

The Oakmark Fund

The Oakmark
Select Fund

The Oakmark Small
Cap Fund

The Oakmark Equity
and Income Fund

The Oakmark
Global Fund

The Oakmark
International Fund

The Oakmark
International Small
Cap Fund

SEMI-ANNUAL REPORT

MARCH 31, 2000

THE OAKMARK FAMILY OF FUNDS

2000 Semi-Annual Report

Letter from the Chairman and President	1
The Oakmark Family of Funds Summary	2
The Oakmark Fund	
Letter from the Portfolio Manager	4
Schedule of Investments	6
The Oakmark Select Fund	
Letter from the Portfolio Manager	9
Schedule of Investments	11
The Oakmark Small Cap Fund	
Letter from the Portfolio Managers	13
Schedule of Investments	15
The Oakmark Equity and Income Fund	
Letter from the Portfolio Manager	18
Schedule of Investments	20
The Oakmark Global Fund	
Letter from the Portfolio Managers	23
Global Diversification Chart	25
Schedule of Investments	26
The Oakmark International Fund	
Letter from the Portfolio Managers	29
International Diversification Chart	31
Schedule of Investments	32
The Oakmark International Small Cap Fund	
Letter from the Portfolio Managers	36
International Diversification Chart	38
Schedule of Investments	39
Financial Statements	
Statement of Assets and Liabilities	44
Statement of Operations	46
Statement of Changes in Net Assets	48
Notes to Financial Statements	55
Trustees and Officers	69

For More Information

Access our web site at www.oakmark.com to obtain a prospectus, an application or periodic reports, or call 1-800-OAKMARK (1-800-625-6275) or (617) 578-1329.

Web Site and 24-Hour Net Asset Value Hotline

Access our web site at www.oakmark.com to obtain the current net asset value of a fund, or call 1-800-GROWOAK (1-800-476-9625).

To Comment on Shareholder Services

E-mail us at ServiceComments@oakmark.com.

Letter from the Chairman and President

Dear Fellow Shareholders:

We are pleased to present the Semi-Annual Report for The Oakmark Family of Funds. After a difficult start, the last month of the quarter provided reinforcing evidence that value investing is nearing a positive turn.

One of the most important hallmarks of a successful investment firm is the ability to create a team of focused and



disciplined individuals that can define and execute its investment philosophy in environments that can, at times, be extremely challenging.

On the next several pages, you will notice some changes in our "lineup." As you know, Robert Sanborn has stepped down from the management of The Oakmark Fund. His very positive contribution to our long-term success is obvious, but it was time for a change. We expect him to continue to play a significant role in our firm. In the meantime, our careful planning leaves us in the enviable position of seamlessly changing the management of The Oakmark Fund. Additional changes in our "lineup" include adding a second manager to three of our funds.

The message should be very clear. We have the depth and commitment to bring a large group of talented individuals into the spotlight to help insure the long-term success of our fund family.

On many recent occasions, we have indicated a growing confidence that value investing will come back. This quarter, our buy list has expanded to levels not seen since 1990, and takeovers of "old

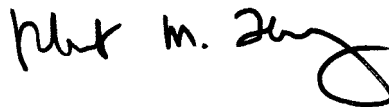
economy" stocks at significant price premiums are accelerating. These are classic signs that our turn is near. Your patience will be rewarded.

We are happy to announce that in the coming months we will be making exciting improvements to our web site. In the future on

www.oakmark.com, you will be able to purchase shares, change your address, or order duplicate statements on-line. You will also find a new page design with improved navigation to make the site easier to use. We appreciate your feedback on our current site and we used your valuable comments to develop these improvements.



Victor Morgenstern
Chairman



Robert M. Levy
President

April 6, 2000



THE OAKMARK FAMILY OF FUNDS

Summary Information

<i>Performance for Period Ended March 31, 2000</i>	The Oakmark Fund	The Oakmark Select Fund	The Oakmark Small Cap Fund
3 Months	(9.0%)	9.0%	(1.5%)
6 Months	(15.1%)	16.5%	(3.5%) (a)
1 Year	(18.1%)	12.8%	(0.6%)
Average Annual Total Return for:			
3 Year	2.5%	28.3%	1.6%
5 Year	9.9%	N/A	N/A
Since inception	19.2%	31.8%	11.2%
Value of \$10,000 from inception date	\$45,767 (8/5/91)	\$25,667 (11/1/96)	\$15,974 (11/1/95)
Top Five Holdings as of March 31, 2000	Fortune Brands, Inc. 4.8%	Washington Mutual, Inc. 13.5%	Catellus Development Corporation 6.8%
	Washington Mutual, Inc. 4.1%	USG Corporation 9.7%	Ugly Duckling Corporation 5.3%
<i>Company and % of Total Net Assets</i>	Brunswick Corporation 3.8%	The Reynolds & Reynolds Company 8.3%	ITT Educational Services, Inc. 4.7%
	The Dun & Bradstreet Corporation 3.8%	Toys 'R' Us, Inc. 8.2%	National Data Corporation 4.4%
	ACNielsen Corporation 3.8%	The Dun & Bradstreet Corporation 6.9%	People's Bank of Bridgeport, CT 3.9%
Top Five Industries as of March 31, 2000	Other Consumer Goods & Services 19.5%	Banks & Thrifts 15.7%	Real Estate 11.0%
	Information Services 8.1%	Information Services 11.2%	Banks & Thrifts 10.2%
	Food & Beverage 7.6%	Retail 9.8%	Insurance 7.5%
<i>Industries and % of Total Net Assets</i>	Banks & Thrifts 7.0%	Building Materials & Construction 9.7%	Food & Beverage 7.4%
	Machinery & Industrial Processing 6.5%	Computer Software 8.3%	Retail 6.8%

(a) During the six months ended March 31, 2000, Initial Public Offerings ("IPOs") contributed .34%, 1.6% and 10% to the performance of Small Cap, Equity and Income and Global, respectively. As the IPO environment changes and the total assets of the Funds grow, the impact of IPOs on performance will diminish.

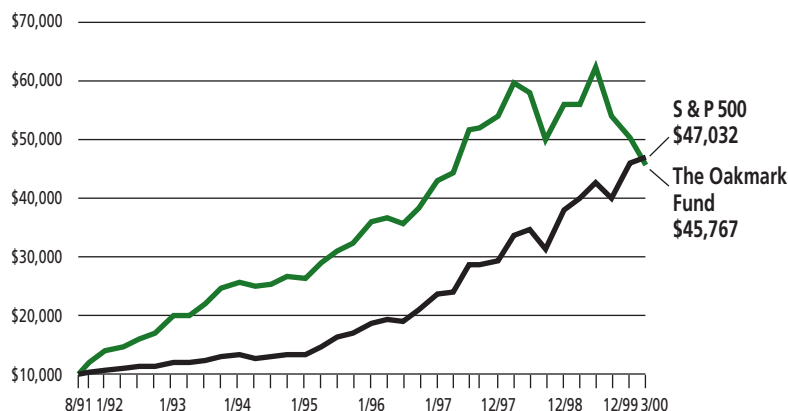
The Oakmark Equity and Income Fund	The Oakmark Global Fund	The Oakmark International Fund	The Oakmark International Small Cap Fund
4.4%	0.8%	(0.2%)	(5.0%)
8.0% (a)	9.6% (a)	8.9%	(0.3%)
12.7%	N/A	22.4%	17.3%
15.9%	N/A	7.5%	8.4%
N/A	N/A	13.9%	N/A
15.5%	N/A	13.6%	10.2%
\$18,924 (11/1/95)	\$10,061 (8/4/99)	\$26,012 (9/30/92)	\$15,387 (11/1/95)
The Reynolds & Reynolds Company 6.1% Ceridian Corporation 4.4% Alamo Group Inc. 4.4% Legacy Hotels Real Estate Investment Trust 3.8% Catellus Development Corporation 3.6%	Department 56, Inc. 5.3% Ceridian Corporation 5.1% The Reynolds & Reynolds Company 5.0% NOVA Corporation 5.0% Fletcher Challenge Building 4.7%	Tomkins plc 4.8% Diageo plc 4.8% Metso Oyj 4.7% Somerfield plc 4.3% Banco Latinoamericano de Exportaciones, S.A. 4.1%	Krones AG 6.4% Fletcher Challenge Building 5.8% GFI Industries SA 5.4% House Of Fraser Plc 4.9% Royal Doulton plc 4.9%
U.S. Government Bonds 24.4% Real Estate 13.0% Banks & Thrifts 7.1% Computer Software 6.1% Computer Services 5.7%	Retail 18.1% Information Services 13.6% Other Consumer Goods & Services 9.4% Banks & Thrifts 9.1% Other Industrial Goods & Services 8.1%	Banks & Thrifts 16.7% Other Industrial Goods & Services 14.3% Food & Beverage 8.9% Household Products 8.4% Retail 6.0%	Production Equipment 12.4% Retail 11.8% Other Industrial Goods & Services 8.6% Other Consumer Goods & Services 8.2% Other Financial 8.2%

THE OAKMARK FUND

Report from Bill Nygren and Kevin Grant, Portfolio Managers



THE VALUE OF A \$10,000 INVESTMENT IN THE OAKMARK FUND FROM ITS INCEPTION (8/5/91) TO PRESENT (3/31/00) AS COMPARED TO THE STANDARD & POOR'S 500 INDEX



3/31/00 NAV \$24.76

	Average Annual Total Return*	
	Total Return Last 3 mos.	Through 3/31/00 From Fund Inception 8/5/91
The Oakmark Fund	-9.0%	19.2%
Standard & Poor's 500 Stock Index w/inc**	2.3%	19.6%
Dow Jones Industrial Average w/inc**	-4.7%	18.7%
Value Line Composite Index**	-0.6%	6.8%

*Total return includes change in share prices and in each case includes reinvestment of any dividends and capital gain distributions.

