus Fund

## Investment objective

Ariel Focus Fund pursues long-term capital appreciation by investing in undervalued companies that show strong potential for growth.

## Fees and expenses of the Fund

The table below describes fees and expenses that you may pay if you buy and hold shares of the Fund. You do not pay a sales charge or load when you buy or sell shares.

Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment)		
	Investor Class	Institutional Class (Class I) <sup>1</sup>
Management fees	0.75%	0.75%
Distribution and service (12b-1) fees	0.25%	None
Other expenses	0.51%	0.51%
Total annual operating expenses <sup>2</sup>	1.51%	1.26%
Less fee waiver or expense reimbursement	(0.26)%	(0.26)%
Total annual fund operating expenses after fee waiver and/or expense reimbursement	1.25%	1.00%

<sup>1</sup> The inception date for the Class I shares is December 30, 2011. These expenses are based on estimated amounts for the current fiscal year.

<sup>2</sup> The Adviser is contractually obligated to waive fees or reimburse expenses in order to limit Ariel Focus Fund's total annual operating expenses to 1.25% of net assets for the Investor Class and 1.00% of net assets for Class I through the end of the fiscal year ending September 30, 2013. No termination of this agreement by either the Board of Trustees or the Adviser may be effective until, at the earliest, October 1, 2013.

The example below illustrates the expenses you would pay on a \$10,000 investment in Ariel Focus Fund. It assumes the Fund earned an annual return of 5% each year, the Fund's operating expenses remain the same and that you redeem your shares at the end of each time period. The example reflects contractual fee waivers and expense reimbursements through September 30, 2013. The example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. Your actual expenses may be greater or less than the amounts shown.

	1-Year	3-Year	5-Year	10-Year
Investor Class	\$127	\$425	\$773	\$1,756
Institutional Class (Class I)	\$102	\$347	\$640	\$1,476

## Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). Higher turnover rates may indicate higher transaction costs and may result in higher taxes when shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 40% of the average value of its portfolio.

### *Principal investment strategy*

**Ariel Focus Fund** invests primarily in common stocks of companies with market capitalizations in excess of \$10 billion measured at the time of purchase. Over time, the market capitalizations for the Fund's portfolio companies may change.

The essence of the Fund's strategy is a combination of patience and stock selection. The Fund seeks to hold investments for a relatively long period of time—generally five years. As long as a portfolio company otherwise meets the Fund's investment criteria and style, changes in its capitalization does not prevent the Fund from holding or buying more shares.

The Fund invests in high quality companies that are trading at low multiples of their actual or projected earnings. The Fund only buys when Ariel believes that these businesses are selling at excellent values.

Quality companies typically share several attributes that Ariel believes will result in capital appreciation over time: high barriers to entry, sustainable competitive advantages, predictable fundamentals that allow for double digit earnings growth, skilled management teams and solid financials. Ariel's strategy to focus on a limited number of names and industries is designed to add value in areas in which it has expertise. We believe this approach creates a portfolio of well-researched stocks. As disciplined value investors, we make opportunistic purchases when great companies are temporarily out of favor—generally seeking to invest in companies that are trading at a low valuation relative to potential earnings and/or a low valuation relative to intrinsic worth. We will sell a stock if its valuation reaches our private market value, as determined by the Adviser, or if there are material changes to a company's fundamentals.

The Fund does not invest in corporations whose primary source of revenue is derived from the production or sale of tobacco products or the manufacture of handguns. We believe these industries are more likely to face shrinking growth prospects, draining litigation costs and legal liability that cannot be quantified.

Ariel Focus Fund is a non-diversified fund, which means that the Fund could own as few as 12 securities in its portfolio, and will generally own 25–30 securities.

### *Principal risks*

Although Ariel makes every effort to achieve the Fund's objective of long-term capital appreciation, Ariel cannot guarantee it will attain that objective. You could lose money by investing in this Fund. The principal risks of investing in the Fund are:

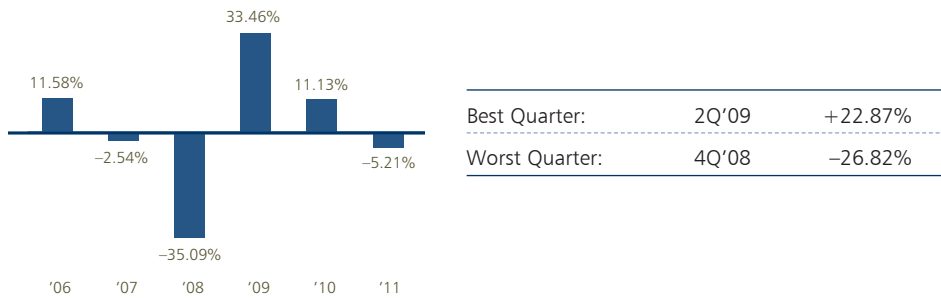
- ❖ As the Fund holds relatively few stocks, a fluctuation in one stock could significantly affect overall performance.
- ❖ The stocks in companies held by the Fund could fall out of favor and returns would subsequently trail returns from the overall stock market.
- ❖ The general level of stock prices could decline.

You should consider investing in the Fund if you are looking for long-term capital appreciation and are willing to accept the associated risks.

## Performance

The bar chart and the table below show two aspects of the Fund: variability and performance. The bar chart shows the variability of the Fund's Investor Class annual total returns over time by showing changes in the Fund's Investor Class performance from year to year. The table shows the Fund's Investor Class average annual total returns for certain time periods compared to the returns of the S&P 500 Index, a broad measure of market performance, and indices that reflect the market sectors in which the Fund invests. The bar chart and table provide some indication of the risks of investing in the Fund. To obtain updated performance information, visit the Fund's website at [arielinvestments.com](http://arielinvestments.com) or call 800.292.7435. The Fund's past performance, before and after taxes, is not necessarily an indication of its future performance.

### Total Return for the Year Ended December 31



Best Quarter:	2Q'09	+22.87%
Worst Quarter:	4Q'08	-26.82%

Average Annual Total Returns	As of December 31, 2011			
	1-Year	5-Year	10-Year	Since Inception (6/30/05)
Investor Class Return Before Taxes	-5.21%	-2.32%	N/A	0.74%
Investor Class Return After Taxes on Distributions	-5.29%	-2.48%	N/A	0.55%
Investor Class Return After Taxes on Distributions and Sale of Fund Shares	-3.27%	-1.98%	N/A	0.59%
S&P 500 Index (reflects no deductions for fees, expenses or taxes)	2.11%	-0.25%	2.92%	2.97%
Russell 1000 Value Index (reflects no deductions for fees, expenses or taxes)	0.39%	-2.64%	3.89%	1.83%

After tax returns are calculated using the highest historical individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on your tax situation and are not relevant if Fund shares are held in tax-deferred arrangements, such as Individual Retirement Accounts (IRAs). The inception date for the Fund's Class I shares is December 30, 2011.

## Investment adviser

Ariel Investments, LLC is the investment adviser to the Fund.

## Portfolio managers

Charles K. Bobrinsky, Co-Portfolio Manager since 2005

Timothy Fidler, CFA, Co-Portfolio Manager since 2005

# Ariel Discovery Fund

## Investment objective

Ariel Discovery Fund pursues long-term capital appreciation.

## Fees and expenses of the Fund

The table below describes fees and expenses that you may pay if you buy and hold shares of the Fund. You do not pay a sales charge or load when you buy or sell shares.

Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment)		
	Investor Class	Institutional Class (Class I) <sup>1</sup>
Management fees	1.00%	1.00%
Distribution and service (12b-1) fees	0.25%	None
Other expenses	5.50%	5.50%
Total annual operating expenses <sup>2</sup>	6.75%	6.50%
Less fee waiver or expense reimbursement	(5.25)%	(5.25)%
Total annual fund operating expenses after fee waiver and/or expense reimbursement	1.50%	1.25%

<sup>1</sup> The inception date for the Class I shares is December 30, 2011. These expenses are based on estimated amounts for the current fiscal year.

<sup>2</sup> The Adviser is contractually obligated to waive fees or reimburse expenses in order to limit Ariel Discovery Fund's total annual operating expenses to 1.50% of net assets for the Investor Class and 1.25% of net assets for Class I through the end of the fiscal year ending September 30, 2014. No termination of this agreement by either the Board of Trustees or the Adviser may be effective until, at the earliest, October 1, 2014.

The example below illustrates the expenses you would pay on a \$10,000 investment in Ariel Discovery Fund. It assumes the Fund earned an annual return of 5% each year, the Fund's operating expenses remain the same and that you redeem your shares at the end of each time period. The example reflects contractual fee waivers and expense reimbursements through September 30, 2014. The example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. Your actual expenses may be greater or less than the amounts shown.

	1-Year	3-Year	5-Year	10-Year
Investor Class	\$153	\$474	\$1,945	\$5,402
Institutional Class (Class I)	\$127	\$397	\$1,827	\$5,218

## Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). Higher turnover rates may indicate higher transaction costs and may result in higher taxes when shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund's performance. During the most recent fiscal period, the Fund's portfolio turnover rate was 18% of the average value of its portfolio.

### *Principal investment strategy*

Ariel Discovery Fund invests primarily in common stocks of companies with market capitalizations under \$2 billion, measured at the time of purchase. Over time, the market capitalizations for the Fund's portfolio companies may change.

The essence of the Fund's strategy is a combination of patience and stock selection. The Fund seeks to hold investments for a relatively long period of time—generally five years. As long as a portfolio company otherwise meets the Fund's investment criteria and style, increased capitalization does not prevent the Fund from holding or buying more shares.