**Each of the three indexes or averages is an unmanaged group of stocks whose composition is different from the Fund. The S&P 500 is a broad market-weighted average dominated by blue-chip stocks. The Dow Jones Average includes only 30 big companies. The Value Line Index is an unweighted average of more than 1,000 stocks. Past performance is no guarantee of future results.

This is a very exciting time at The Oakmark Fund. Your new portfolio managers have been on the job for two weeks. We have completed the portfolio restructuring we felt was appropriate and are very confident about how the fund is positioned. The focus of this report will be on our management approach and our very attractive portfolio. But first, we'd like to comment that under Robert Sanborn's leadership, The Oakmark Fund's return placed it in the top 10% of value mutual funds for the period from inception (8/91) to the end of this March according to Lipper. We look forward to extending that exceptional track record.

It is important to us that our investors understand that we will continue to employ the same value philosophy that has been responsible for these results. We will only buy a stock when it is selling below 60% of what we believe the business is worth today. We will sell it when it is priced at more than 90% of estimated value, or when we believe we have made a mistake analyzing the company. In addition, we will seek to identify companies where value grows as time passes and where managements have economic interests that are well aligned with their shareholders. When we identify these stocks, we will buy them in meaningful size. While most mutual funds own over 100 different stocks, we expect to usually have only 40-50 stocks. We are confident that this approach will continue to deliver excellent long-term returns, and we have both made substantial personal investments in The Oakmark Fund since being named the new managers.

We are well aware that recent results have been disappointing, and the quarter just ended was no exception. But in our search for light at the end of the tunnel, it is interesting to note that the fund has already increased 15% from its March 8 low. We are seeing an increased level of acquisition activity

that we believe will benefit the Fund. Additionally, our companies continue to repurchase large quantities of their own stocks, which we believe adds significant value to the remaining shares. Our portfolio is extremely undervalued based on our forecasts for the stocks we own. The price-to-earnings ratio of The Oakmark Fund stands at 11.5 (using estimated 2000 eps) compared to 26 for the S&P 500. That means that each share of The Oakmark Fund that you purchase for \$24.76 represents \$2.16 of current earnings. If you invested enough money in the S&P 500 to create that same \$2.16 of earnings, it would cost \$57 or 130% more than in The Oakmark Fund. And what's even more exciting is that when you look at the stocks we own, you don't find structurally disadvantaged companies. Instead, you find industry leaders whose businesses should be worth more as each year passes.

Hopefully, the excitement we feel about the portfolio can be captured in a few words about our top five positions:

Fortune Brands (FO—\$25)

The Fund's largest position was highlighted in the last quarterly report. Fortune is a diversified consumer products company selling brands such as Jim Beam, Titleist, and Moen faucets. After adding back goodwill amortization, Fortune sells at less than 9 times this year's earnings estimate.

Washington Mutual (WM—\$27)

The largest savings and loan in the country, Washington Mutual, is expected to grow earnings at a double-digit rate due to both growth in customers and share repurchase. In addition, Washington Mutual has a dividend yield of over 4% and has raised that dividend every quarter for the last four years. Washington Mutual sells at a P/E of just over 7 times estimated 2000 earnings.

Dun and Bradstreet (DNB—\$29)

Dun & Bradstreet sells at a high P/E for us, 17 times, but we believe a higher multiple is warranted for this terrific franchise. The company is in the process of splitting into two pieces, separating its highly regarded Moody's bond rating business (17% compounded earnings growth for the last decade) from the more stagnant Dun & Bradstreet credit report business. We believe new management on the credit side will improve profitability and restore growth to that business. We are also pleased that Warren Buffett has recently purchased 15% of Dun & Bradstreet's shares.

Brunswick (BC—\$19)

Brunswick sells at 7 times estimated earnings. With its Sea Ray line of luxury boats, Brunswick continues to be the industry leader. Brunswick also gets nearly a third of its income from less cyclical consumer recreation products (Life Fitness exercise equipment, Igloo coolers, Mongoose bicycles, Brunswick bowling and billiards), so earnings should be less sensitive to an economic downturn than one would expect for a boat company.

ACNielsen (ART—\$23)

Nielsen is the global leader in market research for consumer product companies. Outside the US, Nielsen is also a leader in measuring television audiences. In mid-1999, Nielsen bought 6% of NetRatings, a business that measures Internet site usage in North America, and also started eratings.com that will measure Internet audiences and advertising outside North America. Were these investments valued similarly to pure-play Internet stocks, it is conceivable they would sell for more than the entire market value of Nielsen. Adding back the Internet startup losses as well as expenses to restructure operations (especially in Europe), Nielsen sells at 10 times our estimate of next year's

earnings, and that assigns zero value to the Internet investments.

In addition to having a portfolio full of great values, we inherit a very favorable tax position. It is unlikely that we will have to make any capital gains distributions for at least a couple of years. We will only pay capital gains taxes after the portfolio appreciates substantially from current levels and that will be welcomed by all of us!

In closing, we'd like to thank you, our shareholders, for your patience. We are not satisfied with recent performance and are energized by the challenge of restoring The Oakmark Fund to the position of the premier diversified value fund. We believe the road ahead will be an exciting and profitable one. We encourage you to join us for that journey.

Thank you for your support.



Bill Nygren

Portfolio Manager
bnygren@oakmark.com



Kevin Grant

Portfolio Manager
kgrant@oakmark.com

April 3, 2000

THE OAKMARK FUND

Schedule of Investments—March 31, 2000 (Unaudited)

	Shares Held	Market Value
Common Stocks—90.7%		
Food & Beverage—7.6%		
Nabisco Holdings Corporation, Class A	2,072,100	\$ 66,695,719
Philip Morris Companies Inc.	2,610,700	55,151,037
H.J. Heinz Company	1,325,000	<u>46,209,375</u>
		168,056,131
Apparel—3.0%		
Nike, Inc., Class B	1,539,300	\$ 60,994,763
Jones Apparel Group, Inc. (a)	157,000	<u>5,004,375</u>
		65,999,138
Retail—5.4%		
The Kroger Company	2,200,000	\$ 38,637,500
Tricon Global Restaurants, Inc. (a)	1,200,000	37,275,000
Toys “Я” Us, Inc. (a)	2,263,400	33,526,612
GC Companies, Inc. (a)	266,200	<u>9,250,450</u>
		118,689,562
Household Products—2.9%		
Fort James Corporation	1,400,000	\$ 30,800,000
The Dial Corporation	2,052,900	28,227,375
The Clorox Company	192,300	<u>6,249,750</u>
		65,277,125
Household Appliances—1.9%		
Maytag Corporation	1,260,400	\$ 41,750,750
Hardware—5.2%		
The Black & Decker Corporation	1,872,200	\$ 70,324,512
The Stanley Works	1,724,900	<u>45,494,238</u>
		115,818,750
Other Consumer Goods & Services—19.5%		
Fortune Brands, Inc.	4,261,100	\$ 106,527,500
Brunswick Corporation	4,475,800	84,760,462
Mattel, Inc.	6,964,400	72,690,925
H&R Block, Inc.	1,330,500	59,539,875
Galileo International, Inc.	2,358,600	56,753,813
Ralston Purina Group	1,011,000	27,676,125
American Greetings Corporation, Class A	1,308,300	<u>23,876,475</u>
		431,825,175
Banks & Thrifts—7.0%		
Washington Mutual, Inc.	3,430,000	\$ 90,895,000
Bank One Corporation	1,850,548	<u>63,612,587</u>
		154,507,587

THE OAKMARK FUND

Schedule of Investments—March 31, 2000 (Unaudited) cont.