The Fund seeks to invest in companies which trade at low price-to-book ratios and have strong balance sheets. The Fund only buys when Ariel believes these businesses are selling at deep discounts to their intrinsic value.

Individual company valuations will be based on assets and/or earnings power. Flexibility in determining the proper valuation metric for a given company will be a key component of the Fund's strategy. We believe this approach creates a portfolio of well-researched stocks. The Fund is managed on a dynamic basis as companies which approach fair value are likely to be sold and replaced by those with deeper discounts to intrinsic value. The Fund may hold cash when values are difficult to identify.

The Fund does not invest in corporations whose primary source of revenue is derived from the production or sale of tobacco products or the manufacture of handguns. We believe these industries are more likely to face shrinking growth prospects, draining litigation costs and legal liability that cannot be quantified.

Ariel Discovery Fund is a diversified fund that generally will not hold more than 50 securities in its portfolio.

### *Principal risks*

Although Ariel makes every effort to achieve the Fund's objective of long-term capital appreciation, Ariel cannot guarantee it will attain that objective. You could lose money by investing in this Fund. The principal risks are:

- ❖ Small capitalization stocks held by the Fund could fall out of favor and returns would subsequently trail returns from the overall stock market. The performance of such stocks could also be more volatile. Small capitalization companies often have less predictable earnings, more limited product lines and markets and more limited financial and management resources.
- ❖ The general level of stock prices could decline.

You should consider investing in the Fund if you are looking for long-term capital appreciation and are willing to accept the associated risks.

### *Performance*

The inception date for the Fund is January 31, 2011. Performance information will be available after the Fund has been in operation for one full calendar year. The Fund's performance will then be compared to a broad measure of market performance to give some indication of the risks of investing in the Fund. To obtain updated performance information, please visit the Fund's website at [arielinvestments.com](http://arielinvestments.com) or call 800.292.7435.

### *Investment adviser*

Ariel Investments, LLC is the investment adviser to the Fund.

### *Portfolio managers*

David M. Maley, Lead Portfolio Manager since 2011

Kenneth E. Kuhrt, CPA, Portfolio Manager since 2011

# Ariel International Equity Fund

## *Investment objective*

Ariel International Equity Fund pursues long-term capital appreciation.

## *Fees and expenses of the Fund*

The table below describes fees and expenses that you may pay if you buy and hold shares of the Fund. You do not pay a sales charge or load when you buy or sell shares.

Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment)		
	Investor Class	Institutional Class (Class I)
Management fees	1.00%	1.00%
Distribution and service (12b-1) fees	0.25%	None
Other expenses <sup>1</sup>	1.24%	1.24%
Total annual operating expenses <sup>2</sup>	2.49%	2.24%
Less fee waiver or expense reimbursement	(1.09)%	(1.09)%
Total annual fund operating expenses after fee waiver and/or expense reimbursement	1.40%	1.15%

<sup>1</sup> Because the Fund is new, these expenses are based on estimated amounts for the current fiscal year.

<sup>2</sup> The Adviser is contractually obligated to waive fees or reimburse expenses in order to limit Ariel International Equity Fund's total annual operating expenses to 1.40% of net assets for the Investor Class and 1.15% of net assets for Class I through the end of the fiscal year ending September 30, 2015. No termination of this agreement by either the Board of Trustees or the Adviser may be effective until, at the earliest, October 1, 2015.

The example below illustrates the expenses you would pay on a \$10,000 investment in Ariel International Equity Fund. It assumes the Fund earned an annual return of 5% each year, the Fund's operating expenses remain the same and that you redeem your shares at the end of each time period. The example reflects contractual fee waivers and expense reimbursements through September 30, 2015. The example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. Your actual expenses may be greater or less than the amounts shown.

	1 year	3 years
Investor Class	\$143	\$443
Institutional Class (Class I)	\$117	\$365

## *Portfolio Turnover*

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). Higher turnover rates may indicate higher transaction costs and may result in higher taxes when shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund's performance.

## *Principal investment strategy*

**Ariel International Equity Fund** invests primarily in common stock issued by companies outside the U.S. in developed international markets. The Fund may invest in large, medium, or small companies without regard to market capitalization. Under normal market conditions, the Fund will invest at least 80% of its assets (net assets plus any borrowings for investment purposes) in equity securities.

The Fund may buy and sell currency on a spot basis and enter into foreign currency forward contracts for portfolio management. The Fund 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 the Fund's return through the use of derivatives as a substitute for securities or to reduce the risk of loss of certain holdings. The Fund may also invest in exchange traded funds ("ETFs").

The essence of the Fund's strategy is a combination of patience and stock selection. The Fund's investment process seeks to identify investment opportunities offering superior risk-adjusted returns by pursuing a "bottom-up" stock picking discipline that focuses on both the fundamentals of the business and the intrinsic value of the business. Particular attention is paid to normalized cash flow generation and reinvestment or distribution for shareholder benefit.

We will consider selling a stock if its valuation reaches our investment goals, if a better opportunity for investment presents itself, or if there are material adverse changes to a company's fundamentals.

Ariel International Equity Fund is a diversified fund that will generally hold between 40-150 securities in its portfolio.

## *Principal risks*

Although Ariel makes every effort to achieve the Fund's objective of long-term capital appreciation, Ariel cannot guarantee it will attain that objective. You could lose money by investing in this Fund. The principal risks are:

- ❖ The general level of stock prices could decline.
- ❖ 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.
- ❖ 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. The use of foreign currency derivatives may be expensive and may result in further losses.
- ❖ The use of various types of derivatives may intensify investment losses from securities underlying the derivatives, may create more volatility and may expose the Fund 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.
- ❖ ETFs 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.
- ❖ Small and medium capitalization stocks held by the Fund could fall out of favor and returns would subsequently trail returns from the overall stock market. The performance of such stocks could also be more volatile.
- ❖ The Fund is new with no operating history and there can be no assurance that the Fund will grow to an economically viable size. The Fund may be liquidated without shareholder approval which may trigger tax consequences upon liquidation.

You should consider investing in the Fund if you are looking for long-term capital appreciation and are willing to accept the associated risks.

### *Performance*

The inception date for the Fund is December 30, 2011. Performance information will be available after the Fund has been in operation for one full calendar year. The Fund's performance will then be compared to a broad measure of market performance to give some indication of the risks of investing in the Fund. To obtain updated performance information, please visit the Fund's website at [arielinvestments.com](http://arielinvestments.com) or call 800.292.7435.

### *Investment adviser*

Ariel Investments, LLC is the investment adviser to the Fund.

### *Portfolio manager*

Rupal J. Bhansali, Portfolio Manager since inception

# Ariel Global Equity Fund

## *Investment objective*

Ariel Global Equity Fund pursues long-term capital appreciation.

## *Fees and expenses of the Fund*

The table below describes fees and expenses that you may pay if you buy and hold shares of the Fund. You do not pay a sales charge or load when you buy or sell shares.

Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment)		
	Investor Class	Institutional Class (Class I)
Management fees	1.00%	1.00%
Distribution and service (12b-1) fees	0.25%	None
Other expenses <sup>1</sup>	1.24%	1.24%
Total annual operating expenses <sup>2</sup>	2.49%	2.24%
Less fee waiver or expense reimbursement	(1.09)%	(1.09)%
Total annual fund operating expenses after fee waiver and/or expense reimbursement	1.40%	1.15%

<sup>1</sup> Because the Fund is new, these expenses are based on estimated amounts for the current fiscal year.

<sup>2</sup> The Adviser is contractually obligated to waive fees or reimburse expenses in order to limit Ariel Global Equity Fund's total annual operating expenses to 1.40% of net assets for the Investor Class and 1.15% of net assets for Class I through the end of the fiscal year ending September 30, 2015. No termination of this agreement by either the Board of Trustees or the Adviser may be effective until, at the earliest, October 1, 2015.

The example below illustrates the expenses you would pay on a \$10,000 investment in Ariel Global Equity Fund. It assumes the Fund earned an annual return of 5% each year, the Fund's operating expenses remain the same and that you redeem your shares at the end of each time period. The example reflects contractual fee waivers and expense reimbursements through September 30, 2015. The example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. Your actual expenses may be greater or less than the amounts shown.

	1 year	3 years
Investor Class	\$143	\$443
Institutional Class (Class I)	\$117	\$365

## *Portfolio Turnover*

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). Higher turnover rates may indicate higher transaction costs and may result in higher taxes when shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund's performance.

## *Principal investment strategy*

**Ariel Global Equity Fund** invests primarily in common stock issued by companies both within and outside the U.S., including in countries with developed or emerging markets. The Fund may invest in large, medium, or small companies without regard to market capitalization. Under normal market conditions, the Fund will invest at least 80% of its assets (net assets plus any borrowings for investment purposes) in equity securities and at least 40% of its assets in countries other than the U.S.

The Fund may buy and sell currency on a spot basis and enter into foreign currency forward contracts for portfolio management. The Fund 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 the Fund's return through the use of derivatives as a substitute for securities or to reduce the risk of loss of certain holdings. The Fund may also invest in exchange traded funds ("ETFs").

The essence of the Fund's strategy is a combination of patience and stock selection. The Fund's investment process seeks to identify investment opportunities offering superior risk-adjusted returns by pursuing a "bottom-up" stock picking discipline that focuses on both the fundamentals of the business and the intrinsic value of the business. Particular attention is paid to normalized cash flow generation and reinvestment or distribution for shareholder benefit.

We will consider selling a stock if its valuation reaches our investment goals, if a better opportunity for investment presents itself, or if there are material adverse changes to a company's fundamentals.

Ariel Global Equity Fund is a diversified fund that will generally hold between 40-150 securities in its portfolio.