	Shares Held	Market Value
Common Stocks—90.7% (cont.)		
Insurance—3.4%		
Old Republic International Corporation	3,896,330	\$ 53,574,538
MGIC Investment Corporation	475,000	<u>20,721,875</u>
		74,296,413
Other Financial—1.2%		
SLM Holding Corporation	800,000	\$ 26,650,000
Information Services—8.1%		
The Dun & Bradstreet Corporation	2,957,500	\$ 84,658,437
ACNielsen Corporation (a) (c)	3,714,000	83,565,000
Equifax Inc.	443,500	<u>11,198,375</u>
		179,421,812
Computer Services—2.2%		
First Data Corporation	1,100,000	\$ 48,675,000
Publishing—3.0%		
Knight Ridder, Inc.	1,315,300	\$ 66,998,094
Medical Products—3.0%		
Sybron International Corporation (a)	2,295,600	\$ 66,572,400
Automobiles—2.1%		
DaimlerChrysler AG (b)	700,000	\$ 45,806,250
Aerospace & Defense—3.7%		
Lockheed Martin Corporation	3,150,000	\$ 64,378,125
The Boeing Company	474,400	<u>17,997,550</u>
		82,375,675
Machinery & Industrial Processing—6.5%		
Cooper Industries, Inc.	2,123,400	\$ 74,319,000
Eaton Corporation	743,600	58,000,800
Crane Co.	500,000	<u>11,781,250</u>
		144,101,050
Building Materials & Construction—1.1%		
Masco Corporation	1,183,000	\$ 24,251,500
Chemicals—0.9%		
The Geon Company	956,600	\$ 20,566,900

THE OAKMARK FUND

Schedule of Investments—March 31, 2000 (Unaudited) cont.

	Shares Held/ Par Value	Market Value
Common Stocks—90.7% (cont.)		
Utilities—2.2%		
Texas Utilities Company	900,000	\$ 26,718,750
Citizens Utilities Company, Class B	1,393,700	<u>22,821,838</u>
		49,540,588
Oil & Natural Gas—0.8%		
Union Pacific Resources Group Inc.	1,299,000	\$ 18,835,500
Total Common Stocks (Cost: \$2,097,226,948)		2,010,015,400
Short Term Investments—8.9%		
U.S. Government Bills—2.3%		
United States Treasury Bills, 4.91%–5.31% due 4/6/2000–5/25/2000	50,000,000	\$ 49,783,826
Total U.S. Government Bills (Cost: \$49,783,827)		49,783,826
Commercial Paper—3.8%		
Ford Motor Credit Corp., 5.90%–6.07% due 4/3/2000–4/5/2000	55,000,000	\$ 55,000,000
General Electric Capital Corporation, 6.18% due 4/3/2000	30,000,000	<u>30,000,000</u>
Total Commercial Paper (Cost: \$85,000,000)		85,000,000
Repurchase Agreements—2.8%		
State Street Repurchase Agreement, 6.03% due 4/3/2000	61,914,000	\$ 61,914,000
Total Repurchase Agreements (Cost: \$61,914,000)		61,914,000
Total Short Term Investments (Cost: \$196,697,827)		196,697,826
Total Investments (Cost \$2,293,924,775)—99.6% (c)		\$ 2,206,713,226
Other Assets In Excess Of Other Liabilities—0.4%		9,149,227
Total Net Assets—100%		<u>\$2,215,862,453</u>

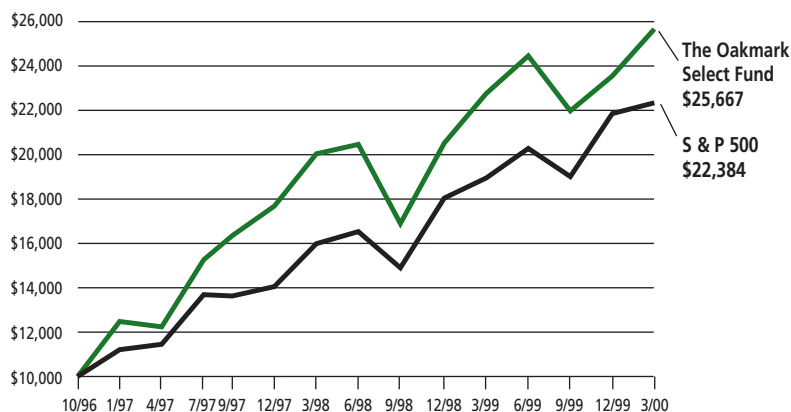
- (a) Non-income producing security.
- (b) See footnote number five in the Notes to Financial Statements regarding transactions in affiliated issuers.
- (c) At March 31, 2000, net unrealized depreciation of \$87,211,548, for federal income tax purposes, consisted of gross unrealized appreciation of \$240,278,410 and gross unrealized depreciation of \$327,489,958.

THE OAKMARK SELECT FUND

Report from Bill Nygren and Henry Berghoef, Portfolio Managers



THE VALUE OF A \$10,000 INVESTMENT IN THE OAKMARK SELECT FUND FROM ITS INCEPTION (11/1/96) TO PRESENT (3/31/00) AS COMPARED TO THE STANDARD & POOR'S 500 INDEX



3/31/00 NAV \$20.07

	Average Annual Total Return*	
	Total Return Last 3 mos.	Through 3/31/00 From Fund Inception 11/1/96
The Oakmark Select Fund	9.0%	31.8%
Standard & Poor's 500 Stock Index w/inc**	2.3%	26.6%
Standard & Poor's MidCap 400 Index w/inc**	12.7%	25.2%
Value Line Composite Index**	-0.6%	5.5%

*Total return includes change in share prices and in each case includes reinvestment of any dividends and capital gain distributions.

**Each of the three indexes or averages is an unmanaged group of stocks whose composition is different from the Fund. The S&P 500 is a broad market-weighted average dominated by blue-chip stocks. The S&P 400 consists of 400 domestic stocks chosen for market size, liquidity, and industry group representation. The Value Line Index is an unweighted average of more than 1,000 stocks. Past performance is no guarantee of future results.

As of today, every investor in The Oakmark Select Fund has made a profit. The fund hit an all-time high, adjusted for distributions, on March 31. I can't imagine a statistic I'd be more pleased to report! This quarter's 9.0% return exceeded the S&P 500, but trailed the S&P Midcap Index. The Midcap Index has become less useful as a day-to-day predictor of our Fund because it has become dominated by large cap technology stocks (the companies are still small, but their capitalizations are not). Our portfolio today is priced at 10.6 times estimated 2000 earnings, which compares to 26 times for the S&P 500 and 23 times for the S&P Midcap. I believe our portfolio is extremely attractive relative to both the S&P 500 and the S&P Midcap and expect it to perform well as the P/E gap closes.

During the quarter, two stocks in our portfolio—Sterling Commerce and Times Mirror—accepted acquisition offers. On February 22, Sterling Commerce agreed to be acquired by SBC Communications for \$44 per share. That price was a 30% premium to Sterling's stock price at the end of 1999, and a 144% premium to its October, 1999 low of \$18. Congratulations to CEO Warner Blow for delivering this value to his shareholders. On March 13, Times Mirror stock jumped 79% after it agreed to be acquired by the Tribune Company for \$95 per share. In journalism circles, Times Mirror CEO Mark Willes has been a controversial figure because of changes he spearheaded at the LA Times. Among shareholders there was no such controversy. Times Mirror stock was trading at \$23 in June of 1995 when Mark was named CEO. In less than five years, Times Mirror shareholders received a return in excess of 300%. We will definitely investigate the next company Mark joins! (As an aside, our portfolio now includes a short position in Tribune Company. This short sale is simply a

pre-sale of some of the shares we anticipate receiving in the Times Mirror tender offer.)

“When will stock market investors start caring about value again?” Our answer has been that we know it will happen, but we don’t know when. Examples like Sterling, Times Mirror and the many other acquisitions we now see occurring show that if investors don’t correct these mispricings, corporations will. We expect merger activity to continue accelerating and think we are well positioned to benefit from that trend.

Toys ‘R’ Us

Because over 7% of our portfolio is now invested in a new stock, Toys ‘R’ Us (TOY \$15), I’d like to explain what we find so attractive about this company. First, a bit of history. Through the 1980’s and early 1990’s TOY was a favorite of growth stock investors. TOY reached its highest stock price in 1993 when it traded for \$43 per share. At that time, TOY had a P/E ratio of 26 (when the market multiple was much lower than it is today) because it had compounded earnings per share growth at 18% for the prior decade. But the later 1990’s were tough on TOY. The quality of the stores went downhill as capital expenditures were focused on expansion instead of modernizing the existing store base, and service levels became close to non-existent. Mass merchants like Wal-Mart and Target took advantage of TOY’s problems and increased their commitment to the toy category. In 1999, Wal-Mart passed TOY as the country’s largest toy retailer and Wall Street analysts became uniformly negative on TOY.

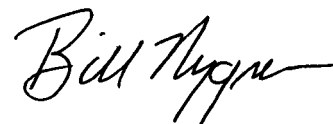
With that background, what could possibly have attracted us to TOY? Well,

nearly seven years after TOY hit its \$43 high, the stock hit a low of \$10. Despite all the negatives, TOY had a \$16 book value (how long has it been since you’ve heard that term on CNBC?) and had per share earnings of \$1.36 before deducting losses from their Internet startup, toysrus.com. Furthermore, TOY owns a very successful Babies ‘R’ Us chain, 80% of Toys ‘R’ Us Japan, and much of the real estate its stores occupy. It is our belief that the value of these assets alone could be as much as the current stock price. And management is taking steps toward having these values recognized by bringing Toys ‘R’ Us - Japan public and partnering with Softbank on the Internet site. But what really caught our attention was TOY’s announcement on January 10 that John Eyler had been named CEO. Most recently, John engineered a turnaround of the wonderful toy retailer FAO Schwartz. We believe John has a perfect skill set for increasing profitability and at the same time, making the Toys ‘R’ Us shopping experience fun. When we met with John at their New Jersey headquarters, he outlined his plan for changing the in-store merchandise presentation, which should create a shopper-friendly environment. These changes should start appearing in stores by Fall, 2000. In addition to these positives, John took a compensation package, which includes a large stock option plan and also personally purchased TOY stock in the open market. We like managements with a large economic interest in an improved share price. If, as we expect, he succeeds in turning around the toy stores, TOY is likely to be a great stock.

Finally, I’d like to welcome Henry Berghoef to The Oakmark Select team. One of my best moves as Director of

Research was the decision to hire Henry in 1994. Over the past six years, we have worked together on many stocks, the most recent example being our successful effort persuading the Dun & Bradstreet board to make changes to maximize the value of their company. Henry is also the analyst responsible for Times Mirror being in our portfolio. You should be reassured to know that it is now part of Henry’s formal responsibilities to prod me when he thinks we should be making changes in the portfolio. Over the last three years, our portfolio has benefited from Henry’s strong analytic skill. I’m delighted that he’s now getting the recognition he deserves.

Thank you for your continued support.



Bill Nygren

Portfolio Manager
bnygren@oakmark.com



Henry Berghoef

Portfolio Manager
berghoef@oakmark.com

April 3, 2000

THE OAKMARK SELECT FUND

Schedule of Investments—March 31, 2000 (Unaudited)

	Shares Held	Market Value
Common Stocks—92.7%		
Apparel—4.9%		
Liz Claiborne, Inc.	1,591,600	\$ 72,915,175
Retail—9.8%		
Toys “Я” Us, Inc. (a)	8,338,300	\$ 123,511,069
Tricon Global Restaurants, Inc. (a)	756,500	23,498,781
		147,009,850
Other Consumer Goods & Services—3.3%		
Ralston Purina Group	1,780,200	\$ 48,732,975
Banks & Thrifts—15.7%		
Washington Mutual, Inc.	7,674,800	\$ 203,382,200
People’s Bank of Bridgeport, Connecticut	1,572,900	32,932,594
		236,314,794
Insurance—4.5%		
PartnerRe Ltd. (b)	1,837,300	\$ 67,635,606
Other Financial—1.5%		
MBIA, Inc.	440,800	\$ 22,949,150
Information Services—11.2%		
The Dun & Bradstreet Corporation	3,643,600	\$ 104,298,050
Ceridian Corporation	3,284,500	63,021,344
		167,319,394
Computer Services—7.0%		
First Data Corporation	1,277,200	\$ 56,516,100
Electronic Data Systems Corporation	750,000	48,140,625
		104,656,725
Computer Software—8.3%		
The Reynolds and Reynolds Company, Class A	4,633,600	\$ 125,107,200
Publishing—4.3%		
The Times Mirror Company, Class A	700,300	\$ 65,084,131
Pharmaceuticals—2.2%		
Chiron Corporation (a)	668,900	\$ 33,361,388
Machinery & Industrial Processing—5.5%		
Thermo Electron Corporation (a)	3,369,000	\$ 68,643,375
Illinois Tool Works Inc.	255,592	14,121,458
		82,764,833
Building Materials & Construction—9.7%		
USG Corporation (c)	3,483,000	\$ 146,068,312

THE OAKMARK SELECT FUND

Schedule of Investments—March 31, 2000 (Unaudited) cont.

	Shares Held/ Par Value	Market Value
Common Stocks—92.7% (cont.)		
Diversified Conglomerates—4.8%		
U.S. Industries, Inc. (c)	6,531,600	\$ 72,255,825
Total Common Stocks (Cost: \$1,333,690,841)		1,392,175,358
Common Stocks Sold Short—(0.4%)		
Publishing—(0.4%)		
Tribune Company	(185,000)	\$ (6,764,062)
Total Common Stocks Sold Short (Proceeds: \$(7,069,753))		(6,764,062)
Short Term Investments—7.4%		
U.S. Government Bills—0.6%		
United States Treasury Bills, 5.31% due 5/25/2000	10,000,000	\$ 9,920,350
Total U.S. Government Bills (Cost: \$9,920,350)		9,920,350
Commercial Paper—4.0%		
Ford Motor Credit Corp., 5.90%–6.07% due 4/3/2000–4/4/2000	20,000,000	\$ 20,000,000
General Electric Capital Corporation, 6.18% due 4/3/2000	40,000,000	40,000,000
Total Commercial Paper (Cost: \$60,000,000)		60,000,000
Repurchase Agreements—2.8%		
State Street Repurchase Agreement, 6.03% due 4/3/2000	41,932,000	\$ 41,932,000
Total Repurchase Agreements (Cost: \$41,932,000)		41,932,000
Total Short Term Investments (Cost: \$111,852,350)		111,852,350
Total Investments (Cost \$1,438,473,438)—99.7% (d)		\$ 1,497,263,646
Other Assets In Excess Of Other Liabilities—0.3%		5,071,403
Total Net Assets—100%		<u>\$1,502,335,049</u>

(a) Non-income producing security.

(b) Represents foreign domiciled corporation.

(c) See footnote number five in the Notes to Financial Statements regarding transactions in affiliated issuers.

(d) At March 31, 2000, net unrealized appreciation of \$58,790,207, for federal income tax purposes, consisted of gross unrealized appreciation of \$198,341,495 and gross unrealized depreciation of \$139,551,288.

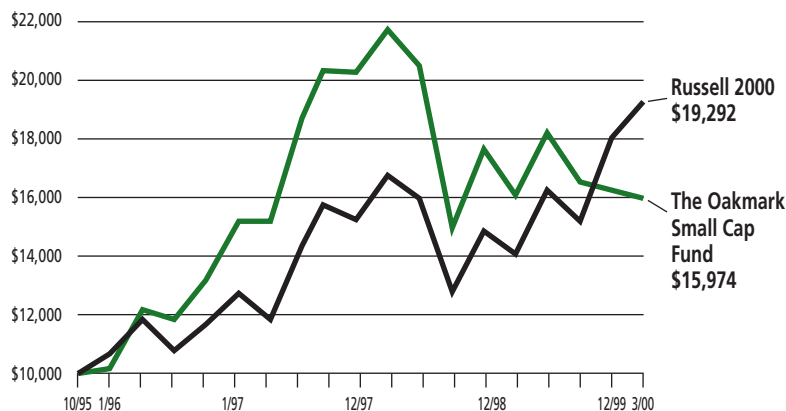
THE OAKMARK SMALL CAP FUND

Report from James P. Benson and Steven J. Reid, Portfolio Managers



(on leave of absence)

THE VALUE OF A \$10,000 INVESTMENT IN THE OAKMARK SMALL CAP FUND FROM ITS INCEPTION (11/1/95) TO PRESENT (3/31/00) AS COMPARED TO THE RUSSELL 2000 INDEX



3/31/00 NAV \$13.39

	Average Annual Total Return* Through 3/31/00 From Fund Inception 11/1/95	
	Total Return Last 3 mos.	
The Oakmark Small Cap Fund	-1.5%	11.2%
Lipper Small Cap Fund Index**	3.6%	11.1%
Russell 2000 w/inc**	7.1%	16.0%
S&P Small Cap 600 w/inc.**	5.8%	15.5%

*Total return includes change in share prices and in each case includes reinvestment of any dividends and capital gain distributions.