## *Principal risks*

Although Ariel makes every effort to achieve the Fund's objective of long-term capital appreciation, Ariel cannot guarantee it will attain that objective. You could lose money by investing in this Fund. The principal risks are:

- ❖ The general level of stock prices could decline.
- ❖ 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. The use of foreign currency derivatives may be expensive and may result in further losses.
- ❖ The use of various types of derivatives may intensify investment losses from securities underlying the derivatives, may create more volatility and may expose the Fund 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.
- ❖ ETFs 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.
- ❖ Small and medium capitalization stocks held by the Fund could fall out of favor and returns would subsequently trail returns from the overall stock market. The performance of such stocks could also be more volatile.
- ❖ The Fund is new with no operating history and there can be no assurance that the Fund will grow to an economically viable size. The Fund may be liquidated without shareholder approval which may trigger tax consequences upon liquidation.

You should consider investing in the Fund if you are looking for long-term capital appreciation and are willing to accept the associated risks.

## *Performance*

The inception date for the Fund is December 30, 2011. Performance information will be available after the Fund has been in operation for one full calendar year. The Fund's performance will then be compared to a broad measure of market performance to give some indication of the risks of investing in the Fund. To obtain updated performance information, please visit the Fund's website at [arielinvestments.com](http://arielinvestments.com) or call 800.292.7435.

## *Investment adviser*

Ariel Investments, LLC is the investment adviser to the Fund.

## *Portfolio manager*

Rupal J. Bhansali, Portfolio Manager since inception

## *Purchase and sale of Fund shares*

Investors may purchase or redeem Fund shares on any business day by written request, via the internet, wire transfer, by telephone or through a financial intermediary. Investors may exchange Fund shares by written request, via the internet, by telephone or through a financial intermediary. You may conduct transactions by mail (Ariel Investment Trust, c/o U.S. Bancorp Fund Services, LLC, P.O. Box 701, Milwaukee, WI 53201-0701, for regular mail, or 615 East Michigan Street, 3rd Floor, Milwaukee, WI 53202-5207, for overnight service), by internet at [arielinvestments.com](http://arielinvestments.com) or by telephone at 800.292.7435. Investors who wish to purchase, exchange or redeem Fund shares through a financial intermediary should contact the intermediary directly. The minimum initial investment for Investor Class shares is \$1,000. The minimum initial investment for Class I shares is \$1,000,000. The minimum subsequent investment in a Fund for all share classes is \$100.

## *Tax information*

A Fund's distributions are taxable, and will be taxed as ordinary income or capital gains, unless you are investing through a tax-deferred arrangement, such as a 401(k) plan or an individual retirement account. Such tax-deferred arrangements may be taxed later upon withdrawal of monies from those arrangements.

## *Payments to broker-dealers and other financial intermediaries*

If you purchase a Fund through a broker-dealer or other financial intermediary (such as a financial adviser or bank), the Fund and its related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the financial intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

# Patient investing defined

## *Investment objective*

The Funds pursue a common objective: long-term capital appreciation. The Funds invest for appreciation, not income. They seek stocks whose underlying value should increase over time. Any dividend and interest income the Funds earn is incidental to their fundamental objective. The Adviser cannot guarantee any Fund will achieve capital appreciation in every circumstance, but Ariel is dedicated to that objective.

## *Principal investment strategies*

Ariel Fund invests primarily in common stocks of U.S. companies and will generally have a weighted average market capitalization between \$1 billion and \$7.5 billion. Ariel Fund will not hold stocks that fall within the top two quintiles of the Russell U.S. equity indexes and if such stock falls outside the parameters, it will be sold by the end of the following quarter.

Ariel Appreciation Fund invests primarily in common stocks of U.S. companies and will generally have a weighted average market capitalization between \$2 billion and \$15 billion. Ariel Appreciation Fund will not hold stocks that fall within the top quintile of the Russell U.S. equity indexes and if such stock falls outside the parameters, it will be sold by the end of the following quarter.

Ariel Focus Fund invests primarily in common stocks of companies with market capitalizations in excess of \$10 billion, measured at the time of purchase. Over time, the market capitalizations for the Fund's portfolio companies may change.

Ariel Discovery Fund invests primarily in common stocks of companies with market capitalizations under \$2 billion, measured at the time of purchase. Over time, the market capitalizations for the Fund's portfolio companies may change.

Ariel International Equity Fund invests primarily in equity securities issued by companies outside the U.S. in developed international markets. The Fund may invest in companies without regard to market capitalization. Under normal market conditions, the Fund will invest at least 80% of its assets (net assets plus any borrowings for investment purposes) in equity securities.

Ariel Global Equity Fund invests primarily in equity securities issued by companies both within and outside the U.S., including in countries with developed or emerging markets. The Fund may invest in companies without regard to market capitalization. Under normal market conditions, the Fund will invest at least 80% of its assets (net assets plus any borrowings for investment purposes) in equity securities and at least 40% of its assets in countries other than the U.S.

## *Investment approach*

Our investment philosophy depends upon three interrelated tenets: patience, focus, and independent thinking, which drive our contrarian approach. Our divergence from conventional wisdom allows us to add value by taking advantage of the market's small pockets of inefficiency. By concentrating on these tenets, Ariel believes that its patient approach allows the Funds to take advantage of buying opportunities that frequently arise from Wall Street's excessive focus on the short-term. Ariel utilizes this approach to achieve the principal investment strategies described above.

## *Uncovering value*

Ariel's proprietary research process begins with reviewing primary sources – financial analysts' reports, press releases and company financial statements. Digging deeper, our analysts review newspapers, company websites, trade periodicals and technical journals. In this way, we believe we can uncover outstanding investment opportunities that others may miss.

Ariel applies the same intensive research approach once we have identified a candidate for investment. We scrutinize the company's financial history and analyze its prospects. For each prospective investment in Ariel Fund, Ariel Appreciation Fund and Ariel Focus Fund, we develop independent long-range financial projections and detail the risk the company may face. For Ariel Discovery Fund, we may at times develop asset-based metrics along with identifying the risks a prospective company may face.

The investment processes for Ariel International Equity Fund and Ariel Global Equity Fund seek to identify investment opportunities offering superior risk-adjusted returns by pursuing a “bottom-up” stock picking discipline that focuses on both the fundamentals of the business and the intrinsic value of the business. Particular attention is paid to normalized cash flow generation and reinvestment or distribution for shareholder benefit.

A network of independent, third-party contacts reveals the invaluable insights of customers, suppliers, competitors and industry insiders, as well as other investment managers.

Ariel believes the character and quality of a company’s management is an important factor in determining its success. We believe the skill of the management team will help a company overcome unforeseen obstacles.

### *A long-term view*

Ariel believes the market will ultimately reward the companies in which the Funds invest, and we give them the time such recognition requires, generally five years and sometimes even longer. This long-term approach means the Funds typically have low rates of turnover.

Each time a mutual fund turns over a holding (i.e., sells one stock to buy another or sells securities to meet redemptions), it normally incurs transaction charges that negatively impact investment returns – the higher the turnover rate, the higher the impact of the transaction costs. High turnover rates can reduce investment performance while low turnover rates can enhance it. A low rate of turnover can offer yet another advantage because it may defer a fund’s taxable capital gains.

Ariel Fund, Ariel Appreciation Fund, Ariel Focus Fund and Ariel Discovery Fund (the “Domestic Funds”) sell stocks when the Adviser determines that full valuation has been reached or when the reasons for purchase no longer apply. In determining whether a stock is fully valued, Ariel Fund, Ariel Appreciation Fund and Ariel Focus Fund look at the price-to-earnings ratio based on future earnings and whether the stock trades at a discount to our private market value calculation. Ariel Discovery Fund may look at either earnings-based and/or asset-based metrics in determining private market value. Ariel International Equity Fund and Ariel Global Equity Fund (the “International/Global Funds”) consider selling a stock if its valuation reaches the Fund’s investment goals. All Funds may sell a stock when there is a major change in the competitive landscape, a substantial shift in company fundamentals, a loss of faith in management’s abilities or when there are more compelling buying opportunities.

### *The responsibility factor—Domestic Funds*

Ariel believes ethical business practices make good investment sense. The following table summarizes our review of the business practices of companies.

<p>We <b>do not invest</b> in corporations whose primary source of revenue is derived from:</p> <ul style="list-style-type: none"> <li>❖ the production or sale of tobacco products or</li> <li>❖ the manufacture of handguns.</li> </ul> <p>We believe these industries are more likely to face shrinking growth prospects, draining litigation costs and legal liability that cannot be quantified.</p>	<p>We <b>consider</b> a company’s environmental record which includes reviewing research from outside vendors that provide such services. This research typically examines various 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.</p> <p>In the long run, we believe a company that adopts environmentally sound policies is less likely to face government regulation of its business.</p>	<p>We <b>encourage</b> portfolio companies to have an open dialogue on:</p> <ul style="list-style-type: none"> <li>❖ giving back to the community,</li> <li>❖ a dedication to education, and</li> <li>❖ proactive diversity practices.</li> </ul> <p>A company that fosters community involvement among its employees should inspire community support.</p> <p>Educating people on the benefits of saving and investing promotes a stable future. Additionally, we believe that a company that cultivates diversity is more likely to attract and recruit the best talent and broaden its markets in profitable new directions.</p>
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The International/Global Funds have no such restrictions.

### *Foreign securities*

The International/Global Funds may invest 100% of their net assets in foreign securities. Ariel Focus Fund may invest up to 20% of its net assets in foreign securities. Ariel Fund, Ariel Appreciation Fund and Ariel Discovery

Fund may invest up to 10% of their respective net assets in foreign securities. 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 Adviser considers the following factors when deciding whether to define a corporation 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.