**Each of the three indexes or averages is an unmanaged group of stocks or funds whose composition is different from the Fund. The Lipper Small Cap Fund Index is comprised of 30 Small Cap Funds. The Russell 2000 Index measures the performance of smaller companies, and represents approximately 10% of the total value of publicly traded companies in the U.S. The S&P 600 Index measures the performance of selected U.S. stocks with small market capitalization. Past performance is no guarantee of future results.

The first calendar quarter of 2000 began poorly as the Fund declined 5.44% in January. February was somewhat better as the Fund slipped 1.32%, while March saw a modest return to value investing and the Fund responded with a monthly gain of 5.52%. The March rebound trimmed the Fund's quarterly loss to 1.54%. The recent progress relative to our benchmark, the Russell 2000, has also been encouraging. At the Russell's peak on March 9th we were 25.08% behind this index on a year-to-date basis, but we closed the quarter trailing the index by only 8.34% as we made up 16.74% during the last 16 trading days of the quarter! The question is can we sustain the positive momentum that developed in March or will the stock market revert to a "growth at any price" mentality. While our focus remains on investing in undervalued companies with positive business and cash flow characteristics, we are shifting our strategy slightly to position the fund in stocks that we believe have not only the value characteristics that we desire, but also have a catalyst that will reveal that value. We have been and will continue to pursue the upgrading of the portfolio.

Is Value Coming Back Into Style?

Over the last few weeks investors have rotated out of some of the highflying growth stocks and into equities that actually represent long-term value. Yahoo!, the company that we used as an example in last quarter's letter, had a market value in early January of approximately \$135 billion, but as of early April this value had declined to around \$101 billion or a drop of 25%. Yet despite this decline Yahoo! still trades at approximately 375 times expected year 2000 earnings. Interestingly, most analyst estimates project Yahoo's earnings growth rate in 2001

versus 2000 at only 30% that would imply that Yahoo! is currently trading at 12.5 times its growth rate (375 divided by 30). By contrast the stocks in our portfolio are trading near 12 times earnings with an expected earnings growth rate of approximately 20%. Thus, our portfolio is trading at approximately 0.6 times its growth rate. We believe that over time stocks that can be purchased at substantial discounts to their growth rates represent excellent values and are likely to outperform stocks that trade at very high and probably unsustainable multiples of earnings.

Portfolio Update

The continued malaise in small cap companies, especially value-oriented equities, has created a number of new investment opportunities for the Fund. Fortunately, a few of our investments such as NovaMed (sold for a gain of over 140%), Superior Consultants (sold for a gain in excess of 35%) and Duff & Phelps Credit Rating Co. (agreed to be bought out at \$100 per share) have performed very well. Funds from these sold stocks have been utilized to buy stocks that have higher expected returns.

New companies to the portfolio include: Checkpoint Systems, a provider of security and anti-theft

products for retailers; Dollar Thrifty Automotive Group, a car rental company with strong positions in leisure markets; Dura Pharmaceuticals, a firm specializing in respiratory drugs and drug delivery systems; Mentor Graphics, a software provider to the semiconductor industry; and MSC.Software, the leading supplier of simulation software. We believe these five companies are attractive additions to the portfolio based upon very attractive multiples to earnings and cash flows.

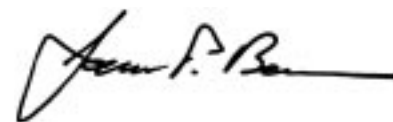
Taxes and Tidbits

Since we are half way through the current tax year we want to update everyone on the Fund's tax status. As disclosed elsewhere in this report your Fund has a moderate realized gain for the first six months of this tax year. We would point out two items with respect to the realized gain. First, the gains are principally long-term and secondly we currently have unrealized losses in the portfolio that exceed the current realized gain, thus we have a good opportunity to manage down the tax liability over the next six months. While taxes alone do not drive our investment decisions, we do focus on our shareholders' tax status and we strive to maximize after-tax returns.

One other item worth mentioning is that we have begun to make use of call

options. Given the recent volatility in the stock market, call option premiums have reached very high levels. We have taken advantage of these attractive premiums by writing some calls on portions of two of our positions. The goal of these sales is to enhance our returns while simultaneously reducing risk. While the writing of call options is unlikely to be a principle driver of our investment returns, we expect the returns from these sales will have a positive impact on our overall return.

Once again we would like to thank our shareholders for supporting The Oakmark Small Cap Fund.



James P. Benson, CFA

Portfolio Manager
jbenson@oakmark.com

Steven J. Reid

Portfolio Manager
(on leave of absence)

April 6, 2000

THE OAKMARK SMALL CAP FUND

Schedule of Investments—March 31, 2000 (Unaudited)

	Shares Held	Market Value
Common Stocks—91.0%		
Food & Beverage—7.4%		
Del Monte Foods Company (a)	800,000	\$ 8,550,000
Ralcorp Holdings, Inc. (a)	465,000	6,742,500
International Multifoods Corporation	180,000	2,407,500
M & F Worldwide Corp. (a)	300,000	1,312,500
		19,012,500
Retail—6.8%		
Ugly Duckling Corporation (a) (c)	1,750,000	\$ 13,453,125
The Great Atlantic & Pacific Tea Company, Inc.	200,000	3,900,000
		17,353,125
Hardware—1.1%		
Jore Corporation (a)	417,500	\$ 2,818,125
Other Consumer Goods & Services—5.4%		
Department 56, Inc. (a)	572,300	\$ 8,477,194
Barry (R.G.) Corporation (a) (c)	880,000	2,970,000
Harman International Industries, Incorporated	40,000	2,400,000
		13,847,194
Banks & Thrifts—10.2%		
People's Bank of Bridgeport, Connecticut	480,000	\$ 10,050,000
Golden State Bancorp Inc. (a)	450,000	6,721,875
BankAtlantic Bancorp, Inc., Class A	1,100,000	4,331,250
PennFed Financial Services, Inc.	260,000	3,672,500
Finger Lakes Financial Corp. (c)	178,500	1,260,656
		26,036,281
Insurance—7.5%		
The MONY Group Inc. (a)	300,000	\$ 9,693,750
The PMI Group, Inc.	200,000	9,487,500
		19,181,250
Educational Services—4.7%		
ITT Educational Services, Inc. (a)	750,000	\$ 12,000,000
Information Services—4.4%		
National Data Corporation	435,000	\$ 11,310,000
Computer Software—4.1%		
Symantec Corporation (a)	62,500	\$ 4,695,312
Mentor Graphics Corporation	300,000	4,537,500
MSC.Software Corp.	100,000	1,181,250
		10,414,062
Computer Systems—3.8%		
Micron Electronics, Inc. (a)	700,000	\$ 9,800,000

THE OAKMARK SMALL CAP FUND

Schedule of Investments—March 31, 2000 (Unaudited) cont.

	Shares Held	Market Value
Common Stocks—91.0% (cont.)		
Security Systems—0.8%		
Checkpoint Systems, Inc. (a)	256,000	\$ 2,144,000
Pharmaceuticals—1.4%		
Dura Pharmaceuticals, Inc. (a)	300,000	\$ 3,693,750
Medical Centers—1.1%		
Veterinary Centers of America, Inc. (a)	200,000	\$ 2,750,000
Managed Care Services—2.3%		
First Health Group Corp. (a)	190,000	\$ 6,008,750
Medical Products—1.8%		
Hanger Orthopedic Group, Inc. (a)	850,000	\$ 4,515,625
Automotive—2.8%		
Standard Motor Products, Inc.	280,000	\$ 4,165,000
Stoneridge, Inc. (a)	250,000	2,875,000
		<u>7,040,000</u>
Automobile Rentals—1.0%		
Dollar Thrifty Automotive Group, Inc. (a)	151,500	\$ 2,603,906
Transportation Services—3.5%		
Teekay Shipping Corporation (b)	325,000	\$ 8,957,813
Machinery & Industrial Processing—5.0%		
Columbus McKinnon Corporation	500,000	\$ 6,562,500
Sames Corporation (c)	240,000	3,390,000
MagneTek, Inc. (a)	300,000	2,737,500
		<u>12,690,000</u>
Chemicals—2.8%		
Ferro Corporation	250,000	\$ 4,453,125
H.B. Fuller Company	70,000	2,795,625
		<u>7,248,750</u>
Real Estate—11.0%		
Catellus Development Corporation (a)	1,250,000	\$ 17,343,750
Prime Hospitality Corp. (a)	800,000	5,800,000
Trammell Crow Company (a)	450,000	4,978,125
		<u>28,121,875</u>
Diversified Conglomerates—2.1%		
U.S. Industries, Inc.	480,000	\$ 5,310,000
Total Common Stocks (Cost: \$268,430,034)		232,857,006

THE OAKMARK SMALL CAP FUND

Schedule of Investments—March 31, 2000 (Unaudited) cont.