The Ariel Global Equity Fund may invest in emerging markets, which are markets in any country comprising the MSCI Emerging Markets Index<sup>SM</sup>. The Domestic Funds and Ariel International Equity Fund have not invested in, and do not currently expect to invest in, emerging foreign market securities.

#### *Exchange traded funds*

The Funds may invest in ETFs which are investment companies that trade like stocks. Shares of ETFs are not traded at NAV, but may trade at prices above or below the value of their underlying portfolios. ETFs also have management fees that may increase their costs versus the costs of owning the underlying securities directly. The Funds may invest in ETFs primarily to gain exposure for the portfolios to a particular market or market segment without investing in individual securities.

#### *Hedging strategies*

The International/Global Funds may also use various techniques, such as buying and selling foreign currency options and futures contracts, to increase or decrease the International/Global Funds’ exposure to changing security prices, currency exchange fluctuations risk, or to reduce unintended tracking error versus their respective benchmarks, or other factors that affect security values. If the Adviser’s strategies do not work as intended, the International/Global Funds may not achieve their objectives.

#### *Cash positions*

At times, the Funds may maintain larger than normal cash positions. However, cash positions in a Fund are generally not held for defensive purposes, but are maintained while the Adviser searches for compelling investments.

#### *Principal investment risks*

Although Ariel makes every effort to achieve each Fund’s objective of long-term capital appreciation, Ariel cannot guarantee it will attain that objective. You could lose money on your purchase of shares in any of the Funds. Each Fund is also subject to risks unique to its investment strategy. To the extent a Fund utilizes an investment strategy, the following risks may apply to your investment. Small and medium capitalization stocks held by the Funds 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. The general level of stock prices could decline. The Funds avoid start-up ventures and highly cyclical or speculative companies. Conversely, the Funds seek companies with solid financials and proven records. Additionally, 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.

The value of foreign securities may be affected by changes in exchange rates, as well as other factors that affect securities prices. There generally is less information publicly available about foreign securities and foreign securities markets, and there may be less government regulation and supervision of foreign issuers and foreign securities markets. Foreign securities and markets also may be affected by political and economic instabilities and may be more volatile and less liquid than domestic securities and markets.

Many of the risks outlined above are more pronounced for investments in developing or emerging market countries. These countries may have less-developed legal and accounting systems and investments may be subject to greater risks of government restrictions on withdrawing the sale proceeds of securities from the country. Economies of

developing countries may be more dependent on relatively few industries that may be highly vulnerable to local and global changes. Governments may be more unstable and present greater risks of nationalization, expropriation or restrictions on foreign ownership of stocks of local companies.

The risks of owning an ETF generally reflect the risks of owning the underlying securities they are designed to track, although lack of liquidity in an ETF could result in it being more volatile than the underlying portfolio of securities.

Although past performance cannot predict future results, stock investments historically have outperformed most bond and money market investments over long time periods. However, this higher return has come at the expense of greater short-term price fluctuations. Thus, you should not invest in the Funds if you anticipate a near-term need – typically within five years – for either the principal or the gains from your investment.

## Management of the Funds

### *Investment adviser*

Ariel, which began operations in 1983, manages the investments of the Funds. Its investment management services include buying and selling securities on behalf of the Funds, as well as conducting the research that leads to buy and sell decisions. The firm is headquartered at 200 East Randolph Drive, Suite 2900, Chicago, Illinois 60601 (telephone: 312.726.0140 or 800.725.0140, website: [arielinvestments.com](http://arielinvestments.com)).

Every year the Funds' Board of Trustees considers whether to continue and renew the investment management agreements for the Funds. A discussion regarding the basis for the Trustees' approving the agreements is available in the Funds semi-annual report to shareholders for the six months ended March 31.

### *Management fees*

#### *Ariel Fund*

Ariel is paid for its investment and administration services provided to Ariel Fund at the annual rate of 0.65% of the first \$500 million of average daily net assets, declining to 0.55% of average daily net assets over \$1 billion. For the fiscal year ended September 30, 2011, the fee amounted to 0.59% of average daily net assets.

#### *Ariel Appreciation Fund*

Ariel is paid for its investment and administration services provided to Ariel Appreciation Fund at the annual rate of 0.75% of the first \$500 million of average daily net assets, declining to 0.65% of average daily net assets over \$1 billion. For the fiscal year ended September 30, 2011, the fee amounted to 0.70% of average daily net assets.

#### *Ariel Focus Fund*

Ariel is paid for its investment and administration services provided to Ariel Focus Fund at the annual rate of 0.75% of the first \$500 million of average daily net assets, declining to 0.65% of average daily net assets over \$1 billion. For the fiscal year ended September 30, 2011, after waivers, the fee amounted to 0.49% of average daily net assets.

#### *Ariel Discovery Fund*

Ariel is paid for its investment and administration services provided to Ariel Discovery Fund at the annual rate of 1.00% of the first \$500 million of average daily net assets, declining to 0.90% of average daily net assets over \$1 billion. For the fiscal year ended September 30, 2011, the Adviser waived all of its management fees.

#### *Ariel International Equity Fund*

Ariel is paid for its investment services provided to Ariel International Equity Fund at the annual rate of 1.00% of the first \$500 million of average daily net assets, declining to 0.90% of average daily net assets over \$1 billion.

#### *Ariel Global Equity Fund*

Ariel is paid for its investment services provided to Ariel Global Equity Fund at the annual rate of 1.00% of the first \$500 million of average daily net assets, declining to 0.90% of average daily net assets over \$1 billion.

## *Portfolio managers*

### *Ariel Fund*

**John W. Rogers, Jr.**, Chairman, CEO and Chief Investment Officer, Ariel Investments. John is the Lead Portfolio Manager for Ariel Fund. As such, he makes the final investment decisions for Ariel Fund and works closely with the Portfolio Managers for Ariel Fund. He founded the firm in 1983 and has served as Lead Portfolio Manager for Ariel Fund since the Fund's inception in 1986.

**John P. Miller**, CFA, Senior Vice President and Portfolio Manager, Ariel Fund. John has served in this capacity since November 2006. He joined Ariel in 1989 and has held a variety of investment positions during his tenure at the firm. John began his investment career at Cantor Fitzgerald & Co. in 1987.

**Kenneth E. Kuhrt**, CPA, Senior Vice President, Portfolio Manager, Ariel Fund. Ken joined Ariel in 2004 as a Research Analyst. Prior to joining Ariel, he worked at William Blair & Company, LLC, most recently serving as a senior investment banking analyst. Ken began his career at KPMG, LLP in 1997.

### *Ariel Appreciation Fund*

**John W. Rogers, Jr.**, Chairman, CEO and Chief Investment Officer, Ariel Investments, Co-Portfolio Manager, Ariel Appreciation Fund. John founded the firm in 1983 and served as Lead Portfolio Manager for Ariel Appreciation Fund from 2002 to December 2011.

**Matthew F. Sauer**, Senior Vice President and Co-Portfolio Manager, Ariel Appreciation Fund. Matt served as Portfolio Manager from November 2006 to December 2011. He joined Ariel in May 2006. Prior to joining Ariel, Matt worked for 13 years at Oak Value Capital Management where he served in a variety of leadership positions including Executive Vice President, Senior Portfolio Manager and Director of Research.

**Timothy Fidler**, CFA, Senior Vice President, Co-Portfolio Manager, Ariel Appreciation Fund. Tim served as Portfolio Manager of Ariel Appreciation Fund from November 2009 to December 2011. Tim has held a variety of leadership positions in our investment area during his tenure. Prior to joining Ariel in 1999, he was a Research Analyst and Portfolio Manager at Morgan Stanley working on the firm's U.S. value management teams.

### *Ariel Focus Fund*

**Charles K. Bobrinskoy**, Vice Chairman, Director of Research and Co-Portfolio Manager, Ariel Focus Fund. Charlie has served as Co-Portfolio Manager since the Fund's inception in 2005. He also oversees Ariel's investment team and trading operations. Prior to joining Ariel in 2004, Charlie spent 21 years working at Citigroup and its predecessor company, Salomon Brothers, Inc., where he served in a variety of leadership positions, ultimately including Managing Director and Head of North American Investment Banking Branch Offices.

**Timothy Fidler**, CFA, Senior Vice President, Co-Portfolio Manager, Ariel Focus Fund. Tim has served as Co-Portfolio Manager of Ariel Focus Fund since its inception in 2005. Tim has held a variety of leadership positions in our investment area during his tenure. Prior to joining Ariel in 1999, he was a Research Analyst and Portfolio Manager at Morgan Stanley working on the firm's U.S. value management teams.

### *Ariel Discovery Fund*

**David M. Maley**, Senior Vice President and Lead Portfolio Manager, Ariel Discovery Fund. David has served as Lead Portfolio Manager for Ariel Discovery Fund since the Fund's inception in 2011. As such, he makes the final investment decisions for the Fund. Prior to joining Ariel in 2009, David spent 25 years in the investment industry, most recently serving as the Portfolio Manager for the micro-cap value strategy at Maple Hill Capital Management. David began his career at Goldman Sachs in 1984.

**Kenneth E. Kuhrt**, CPA, Senior Vice President, Portfolio Manager, Ariel Discovery Fund. Ken has served as Portfolio Manager for Ariel Discovery Fund since the Fund's inception in 2011. Ken joined Ariel in 2004 as a Research Analyst. Prior to joining Ariel, he worked at William Blair & Company, LLC, most recently serving as a senior investment banking analyst. Ken began his career at KPMG, LLP in 1997.

#### *Ariel International Equity Fund and Ariel Global Equity Fund*

**Rupal J. Bhansali**, Senior Vice President, Chief Investment Officer—International Equities and Portfolio Manager, Ariel International Equity Fund and Ariel Global Equity Fund. Rupal joined Ariel in 2011 and has served as Portfolio Manager for the International/Global Funds since their inception. Prior to joining Ariel, Rupal spent 10 years at MacKay Shields as Head of International Equities.

The Statement of Additional Information provides more details about the portfolio managers' compensation, other accounts managed by the portfolio managers and their ownership of shares of the respective Fund(s) they manage.

#### *Administration*

The Adviser is responsible for the administrative services for the Domestic Funds. These services include:

- ❖ Responding to shareholder requests for information on their accounts and the Funds in general
- ❖ Preparing quarterly reports for shareholders
- ❖ Preparing reports for the Board of Trustees

The Adviser has engaged an independent organization, U.S. Bancorp Fund Services, LLC (“USBFS”), to perform day-to-day fund administration and tax reporting services for the Domestic Funds. The Adviser has engaged State Street Bank and Trust Company (“State Street”) to act as the Domestic Funds' fund accountant. State Street prices the shares of each Fund daily and oversees the payment of distributions to shareholders. The International/Global Funds have engaged USBFS to perform fund administration and State Street to act as fund accountant. USBFS serves as the Funds' transfer agent. USBFS maintains shareholder records, opens shareholder accounts and processes buy and sell orders for shares of the Funds. State Street serves as the Funds' custodian.

## Managing your Ariel account

You may purchase or sell shares in the Funds directly or through an intermediary, such as a broker, bank, investment adviser or record-keeper. Intermediaries may charge other fees to their clients—check with your financial adviser. The following sections apply to purchasing and selling Fund shares directly.

#### *Doing business with Ariel*

Shareholder services representatives are available Monday through Friday (except holidays) from 8:00 am to 7:00 pm Central Time. The Funds' website and Turtle Talk (automated shareholder information hotline) are both available 24 hours a day, 7 days a week.

Shares of the Funds are offered for sale in the United States and its territories only. To invest in the Funds, you must be a U.S. citizen or resident alien, and you must reside in the United States and its territories or have a U.S. military address.

#### *Opening a new Ariel account*

You can open an account in any of three ways: via the Internet, by wire or by mail.

### Internet transactions

To open an account via the Internet with no forms to print or mail, go to [arielinvestments.com](http://arielinvestments.com) and click on “Ready to start investing?”

Payment for shares purchased through the Funds’ website may be made only through an ACH (Automatic Clearing House) debit of your bank account of record. Redemptions will be paid by check, wire or ACH transfer only to the address or bank account of record. Only bank accounts held at domestic financial institutions that are ACH members can be used for transactions through the Funds’ website. Transactions through the website are subject to the same purchase and redemption minimums and maximums as other transaction methods.

You should be aware that there may be delays, malfunctions or other inconveniences associated with the Internet. There also may be times when the website is unavailable for Fund transactions or other purposes. Should this happen, you should consider performing transactions by another method.

The Funds employ procedures to confirm that transactions entered online are genuine. These procedures include passwords, encryption and other precautions reasonably designed to protect the integrity, confidentiality and security of shareholder information. In order to conduct transactions on the website, you will need your account number, Social Security number, username and password. The Funds and their service providers will not be liable for any loss, liability, cost or expense for following instructions communicated through the Funds’ website, including fraudulent or unauthorized instructions.

### By wire

To open an account and make an initial investment by wire, a completed account application is required before your wire can be accepted. Upon receipt of your completed application, your account number is assigned. This number will be required as part of the instruction that you should provide to your bank to send the wire. Your bank should transmit monies by wire to:

U.S. Bank, N.A. 777 East Wisconsin Avenue Milwaukee, WI 53202 ABA Number: 075000022 Credit: U.S. Bancorp Fund Services, LLC Account Number: 112-952-137 Further Credit: Ariel Investment Trust (Your shareholder registration name) (Your shareholder account number and Fund name or Fund number)	<b>Fund Numbers</b> Ariel Fund: Ariel Appreciation Fund: Ariel Focus Fund: Ariel Discovery Fund: Ariel International Equity Fund: Ariel Global Equity Fund:	<b>Investor Class</b> 2220 2221 2222 2224 2225 2226	<b>Class I</b> 2230 2231 2232 2234 2235 2236
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Before sending a wire, please contact the transfer agent at 800.292.7435 to advise them of your intent to wire monies. This will ensure prompt and accurate credit upon receipt of your wire. Your bank must include the name of the Fund you are purchasing, the account number and your name so that monies can be correctly applied. Wired funds must be received prior to 3:00 pm Central Time to be eligible for same day pricing. **The Funds and U.S. Bank, N.A. are not responsible for the consequences of delays resulting from the banking or Federal Reserve wire system, or from incomplete wiring instructions.** Wires cannot be sent on days when the Federal Reserve is closed (even if the Funds are open for business). This includes Columbus Day and Veterans’ Day. Wire orders to buy or sell shares that are placed on such days will be processed on the next day that both the Funds and the Federal Reserve are open.

### *By mail*

You can obtain an account application by calling 800.292.7435 or by downloading an application from [arielinvestments.com](http://arielinvestments.com). Mail your completed application to:

Regular mail	Overnight mail
Ariel Investment Trust c/o U.S. Bancorp Fund Services, LLC P.O. Box 701 Milwaukee, WI 53201-0701	Ariel Investment Trust c/o U.S. Bancorp Fund Services, LLC 615 East Michigan Street, 3 <sup>rd</sup> Floor Milwaukee, WI 53202-5207

The Funds do not consider the U.S. Postal Service or other independent delivery service to be their agents. Therefore, deposit in the mail or with such services, or receipt at a USBFS post office box, of purchase orders (or redemption requests) does not constitute receipt by the Transfer Agent of the Funds.

### *Investor Class shares*

Investor Class shares are offered to individual investors directly or through mutual fund supermarkets or platforms offered by broker dealers or other financial intermediaries and charge a 0.25% distribution and service fee. Investor Class shares are subject to a minimum initial investment of \$1,000.

### *Institutional Class (Class I) shares*

Class I shares are offered primarily for direct investments by institutional investors such as pension and profit-sharing plans, employee benefit trusts, endowments, foundations, corporations, financial intermediaries and high net worth individuals. The minimum initial investment for Class I shares is \$1 million. The Distributor may waive the initial minimum in certain circumstances, including, but not limited to, the following:

- ❖ Certain wrap or other fee based programs for the benefit of clients of investment professionals or other financial intermediaries
- ❖ Employees and directors of the Adviser and its affiliates and their families
- ❖ Employee benefit plans sponsored by the Adviser
- ❖ Trustees of the Trust and their families
- ❖ Employer-sponsored retirement plans, such as defined contribution plans (401(k) plans, 403(b) plans, 457 plans), defined benefit plans, pension and profit-sharing plans, employee benefit trusts, employee benefit plan alliances and other retirement plans established by financial intermediaries where the investment is expected to reach the \$1 million minimum within a reasonable time period or the plan has assets of at least \$25 million
- ❖ Certain registered investment advisers, broker-dealers and individuals accessing accounts through registered investment advisers

Family member includes spouse, parents, spouse's parents, children, children's spouses, brother, sister, and domestic partner of the employee, Trustee or director of the Adviser.

### *USA PATRIOT Act*

In accordance with the regulations issued under the USA PATRIOT Act, the Funds and USBFS are required to obtain, verify and record information that identifies each person who applies to open an account. For this reason, when you open (or change ownership of) an account, you will be asked for your name, street address (or APO/FPO), date of birth, taxpayer identification number and other information, which will be used to verify your identity.

The Funds are required to reject your account application if you fail to provide all of the required information. The Funds will attempt to contact you or your broker to try and collect the missing information. Please note:

- ❖ If you are unable to provide the requested information or the Funds are unable to contact you within two business days, your application will be rejected and your purchase check will be returned.

- ❖ If you provide the required information following the request, your investment will be accepted and you will receive the Fund price as of the date all information is received.

#### *Important information about opening an account*

If the Funds are unable to verify your identity based on the information you provide, they reserve the right to close and liquidate your account. You will receive the Fund share price for the day your account is closed and the proceeds will be mailed to you. Please note that your redemption proceeds may be more or less than the amount you paid for your shares and the redemption may be a taxable transaction. Under some circumstances, the Funds may be required to “freeze” your account if information matches government suspicious activity lists.

The Funds reserve the right to hold your proceeds until the earlier of (i) 15 days after your purchase check was invested or (ii) the date your purchase check is verified as cleared.

Under certain circumstances, if no activity occurs in an account within a time period specified by state law, your shares in the Fund may be transferred to that state.

*Please note:*

#### *Regarding purchases of shares in the Funds:*

- ❖ Refer to “Determining the price for your transaction” on page 31 for information regarding how the Fund share price for your purchase or redemption transaction is determined.
- ❖ Broker-dealers may charge a transaction fee on the purchase or sale of Fund shares.
- ❖ The number of shares you have purchased is calculated based on the Fund share price (net asset value) you received at the time of your order.
- ❖ Purchases are accepted only in U.S. dollars drawn on U.S. banks. The Funds will not accept payment in cash or money orders. To prevent check fraud, the Funds will not accept third party checks (except for properly endorsed IRA rollover checks), Treasury checks, cashier’s checks, credit card checks, traveler’s checks or starter checks for the purchase of shares. The Funds are unable to accept post dated checks, post dated online bill pay checks, or any conditional order or payment.
- ❖ With an Automatic Investment Program, any time a scheduled investment is rejected by your bank, the Funds will charge your account \$15, plus any costs incurred. Two consecutive rejects will result in suspension of your Automatic Investment Program until further notice. If you cancel your monthly Automatic Investment Program prior to reaching the account minimum, the Funds reserve the right to close your account and send you the proceeds with 30 days prior written notice, unless a balance of \$1,000 or more for the Investor Class or \$1 million or more for the Institutional Class is restored within that 30-day period.
- ❖ If payment for your check or telephone purchase order does not clear, the Funds will cancel your purchase. The transfer agent will charge a \$15 fee against your account, in addition to any loss sustained by the Funds for any payment that is returned.
- ❖ The Funds reserve the right in their sole discretion to waive investment minimums and/or set lower investment minimums than those minimums stated in this prospectus. For example, the Funds may waive or lower investment minimums for investors who invest in the Funds through an asset-based fee program made available through a financial intermediary or invest in the Funds through a 401(k) or other retirement account.
- ❖ The Funds reserve the right to stop selling shares at any time. The Funds also reserve the right to terminate the privilege of any investor to open an account or to execute purchases through exchange transactions in any account at any time in the Funds with or without prior notice.