	Shares Held/ Par Value	Market Value
Call Options Written—(0.1%)		
Equity Options—(0.1%)		
Computer Software—(0.1%)		
Symantec Corporation, April 75 Calls	(25,000)	\$ (100,000)
Computer Systems—(0.0%)		
Micron Electronics, Inc., April 20 Calls	(20,000)	\$ (1,250)
Micron Electronics, Inc., July 15 Calls	(27,500)	(68,750)
		(70,000)
Total Call Options Written (Cost: \$(227,886))		(170,000)
Short Term Investments—8.2%		
Commercial Paper—4.9%		
Ford Motor Credit Corp., 6.07% due 4/4/2000	5,000,000	\$ 5,000,000
General Electric Capital Corporation, 6.18% due 4/3/2000	7,500,000	7,500,000
Total Commercial Paper (Cost: \$12,500,000)		12,500,000
Repurchase Agreements—3.3%		
State Street Repurchase Agreement, 6.03% due 4/3/2000	8,318,000	\$ 8,318,000
Total Repurchase Agreements (Cost: \$8,318,000)		8,318,000
Total Short Term Investments (Cost: \$20,818,000)		20,818,000
Total Investments (Cost \$289,020,148)—99.1% (d)		\$ 253,505,006
Other Assets In Excess Of Other Liabilities—0.9%		2,334,784
Total Net Assets—100%		\$ 255,839,790

(a) Non-income producing security.

(b) Represents foreign domiciled corporation.

(c) See footnote number five in the Notes to Financial Statements regarding transactions in affiliated issuers.

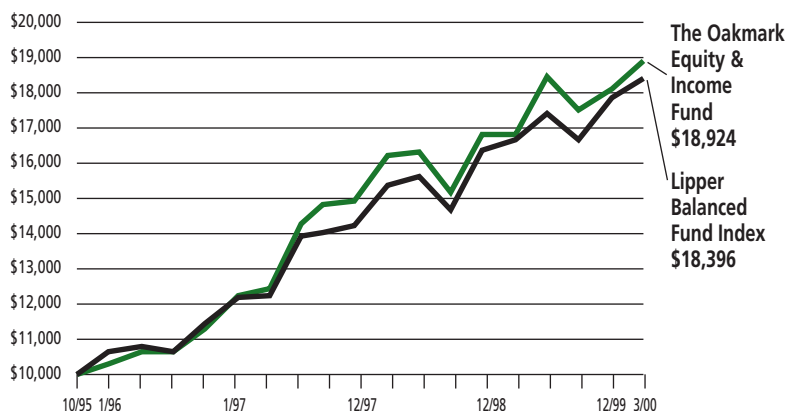
(d) At March 31, 2000, net unrealized depreciation of \$35,515,142, for federal income tax purposes, consisted of gross unrealized appreciation of \$22,736,208 and gross unrealized depreciation of \$58,251,350.

THE OAKMARK EQUITY AND INCOME FUND

Report from Clyde S. McGregor and Edward A. Studzinski, Portfolio Managers



THE VALUE OF A \$10,000 INVESTMENT IN THE OAKMARK EQUITY AND INCOME FUND FROM ITS INCEPTION (11/1/95) TO PRESENT (3/31/00) AS COMPARED TO THE LIPPER BALANCED FUND INDEX



3/31/00 NAV \$15.04

	Average Annual Total Return*	
	Total Return Last 3 mos.	Through 3/31/00 From Fund Inception 11/1/95
The Oakmark Equity & Income Fund	4.4%	15.5%
Lipper Balanced Fund Index**	3.0%	14.8%
Lehman Govt./Corp. Bond**	2.7%	5.8%
S&P 500 w/inc.**	2.3%	26.0%

*Total return includes change in share prices and in each case includes reinvestment of any dividends and capital gain distributions.

**Each of the three indexes or averages is an unmanaged group of stocks or funds whose composition is different from the Fund. The Lipper Balanced Fund Index Composite is comprised of 30 balanced funds. The Lehman Govt./Corp. Bond Index includes the Lehman Government and Lehman Corporate indices. The S&P 500 is a broad market-weighted average dominated by blue-chip stocks. Past performance is no guarantee of future results.

Quarter Review

Frankly, it is impossible to give a thorough review of the recent quarter within the confines of this report. The March quarter was my 91st in this business, and it stands out as one of the most unusual. The emotional state of investors cycled between elation and despair frequently. The NASDAQ marketplace experienced both robust gains and the fastest correction in history not associated with a crash. The Equity and Income Fund was not immune to this turbulence but did succeed in dampening the volatility. At the nadir in returns for the quarter (January 28) the Fund had declined 3%. Over the next two months the Fund rebounded, closing March 31 at an all-time high and producing a total return of 4.4%.

While the recovery in fund returns in March is pleasing, it does not yet reflect a definitive change in the investing environment. Flows to and from mutual funds dominate investing activity today in a manner never previously observed, and to date these flows continue to favor funds employing a momentum style, especially those concentrating on issues in the technology sector. Over the last decade technology has grown in importance within the stock market at an incredible pace—by one measure from 7% of market value to about 40% today. The contribution to gross domestic product, however, has not grown commensurately.

As I noted in my June, 1999, report, the Equity and Income Fund has not ignored this development—currently 40% of the fund's equities are in the technology "space" and this is true even after losing Sterling Commerce in March to a takeover offer. As you would expect from an Oakmark Group offering, our thrust in this sector has been to identify issues with strong business franchises and attractive valuations. It has been frustrating, however, to

observe the market favoring concerns with little more than an idea.

Imagine that in 1980 two knowledgeable investors (I'll call them Rip van Winkle 1 and 2) had gone to sleep and were awakened today. If we now give Rip 1 information about the prevailing market environment except for the 250 or so most expensive stocks and Rip 2 information only concerning those 250 issues, imagine how their analysis would differ. The first Rip would no doubt wax eloquent about the improved conditions in the overall picture—reduced world tensions, low inflation and interest rates, no federal deficit, etc. He would also note that valuations of the stocks he had reviewed were not too much in excess of 1980 levels. He would probably conclude that this is a wonderful time to be an investor. In contrast, Rip 2 would no doubt come back in shock. The high valuation periods within his previous experience would seem tame in comparison to present conditions. He would also admit that the world seems like a far safer and more prosperous place, but he would counsel fleeing the stock market.

I cannot predict when the current trend will change. I am convinced, however, that it sows the seeds of its own destruction. The vast amounts of money both public and private flowing into so-called “new economy” ventures will eventually ensure that profitability in this sector melts away. In the meantime, our focus is on issues which benefit from these trends and managements which fully understand how to propel their companies' evolution.

Fixed Income Management in a Time of Federal Reserve Tightening

One of the best known and most successful rules for investors is “don't fight the Fed.” In the March quarter investors in both stocks and long term Treasury notes chose to ignore this axiom. In the Treasury market the promise of shrinking supply induced a buying panic in issues with the longest maturities. This has resulted in an “inversion” in the Treasury yield curve where short term issues yield more than long. The corporate debt market does not have a similar future scarcity issue, and longer term issues continue to yield more than short.

Our strategy for the fixed income segment of the Equity and Income Fund has not changed with the peculiar conditions in the fixed income market. We continue to seek corporate debt and preferred issues which offer the possibility of equity-like returns while managing the riskiness of the entire portfolio with a significant commitment to short and intermediate term Treasury and Agency notes.

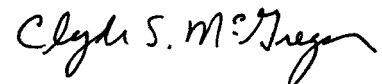
Heller vs. GE Scorecard

Last quarter I wrote at length concerning the amazing divergence in valuation statistics between Heller Financial and General Electric. Each company experienced wide swings in stock price in the March quarter, but by March 31 the score was Heller +14.6%, GE +0.4%. Of course, this barely begins to bridge the valuation gap, but it is noteworthy that rising interest rates did not prove to be a problem to either stock in the quarter.