#### *Regarding sales of shares in the Funds:*

- ❖ The Funds normally send the proceeds of your redemption to you the next business day. However, if a Fund believes the sale may adversely affect the operation of the Fund, it may take up to seven days to send your

proceeds. We recommend that you call the Funds before redeeming \$500,000 or more at 800.292.7435. By calling first, you may avoid delayed payment of your redemption.

- ❖ The Funds reserve the right to pay redemptions in-kind (marketable portfolio securities). If the Funds pay your redemptions in-kind, you will bear the market risks associated with such securities until you have converted them to cash.
- ❖ The Funds may charge a \$10 fee to process payment by wire or to overnight mail.
- ❖ If the value of your account falls below \$1,000 for the Investor Class or \$1 million for the Institutional Class for any reason, including a market decline, the Funds reserve the right to close your account and send you the proceeds with 30 days prior written notice, unless a balance of \$1,000 for the Investor Class or \$1 million for the Institutional Class or more is restored within that 30-day period. The Funds will redeem your shares at the NAV calculated on the day your account is closed.
- ❖ Special documentation may be required to redeem from certain types of accounts, such as trust, corporate, nonprofit or retirement accounts. Please contact the Funds at 800.292.7435 regarding the specific requirements for your transaction.
- ❖ If you recently made a purchase by mail or ACH, the Funds cannot send you the proceeds from your redemption of shares until reasonably satisfied that your purchase payment has cleared. When the Funds receive your redemption request in good form, your shares will be redeemed at the next calculated price, however your proceeds may be delayed until the earlier of 15 days after your purchase was made or the date the Funds can verify your purchase has cleared. Good form means that the Funds' transfer agent has all information and documentation it deems necessary to effect your order.
- ❖ Certain transactions and account maintenance requests must be made in writing. If there are multiple account owners, all owners must sign these written requests.
- ❖ Once a telephone transaction has been placed, it cannot be cancelled or modified.
- ❖ Shareholders who have an IRA or other retirement plan account must indicate on their redemption request whether or not to withhold federal income tax. If you do not make an election, the Funds will automatically withhold 10% in taxes.

### *Signature guarantee*

In some cases, you will have to obtain a signature guarantee. A signature guarantee can be obtained from a financial institution such as a commercial bank, savings bank, credit union or broker-dealer who participates in a signature guarantee program. You need to be a customer of the financial institution in order to receive a signature guarantee. A signature guarantee is designed to protect you and the Funds from fraudulent activities. The Funds require a signature guarantee in the following situations:

- ❖ If ownership is being changed on your account, such as adding or removing a joint owner
- ❖ You want to sell more than \$50,000 in shares
- ❖ When redemption proceeds are payable or sent to any person, address or bank account not on the Funds' records
- ❖ If you are requesting a redemption and a change of address and/or bank account was received by the Funds' transfer agent within the last 30 days

Non-financial transactions, including establishing or modifying certain services on an account, may require a signature guarantee, signature verification from a Signature Validation Program member or other acceptable form of authentication from a financial source. In addition to the situations described above, the Funds and/or their transfer agent reserve the right to require a signature guarantee or signature validation program stamp in other instances based on the circumstances of the particular transaction.

## *Shareholder services*

### *Shareholder statements and reports*

To keep you informed about your investments, the Funds send you various account statements and reports, including:

- ❖ Confirmation statements that verify your buy or sell transaction (except in the case of automatic purchases or redemptions from bank accounts). Please review your confirmation statement for accuracy.
- ❖ Quarter-end and year-end shareholder account statements.
- ❖ Reports for the Funds, which includes Portfolio Manager Commentary.
- ❖ Shareholder tax forms.

When the Funds send financial reports, prospectuses and other regulatory materials to shareholders, we attempt to reduce the volume of mail you receive by sending one copy of these documents to two or more account holders who share the same address. Should you wish to receive individual copies of materials, please contact us at 800.292.7435. Once we have received your instructions, you will begin receiving individual copies for each account at the same address within 30 days.

To receive any or all materials electronically, please contact us at 800.292.7435 or visit our website at [arielinvestments.com](http://arielinvestments.com) to sign up for eDelivery.

### *Securing your telephone and internet orders*

The Funds will take all reasonable precautions to ensure that your telephone and Internet transactions are authentic. By telephone, such procedures include a request for personal identification (account or Social Security number) and tape-recording your instructions. By Internet, such procedures include the use of your account number, Social Security number, username, password and encryption. The Funds and its service providers cannot be held liable for executing instructions they reasonably believe to be genuine. All shareholders, except as noted below, automatically receive telephone and Internet privileges to exchange, purchase or sell shares. Coverdell ESA and 403(b) account holders receive telephone and Internet privileges to purchase and exchange only. If you do not want the flexibility of telephone and Internet privileges, please inform the Funds by telephone or in writing.

### *Exchanging shares*

You may exchange shares of any Fund you own for shares of another Fund, so long as you meet the investment minimums required for each Fund and share class. An exchange represents both a sale and a purchase of Fund shares. Therefore, you may incur a gain or loss for income tax purposes on any exchange. Shares purchased through exchange must be registered in the current account name with the same Social Security or taxpayer identification number.

You also may exchange the shares of any Fund you own for shares of SSgA Money Market Fund or exchange shares of SSgA Money Market Fund for shares of any Fund. You should read the SSgA Money Market Fund prospectus prior to investing in that mutual fund. You can obtain a prospectus for the SSgA Money Market Fund by calling 800.292.7435 or by visiting our website at [arielinvestments.com](http://arielinvestments.com).

### *Systematic withdrawals*

If you wish to receive regular withdrawals from your account, send a letter with your account name; account number; the number of shares you wish to sell or the dollar amount you wish to receive on a regular basis; how often you wish to receive each payment (monthly or quarterly); and the method of receipt. See page 27 for signature guarantee requirements. **Note, you must maintain a minimum balance of \$50,000 and make a minimum withdrawal of \$100 to participate in a systematic withdrawal plan.**

### *Payments to brokers, dealers and other financial intermediaries*

Brokers, dealers, financial intermediaries, record-keepers and other service providers (collectively, "Intermediaries") may be entitled to receive certain payments from the Funds, the Adviser or, Ariel Distributors, LLC. In addition to compensating Intermediaries for distribution, shareholder servicing and record-keeping, these

payments may be required by Intermediaries for selling the Funds' shares and providing continuing support to shareholders.

Intermediaries may receive (i) distribution and shareholder servicing fees from the Distributor; (ii) fees from the Funds for providing record-keeping and shareholder services to investors who hold shares of the Funds through omnibus accounts; and (iii) other compensation, described below, paid by the Adviser or the Distributor from their own resources.

Intermediaries may, as a condition to distributing the Funds and servicing shareholder accounts, require that the Adviser or the Distributor pay or reimburse the Intermediary for its marketing support expenses, including business planning assistance; educating personnel about the Funds; shareholder financial planning needs; placement on the Intermediary's list of offered funds; and access to sales meetings, sales representatives and management representatives of the Intermediary.

A number of factors are considered in determining whether to pay these additional fees and the amount of the fees, including the Intermediary's sales and assets, and the quality of the Intermediary's relationship with the Adviser and the Distributor. Fees generally are based on the value of shares of the Funds held by the Intermediary for its customers or based on sales of shares of the Funds by the Intermediary, or a combination thereof. Some Intermediaries also may choose to pay additional compensation to their registered representatives who sell the Funds. Such payments may be associated with the status of a Fund on an Intermediary's preferred list of funds or otherwise associated with the Intermediary's marketing and other support activities. The foregoing arrangements may create an incentive for Intermediaries, as well as their registered representatives, to provide the Funds enhanced sales and marketing support and/or recommend and sell shares of the Funds rather than other mutual funds.

As of the date of this prospectus, the Adviser and the Distributor made such payments from their own resources to Morgan Stanley & Co., Inc., Pershing LLC, Wells Fargo and UBS Financial Services, Inc. In the future, they may make such payments to the same or other Intermediaries.

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.

The Statement of Additional Information provides more details about these payments, as well as payments by the Funds to Intermediaries for record-keeping and shareholder services.

### *Rule 12b-1 fees*

The Funds have adopted a plan under Rule 12b-1 that allows the Funds to pay distribution fees of 0.25% of average daily net fund assets for the sale and distribution of Investor Class shares. Because these fees are paid out of Fund assets on an ongoing basis, over time these fees will increase the cost of your investment and may cost you more than paying other types of sales charges.

### *Frequent trading*

**The Funds do not knowingly permit frequent or short-term trading (also known as market timing). Do not invest in the Funds if you are a market timer.** Excessive trading interferes with a Fund's ability to implement long-term investment strategies; increases a Fund's portfolio turnover ratio and portfolio transaction expenses; and may increase taxable distributions, decrease tax-efficiency and decrease investment performance for the Fund's long-term shareholders.