New to the Fund

In March, Edward Studzinski joined me as portfolio manager of the Equity and Income Fund. Ed has been invaluable to me in the management of The Fund since his arrival here nearly four years ago, and I have regularly mentioned his efforts in these pages. Ed has a wide range of experience and his incisive insights have often helped me to see flaws in my logic. Because his appointment as portfolio manager was so recent, I did not think it fair to ask Ed to contribute his thoughts to this report. Future editions will bear his unmistakable imprint.

Both Ed and I welcome e-mailed questions or comments.



Clyde S. McGregor

Portfolio Manager
mcgregor@oakmark.com



Edward A. Studzinski

Portfolio Manager
estudzinski@oakmark.com

April 5, 2000

THE OAKMARK EQUITY AND INCOME FUND

Schedule of Investments—March 31, 2000 (Unaudited)

	Shares Held	Market Value
Equity and Equivalents—61.6%		
Banks & Thrifts—2.9%		
Washington Mutual, Inc.	57,000	\$ 1,510,500
Other Financial—3.3%		
Heller Financial, Inc.	75,000	\$ 1,734,375
Information Services—4.4%		
Ceridian Corporation	120,000	\$ 2,302,500
Data Storage—3.1%		
Imation Corp. (a)	61,500	\$ 1,641,281
Computer Services—5.7%		
First Data Corporation	35,000	\$ 1,548,750
Electronic Data Systems Corporation	22,000	1,412,125
		2,960,875
Computer Software—6.1%		
The Reynolds and Reynolds Company	117,500	\$ 3,172,500
Publishing—2.2%		
Lee Enterprises, Incorporated	43,900	\$ 1,146,888
Medical Products—3.2%		
Sybron International Corporation (a)	58,500	\$ 1,696,500
Automotive—3.2%		
Lear Corporation (a)	60,000	\$ 1,687,500
Agricultural Equipment—4.4%		
Alamo Group Inc.	196,350	\$ 2,282,569
Building Materials & Construction—3.1%		
Vulcan Materials Company	35,000	\$ 1,603,437
Chemicals—1.0%		
The Geon Company	25,000	\$ 537,500
Utilities—3.1%		
Citizens Utilities Company	100,000	\$ 1,637,500

THE OAKMARK EQUITY AND INCOME FUND

Schedule of Investments—March 31, 2000 (Unaudited) cont.

	Shares Held/ Par Value	Market Value
Equity and Equivalents—61.6% (cont.)		
Real Estate—12.8%		
Legacy Hotels Real Estate Investment Trust (b)	350,000	\$ 1,999,312
Catellus Development Corporation (a)	136,728	1,897,101
Amli Residential Properties Trust	80,000	1,640,000
The St. Joe Company	40,000	1,157,500
		<u>6,693,913</u>
Total Equity (Cost: \$25,237,495)		30,607,838
Convertible Preferred Stock—3.1%		
Telecommunications—3.1%		
Metromedia International Group, Inc., Convertible Preferred, 7.25%	50,000	\$ 1,600,000
Total Convertible Preferred Stock (Cost: \$1,543,788)		1,600,000
Total Equity and Equivalents (Cost: \$26,781,283)		32,207,838
Fixed Income—34.3%		
Preferred Stock—5.4%		
Banks & Thrifts—4.2%		
Pennfed Capital Trust, Preferred, 8.90%	27,500	\$ 605,000
BBC Capital Trust I, Preferred, 9.50%	28,000	507,500
PennFirst Capital Trust I, Preferred, 8.625%	70,000	507,500
Fidelity Capital Trust I, Preferred, 8.375%	43,500	326,250
RBI Capital Trust I, Preferred, 9.10%	35,700	272,212
		<u>2,218,462</u>
Telecommunications—1.0%		
MediaOne Finance Trust III, Preferred, 9.04%	20,000	\$ 500,000
Real Estate—0.2%		
Host Marriott Corporation, Preferred Class B, 10.00%	6,000	\$ 120,750
Total Preferred Stock (Cost: \$3,518,598)		2,839,212
Corporate Bonds—3.9%		
Retail—1.1%		
Ugly Duckling Corporation, 12.00% due 10/15/2003, Subordinated Debenture	650,000	\$ 573,625
Aerospace & Automotive—0.3%		
Coltec Industries, Inc., 9.75% due 4/1/2000	150,000	\$ 150,000

THE OAKMARK EQUITY AND INCOME FUND

Schedule of Investments—March 31, 2000 (Unaudited) cont.

	Par Value	Market Value
Fixed Income—34.3% (cont.)		
Building Materials & Construction—1.5%		
Juno Lighting, Inc., 11.875% due 7/1/2009, Senior Subordinated Note	750,000	\$ 631,875
USG Corporation, 9.25% due 9/15/2001, Senior Notes Series B	150,000	152,625
		<u>784,500</u>
Utilities—1.0%		
Midland Funding Corporation, 11.75% due 7/23/2005	500,000	\$ 534,375
Total Corporate Bonds (Cost: \$2,084,983)		2,042,500
Government and Agency Securities—25.0%		
U.S. Government Bonds—24.4%		
United States Treasury Notes, 6.25% due 6/30/2002	4,000,000	\$ 3,980,589
United States Treasury Notes, 4.75% due 2/15/2004	4,000,000	3,781,919
United States Treasury Notes, 6.50% due 10/15/2006	3,000,000	3,026,556
United States Treasury Notes, 6.00% due 8/15/2009	2,000,000	1,974,644
		<u>12,763,708</u>
U.S. Government Agencies—0.6%		
Federal Home Loan Bank, 6.405% due 4/10/2001, Consolidated Bond	300,000	\$ 299,009
Total Government and Agency Securities (Cost: \$13,219,341)		13,062,717
Total Fixed Income (Cost: \$18,822,922)		17,944,429
Short Term Investments—3.0%		
Repurchase Agreements—3.0%		
State Street Repurchase Agreement, 6.03% due 4/3/2000	1,575,000	\$ 1,575,000
Total Repurchase Agreements (Cost: \$1,575,000)		1,575,000
Total Short Term Investments (Cost: \$1,575,000)		1,575,000
Total Investments (Cost \$47,179,205)—98.9% (c)		\$ 51,727,267
Other Assets In Excess Of Other Liabilities—1.1%		588,612
Total Net Assets—100%		\$ 52,315,879

(a) Non-income producing security.

(b) Represents foreign domiciled corporation.

(c) At March 31, 2000, net unrealized appreciation of \$4,548,062, for federal income tax purposes, consisted of gross unrealized appreciation of \$5,810,766 and gross unrealized depreciation of \$1,262,704.

THE OAKMARK GLOBAL FUND

Report from Michael J. Welsh and Gregory L. Jackson, Portfolio Managers



RESULTS FROM FUND INCEPTION 8/4/99 THROUGH 3/31/00

3/31/00 NAV \$10.05

	Total Return Last 3 mos.	Total Return* From Fund Inception 8/4/99
The Oakmark Global Fund	0.8%	0.6%
MSCI World Index w/inc.**	1.0%	16.7%
Lipper Global Fund Index**	4.6%	27.6%

*Total return includes change in share prices and in each case includes reinvestment of any dividends and capital gain distributions.

**Each of the three indexes or averages is an unmanaged group of stocks whose composition is different from the Fund. The MSCI World Index includes 22 country sub-indexes. The Lipper Global Fund Index includes 30 mutual funds that invest in securities throughout the world. Past performance is no guarantee of future results.

Fellow Shareholders,

The Oakmark Global Fund was up .8% for the three-month period ending March 31, 2000. This compares to a gain of 1.0% for the MSCI World index and 4.6% for the Lipper Global Fund Index.

The performance of share prices around the world in the first quarter of the new millennium continued roughly the same trend as the fourth quarter of 1999—technology and telecommunications issues soared, and everything else was ignored. Consequently, this trend did little to close the large valuation gap we spoke about in our last letter between the intrinsic value of our current portfolio of companies and the market. As we said before, and it bears repeating, while the timing may be uncertain we are as confident as ever in the attractive values and future outlooks of our companies.

Composition of Current Portfolio

The composition of the current portfolio geographically consists of 44% United States, 37% Europe (with the United Kingdom representing 20% of the Fund), 8% Asia, and 4% Latin America. As you already know, this allocation is not the reflection of some grand, top-down macroeconomic forecast but of the best opportunities we can find around the globe. In other words, geographic weighting is simply a fall-out of stock selection. Macroeconomic forecasts certainly play a part of our valuation of each individual company, but will never drive the decision of where to invest your money.