The Funds' Board of Trustees has adopted market timing policies and procedures. It is the policy of the Funds to discourage, take reasonable steps to deter or minimize, and not accommodate, to the extent practical, frequent purchases and redemptions of shares of the Funds. Although there is no assurance that the Funds will be able to detect or prevent frequent trading or market timing in all circumstances, the following policies have been adopted to address these issues:

- ❖ The Funds monitor trading activity within specific time periods on a regular basis in an effort to detect frequent, short-term or other inappropriate trading. The Funds may deem a sale of Fund shares to be abusive if the sale is made within 60-days of a purchase, if such sales happen more than once per year, or transactions seem to be

following a frequent trading pattern. This rule also applies to exchanges of Funds shares. A purchase of a Fund's shares followed by a redemption within a 60-day period may result in the Fund rejecting a future purchase request made within the next 60-days.

- ❖ The Funds reserve the right to reject any purchase request – including exchanges from any of the Funds or the SSgA Money Market Fund – without notice and regardless of size. A purchase request could be rejected, for example, if the Funds determine that such purchase may disrupt a Fund's operation or performance or because of a history of frequent trading by the investor. In determining whether such trading activity is disruptive to a Fund, a number of factors are considered including, but not limited to, the size of the trade relative to the size of the Fund, the number of trades and the type of Fund involved.
- ❖ The Funds also reserve the right to terminate the privilege of any investor to open an account or to execute purchase or exchange transactions in any account at any time in the Funds with or without prior notice, if such investor appears to be market timing or if any transaction is inconsistent with the Funds' frequent trading policies and procedures.

The preceding policies do not apply to the following:

- ❖ Purchases of shares with Fund dividend or capital gains distributions
- ❖ Purchases or sales transacted through the Funds' Automatic Investment Program involving predetermined amounts on predetermined dates
- ❖ Redemptions of shares to pay Fund or account fees
- ❖ Account transfers and re-registrations of shares within the same Fund
- ❖ Purchases of shares in retirement accounts by asset transfer or direct rollover
- ❖ Emergency situations (which will be determined by the Funds in their sole discretion)

The Funds use several methods to reduce the risks of market timing, including working with Intermediaries and the Funds' transfer agent to monitor investor accounts (e.g., reviewing holding periods and transaction amounts) and reviewing trading activity to identify transactions that may be contrary to the Funds' frequent trading policy.

The Funds have not entered into any arrangements that permit organizations or individuals to market time the Funds. Although the Funds will not knowingly permit investors to excessively trade shares of the Funds, investors seeking to engage in frequent trading may employ a variety of strategies to avoid detection, and there can be no guarantee that all market timing will be prevented, despite the best efforts of the Funds and its service providers. The ability of the Funds to detect and curtail excessive trading practices also may be limited by operational systems and technological limitations. The Funds reserve the right to terminate or amend the exchange privilege at any time.

#### *Investing in the Funds through intermediaries and omnibus accounts*

The Funds have entered into agreements with Intermediaries which trade shares in the Funds through omnibus accounts in order to help the Funds obtain transaction information from those Intermediaries for the purpose of identifying investors who engage in frequent trading. The Funds cannot always detect or prevent excessive trading that may be facilitated by Intermediaries or by the use of omnibus accounts. There can be no assurance that the Funds will successfully identify all Intermediaries with omnibus accounts in the Funds or all frequent trading that occurs in those accounts. There can be no assurance that Intermediaries will properly administer the Funds' frequent trading policies.

Intermediaries may apply frequent trading policies that differ from those used by the Funds. If you invest in the Funds through an Intermediary, you should read that firm's fund materials carefully to learn of any rules or fees that may apply to your trades.

## *Calculating the Funds' share prices*

The Funds calculate the price of Fund shares at net asset value (NAV) as of the close of trading on the New York Stock Exchange (NYSE) (normally 3:00 p.m. Central Time) every day the NYSE is open for business. The NAV is computed by subtracting the Fund's liabilities from its total assets and dividing the result by the number of shares outstanding.

Equity securities held in the Funds' portfolios generally are valued at their market prices. Bonds generally are valued on the basis of quotations provided by pricing services or dealers in those securities. Short-term securities are valued at amortized cost. In cases when quotations for a particular security are not readily available, the fair value of the security is determined based on procedures established by the Board of Trustees.

For example, the Funds may calculate a fair value for a security if the principal market in which a portfolio security is traded closes early or if trading in a security is halted before a Fund calculates its NAV. A security's fair value may result in a value that is significantly different than its opening price the next day. Further, the use of fair value pricing by a Fund may cause the NAV of its shares to differ significantly from the NAV that would be calculated using last or next reported prices.

In general, foreign securities are more likely to require a fair value determination than domestic securities because circumstances may arise between the close of the market on which the securities trade and the time as of which a Fund values its portfolio securities, which may affect the value of such securities. Securities denominated in foreign currencies and traded in foreign markets will have their values converted into U.S. dollar equivalents at the prevailing exchange rates as computed by State Street. Fluctuation in the values of foreign currencies in relation to the U.S. dollar may affect the NAV of the International/Global Funds' shares even if there has not been any change in the foreign currency prices of that Fund's investments.

To the extent that the International/Global Funds' securities trade in markets on days when the Fund is not open for business, the Fund's NAV may vary on those days. In addition, trading in certain portfolio investments may not occur on days the Fund is open for business because markets or exchanges other than the NYSE may be closed. If the exchange or market on which the Fund's underlying investments are primarily traded closes early, the NAV may be calculated prior to its normal market calculation time. For example, the primary trading markets for a Fund may close early on the day before certain holidays and the day after Thanksgiving.

## *Determining the price for your transaction*

If the Funds receive your request to purchase, sell or exchange Fund shares at or before NYSE Closing Time (normally 3:00 p.m. Central Time), you will receive the NAV calculated that day. If your request is received after NYSE Closing Time, your request will be processed at the NAV calculated on the following business day.

In some cases the Funds may require additional documentation to complete your request to purchase, sell or exchange Fund shares. Once the Funds receive your request in good form, your transaction will be processed at the next calculated price.

If you are purchasing, selling or exchanging Fund shares through an Intermediary, your NAV is dependent upon when your Intermediary receives your request and sends it to the Funds. To receive the closing price for the day you place your order, your Intermediary must receive your order at or before NYSE Closing Time and promptly transmit the order to the Funds. The Funds rely on your Intermediary to have procedures in place to assure that our pricing policies are followed.

## *Distributions*

Net realized capital gains of a Fund, if any, are distributed to all shareholders at least annually. Net investment income of a Fund, if any, is declared and distributed once per year. You may receive your Fund dividends and/or capital gains distributions in several ways:

- ❖ **Reinvestment.** Unless otherwise instructed, your dividends and capital gains distributions will be reinvested in additional Fund shares. The share price is computed as of the declared dividend date.

- ❖ *Income only.* You may choose to automatically reinvest your capital gains distributions, but receive a check for income dividends. If you prefer, we will send your dividend proceeds directly to your bank or financial institution via ACH transfer. You must establish banking instructions at least 15 days prior to the distribution.
- ❖ *Cash.* If you elect to receive distributions and/or capital gains paid in cash, and the U.S. Postal Service cannot deliver the check, or if a check remains outstanding for six months, each Fund reserves the right to reinvest the amount of the distribution check in your account, at the Fund's then current net asset value, and to reinvest all subsequent distributions.

*Please note:*

- ❖ The Funds will automatically reinvest distributions for IRA, ESA and 403(b) shareholders. A cash payment of a distribution is considered a withdrawal of IRA earnings, and is subject to taxes and potential income tax penalties for those under age 59½. Once you reach 59½, you are eligible to withdraw the earnings from your IRA and may request cash payments of the distributions.
- ❖ For those not reinvesting their dividends, the Funds will normally mail distribution checks within 5 business days following the payable date.

## *Taxes*

The tax status of your distributions from a Fund does not depend on whether you reinvest them or take them in cash, nor does it depend on how long you have owned your shares. Rather, income dividends and short-term capital gains distributions are taxed as ordinary income. Long-term capital gains distributions are taxed as long-term capital gains and different tax rates apply for these distributions. Every January, the Funds will send you and the IRS a statement called Form 1099-DIV. This form will show the amount of each taxable distribution you received from the previous year. If the total distributions you received for the year are less than \$10, you may not receive a Form 1099-DIV. Please note retirement account shareholders will not receive a Form 1099-DIV.

If you sell shares you have held for a year or longer, any gain or loss is treated as a capital gain or loss. If you sell shares within one year of purchase, any gains are treated as ordinary income and losses are subject to special rules.

## *Disclosure of portfolio holdings*

The Funds publicly disclose portfolio holdings as of the most recent quarter-end on the Funds' website, generally within 5 business days of quarter-end. A summary of the policies and procedures regarding the Funds' disclosure of portfolio holdings may be found in the Funds' Statement of Additional Information. This information is also available on the Funds' website at [arielinvestments.com](http://arielinvestments.com).

## *Index descriptions*

Please note that you cannot invest directly in an index, although you may invest in the underlying stocks represented in an index.

The S&P 500® Index is an unmanaged capitalization-weighted index of 500 stocks designed to represent the broad domestic market. Because the S&P 500® Index is a widely recognized benchmark for the performance of U.S. stocks, it is used to compare the performance of the Funds. This index pertains to the Domestic Funds.

The Russell 2000® Value Index measures the performance of small-cap value companies with lower price-to-book ratios and lower forecasted growth values. This index pertains to Ariel Fund and Ariel Discovery Fund.

The Russell 2500™ Value Index measures the performance of the small to mid-cap value segment of the U.S. equity universe. It includes those Russell 2500™ companies with lower price-to-book ratios and lower forecasted growth values. This index pertains to Ariel Fund.

The Russell 2500™ Index measures the performance of small to mid-cap companies. This index pertains to Ariel Fund.

The Russell Midcap Value Index measures the performance of the mid-cap value segment of the U.S. equity universe. It includes those Russell Midcap Index companies with lower price-to-book ratios and lower forecasted growth values. This index pertains to Ariel Appreciation Fund.

The Russell Midcap Index measures the performance of the mid-cap segment of the U.S. equity universe. The Russell Midcap Index is a subset of the Russell 1000® Index. It includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership. The Russell Midcap Index represents approximately 27% of the total market capitalization of the Russell 1000 companies. This index pertains to Ariel Appreciation Fund.

The Russell 1000® Value Index measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000® companies with lower price-to-book ratios and lower expected growth values. This index pertains to Ariel Focus Fund.

MSCI EAFE® Index is an unmanaged, market-weighted index of companies in developed markets, excluding the U.S. and Canada. MSCI, Inc. is the owner of the trademarks, service marks and copyrights related to the index. This index will pertain to Ariel International Equity Fund.

MSCI ACWI (All Country World Index) Index<sup>SM</sup> is an unmanaged, market-weighted index of global developed and emerging markets. MSCI, Inc. is the owner of the trademarks, service marks and copyrights related to the index. This index will pertain to Ariel Global Equity Fund.

MSCI Emerging Markets Index<sup>SM</sup> is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. Current countries listed include: Brazil, Chile, Columbia, Mexico, Peru, Czech Republic, Egypt, Hungary, Morocco, Poland, Russia, South Africa, Turkey, China, India, Indonesia, Korea, Malaysia, Philippines, Taiwan and Thailand.

## Financial Highlights

The tables on the following pages provide financial performance information for the past five fiscal years for Ariel Fund, Ariel Appreciation Fund and Ariel Focus Fund's Investor Class operating history and since inception for Ariel Discovery Fund's Investor Class. No financial highlight information is available for Ariel International Equity Fund or Ariel Global Equity Fund, or for the Institutional Class of shares of each Fund, which had not commenced operations as of the fiscal year ended September 30, 2011.

The financial performance information reflects financial results for a single share of each Fund. The total returns represent the rates of return that an investor would have earned, or lost, on an investment in that Fund, assuming all dividends and distributions were reinvested in additional shares of that Fund. This information has been audited by KPMG LLP, whose report is included, along with the Funds' financial statements, in the Funds' Annual Report, which is available free of charge upon request and at the Funds' website: [arielinvestments.com](http://arielinvestments.com).

Ariel Fund—Investor Class	Year Ended September 30				
	2011	2010	2009	2008	2007
Net asset value, beginning of year	\$42.78	\$35.78	\$36.53	\$54.60	\$52.00
Income from investment operations:					
Net investment income (loss)	0.09	(0.07)	0.13	0.36	0.03
Net realized and unrealized gains (losses) on investments	(6.13)	7.08	(0.50)	(13.78)	5.97
Total from investment operations	(6.04)	7.01	(0.37)	(13.42)	6.00
Distributions to shareholders:					
Dividends from net investment income	(0.00) <sup>a</sup>	(0.01)	(0.38)	(0.15)	—
Distributions from capital gains	—	—	—	(4.50)	(3.40)
Total distributions	(0.00)	(0.01)	(0.38)	(4.65)	(3.40)
Net asset value, end of period	\$36.74	\$42.78	\$35.78	\$36.53	\$54.60
Total return	(14.11)%	19.58%	(0.36)%	(26.55)%	11.97%
Supplemental data and ratios:					
Net assets, end of period, in thousands	\$1,350,852	\$1,953,134	\$1,712,693	\$1,845,578	\$3,975,046
Ratio of expenses to average net assets	1.04%	1.06%	1.14%	1.07%	1.03%
Ratio of net investment income (loss) to average net assets,	0.16%	(0.16)%	0.41%	0.76%	0.05%
Portfolio turnover rate	29%	40%	45%	24%	25%

<sup>(a)</sup> Amount is less than \$(0.005).

Ariel Appreciation Fund—Investor Class	Year Ended September 30				
	2011	2010	2009	2008	2007
Net asset value, beginning of year	\$37.79	\$32.16	\$36.39	\$50.65	\$48.46
Income from investment operations:					
Net investment income (loss)	0.13	(0.03)	0.08	0.17	0.18
Net realized and unrealized gains (losses) on investments	(3.10)	5.70	(1.02)	(9.74)	5.49
Total from investment operations	(2.97)	5.67	(0.94)	(9.57)	5.67
Distributions to shareholders:					
Dividends from net investment income	(0.01)	(0.04)	(0.18)	(0.23)	(0.02)
Distributions from capital gains	—	—	(3.11)	(4.46)	(3.46)
Total distributions	(0.01)	(0.04)	(3.29)	(4.69)	(3.48)
Net asset value, end of period	<u>\$34.81</u>	<u>\$37.79</u>	<u>\$32.16</u>	<u>\$36.39</u>	<u>\$50.65</u>
Total return	(7.86)%	17.64%	3.54%	(20.49)%	12.09%
Supplemental data and ratios:					
Net assets, end of period, in thousands	\$1,143,406	\$1,330,400	\$1,234,115	\$1,459,648	\$2,452,674
Ratio of expenses to average net assets	1.15%	1.18%	1.25%	1.19%	1.12%
Ratio of net investment income (loss) to average net assets,	0.30%	(0.06)%	0.42%	0.39%	0.33%
Portfolio turnover rate	26%	41%	44%	26%	29%

Ariel Focus Fund—Investor Class	Year Ended September 30				
	2011	2010	2009	2008	2007
Net asset value, beginning of year	\$9.49	\$8.79	\$9.74	\$11.93	\$10.69
Income from investment operations:					
Net investment income	0.04	0.04	0.05	0.04	0.05
Net realized and unrealized gains (losses) on investments	(0.23)	0.70	(0.94)	(1.92)	1.24
Total from investment operations	(0.19)	0.74	(0.89)	(1.88)	1.29
Distributions to shareholders:					
Dividends from net investment income	(0.03)	(0.04)	(0.06)	(0.04)	(0.05)
Distributions from capital gains	—	—	—	(0.27)	—
Total distributions	(0.03)	(0.04)	(0.06)	(0.31)	(0.05)
Net asset value, end of period	<u>\$9.27</u>	<u>\$9.49</u>	<u>\$8.79</u>	<u>\$9.74</u>	<u>\$11.93</u>
Total return	(2.07)%	8.37%	(9.02)%	(16.08)%	12.05%
Supplemental data and ratios:					
Net assets, end of period, in thousands	\$42,547	\$54,609	\$34,877	\$37,871	\$43,275
Ratio of expenses to average net assets, including waivers	1.25%	1.25%	1.25%	1.25%	1.25%
Ratio of expenses to average net assets, excluding waivers	1.51%	1.58%	1.87%	1.61%	1.63%
Ratio of net investment income to average net assets, including waivers	0.37%	0.36%	0.68%	0.37%	0.43%
Ratio of net investment income to average net assets, excluding waivers	0.11%	0.03%	0.06%	0.00%	0.05%
Portfolio turnover rate	40%	52%	42%	49%	28%

Ariel Discovery Fund–Investor Class	January 31, 2011 <sup>(a)</sup> to September 30, 2011
Net asset value, beginning of year	\$10.00
Income from investment operations:	
Net investment loss	(0.06)
Net realized and unrealized losses on investments	(2.23)
Total from investment operations	(2.29)
Net asset value, end of period	\$7.71
Total return	(22.90)% <sup>(b)</sup>
Supplemental data and ratios:	
Net assets, end of period, in thousands	\$3,177
Ratio of expenses to average net assets, including waivers	1.50% <sup>(c)</sup>
Ratio of expenses to average net assets, excluding waivers	6.75% <sup>(c)</sup>
Ratio of net investment loss to average net assets, including waivers	(1.17)% <sup>(c)</sup>
Ratio of net investment loss to average net assets, excluding waivers	(6.42)% <sup>(c)</sup>
Portfolio turnover rate	18% <sup>(b)</sup>

<sup>(a)</sup> Commencement of operations.

<sup>(b)</sup> Not annualized.

<sup>(c)</sup> Annualized.

Additional information about the Funds' investments is available in the Funds' annual and semi-annual reports to shareholders. In the Funds' annual report, you will find a discussion of the market conditions and investment strategies that significantly affected the Funds' performance during the prior fiscal year.

You can also find more detailed information about the Funds in the current Statement of Additional Information (SAI), dated February 1, 2012, which has been filed electronically with the Securities and Exchange Commission (SEC) and is incorporated by reference into this Prospectus. To receive your free copy of the SAI, or any of the Funds' annual or semi-annual reports, or if you have questions about investing in the Funds, contact us at:

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Copies of the Statement of Additional Information and the Funds' annual and semi-annual reports also are available on our website, arielinvestments.com.

Information about the Funds (including the SAI) can be reviewed and copied at the SEC's Public Reference Room in Washington D.C. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 202.551.8090. Reports and other information about the Funds are available on the EDGAR Database on the SEC's internet site at <http://www.sec.gov> and copies of this information may be obtained, after paying a duplicating fee, by electronic request at the following email address: [publicinfo@sec.gov](mailto:publicinfo@sec.gov) or by writing the SEC's Public Reference Section, Washington, D.C. 20549-1520.