Consumer product oriented companies make up the largest weighting in the Fund, at over 19% of assets. We have found this industry group to be particularly fertile ground around the world, providing a number of businesses with good growth prospects, high financial returns, quality management, and,

most importantly, bargain share prices. The multinational colossus Diageo and Korean brewer Hite Brewery are the most recent additions to the portfolio from this area. Diageo, you may remember, is the result of the merger between Guinness plc and Grand Metropolitan. Pillsbury, Burger King, and Haagen Dazs are three of their best known businesses but the real jewel is their unparalleled portfolio of distilled spirits brands. You can own all of these highly cash generative businesses at the bargain price of less than 12x earnings.

Three US-based service companies make up over 13% of the portfolio: Nova, Ceridian, and Equifax. All are benefiting greatly from the boom in technology, resulting in "New Economy" growth rates in profit, but selling in the market at attractive "Old Economy" share prices. Regarding the Internet, each to a certain extent is employing the strategy Levi Straus used during the Gold Rush days: don't try to become a successful miner—make money selling supplies to the multitudes of people who believe they will be successful miners. This strategy allows your business to thrive without having to figure out precisely where the gold is in the ground. Nova, for example, has an attractive position in credit card transaction processing, an area which will continue to grow regardless of which "e-tailer" wins the battle of the Internet.

Companies broadly defined as capital goods manufacturers make up 13% of the Fund. The four companies—Krones, Tomkins, Metso, and GFI Industries—are all European-based and all extremely out of favor. However the most important trait they all share is the large discount to intrinsic value they currently trade at in the market. Krones, as mentioned in the Oakmark International Small Cap letter, is the world-leading manufacturer of bottling equipment. An investment in Krones at four times cash flow nets you a globally dominant technological leader with attractive growth prospects, net cash on its balance sheet and a management that is eagerly buying in shares at current prices.

Financials represent just under 13% of the Fund, composed of companies with variety of specialties located on three continents. Banco Latinoamericano de Exportaciones, or Bladex as it is known, is a good example of the value we are finding in the area. The Bank is the largest trade finance institution in Latin America, and has successfully negotiated a multitude of regional and global shocks with a minimum of credit quality problems. Overcapitalized and extremely conservatively provisioned, the market is currently pricing this business at less than 5 times earnings and less than 70% of a growing and understated (given their tendency to over-provision for potential risks) book

value. This is far too cheap a price for a business of this quality.

Looking Forward

At Harris Associates our primary concern as analysts and portfolio managers is to fully understand the underlying value of a business, not to predict short-term, sentiment-driven price movements in the market. If we properly ascertain the intrinsic value of a business with a reasonable level of confidence, and can purchase that business at a significant discount, we are confident we will do well over time.

Once again, we would like to thank you for your continued confidence in the newest Fund in the Oakmark Family.



Michael Welsh

Portfolio Manager
102521.2142@compuserve.com



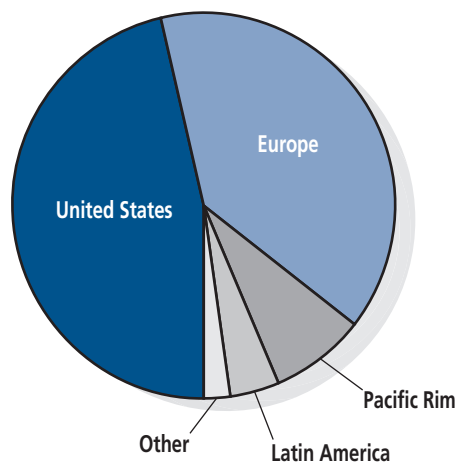
Greg Jackson




Portfolio Manager
gjackson@oakmark.com



April 6, 2000

THE OAKMARK GLOBAL FUND

Global Diversification—March 31, 2000



	% of Fund Net Assets
 United States	44.2%
 Europe	37.4%
Great Britain	20.2%
* France	4.4%
* Germany	4.2%
Denmark	3.0%
* Finland	3.0%
* Italy	2.6%
 Pacific Rim	7.5%
New Zealand	4.7%
Korea	1.7%
Japan	1.1%

	% of Fund Net Assets
 Latin America	4.0%
Panama	2.6%
Brazil	1.4%
 Other	2.2%
Bermuda	2.2%

* Euro currency countries comprise 14.2% of the Fund.

THE OAKMARK GLOBAL FUND

Schedule of Investments—March 31, 2000 (Unaudited)

Description		Shares Held	Market Value
Common Stocks—95.3%			
Food & Beverage—5.4%			
Diageo plc (Great Britain)	Beverages, Wines, & Spirits Manufacturer	130,000	\$ 976,395
Hite Brewery Company (Korea)	Brewer	20,500	458,132
			1,434,527
Apparel—4.7%			
Fila Holding S.p.A. (Italy), (b)	Athletic Footwear & Apparel	94,700	\$ 704,331
Jones Apparel Group, Inc. (United States), (a)	Apparel Manufacturer	17,000	541,875
			1,246,206
Retail—18.1%			
Somerfield plc (Great Britain)	Food Retailer	1,421,500	\$ 1,256,060
House Of Fraser Plc (Great Britain)	Department Store	1,201,300	1,071,051
Ugly Duckling Corporation (United States), (a)	Automobile Retailer & Financier	125,000	960,937
Toys “Я” Us, Inc. (United States), (a)	Toy Retailer	50,000	740,625
Tricon Global Restaurants, Inc. (United States), (a)	Restaurant Owner and Franchisor	17,000	528,062
Denny’s Japan Co., Ltd. (Japan)	Restaurant Chain	17,000	298,057
			4,854,792
Other Consumer Goods & Services—9.4%			
Department 56, Inc. (United States), (a)	Collectibles & Giftware Products	95,000	\$ 1,407,188
Royal Doulton plc (Great Britain)	Tableware & Giftware	703,700	1,120,361
			2,527,549
Banks & Thrifts—9.1%			
Washington Mutual, Inc. (United States)	Thrift	35,000	\$ 927,500
Banco Latinoamericano de Exportaciones, S.A., Class E (Panama), (b)	Latin American Trade Bank	26,300	696,950
Unidanmark A/S, Class A (Denmark)	Commercial Banking	6,600	423,431
Den Danske Bank Group (Denmark)	Commercial Banking	3,700	387,701
			2,435,582

THE OAKMARK GLOBAL FUND

Schedule of Investments—March 31, 2000 (Unaudited) cont.

	Description	Shares Held	Market Value
Common Stocks—95.3% (cont.)			
Insurance—2.2%			
PartnerRe Ltd. (Bermuda)	Reinsurance Company	16,000	\$ 589,000
Educational Services—4.5%			
ITT Educational Services, Inc. (United States), (a)	Postsecondary Degree Programs	75,000	\$ 1,200,000
Information Services—13.6%			
Ceridian Corporation (United States)	Data Management Services	71,500	\$ 1,371,906
NOVA Corporation (United States)	Transaction Processing Services	46,000	1,339,750
Equifax Inc. (United States)	Consumer Credit Information	37,000	934,250
			<u>3,645,906</u>
Computer Software—5.0%			
The Reynolds and Reynolds Company, Class A (United States)	Information Management	50,000	\$ 1,350,000
Telecommunications—1.3%			
Telemig Celular Participacoes S.A. (Brazil), (a)	Telecommunications	111,345,000	\$ 361,240
Medical Products—2.0%			
Hanger Orthopedic Group, Inc. (United States), (a)	Orthotics and Prosthetics Manufacturer	100,000	\$ 531,250
Machinery & Metal Processing—3.0%			
Metso Oyj (Finland), (a)	Paper and Pulp Machinery	59,600	\$ 804,687
Mining & Building Materials—4.7%			
Fletcher Challenge Building (New Zealand)	Building Materials Manufacturer	1,172,186	\$ 1,267,717

THE OAKMARK GLOBAL FUND

Schedule of Investments—March 31, 2000 (Unaudited) cont.

Description		Shares Held	Market Value
Common Stocks—95.3% (cont.)			
Other Industrial Goods & Services—8.1%			
Tomkins plc (Great Britain)	Diversified Engineering	308,000	\$ 988,090
GFI Industries SA (France)	Industrial Fastener Manufacturer	26,600	598,564
Chargeurs SA (France)	Wool, Textile Production & Trading	9,900	578,264
			<u>2,164,918</u>
Production Equipment—4.2%			
Krones AG (Germany)	Production Machinery Manufacturer	38,700	\$ 1,111,715
Total Common Stocks (Cost: \$27,050,697)			25,525,089
Total Investments (Cost \$27,050,697)—95.3% (c)			\$ 25,525,089
Foreign Currencies (Proceeds \$11,511)—0.0%			\$ 11,427
Other Assets In Excess Of Other Liabilities—4.7% (d)			1,258,261
Total Net Assets—100%			<u>\$ 26,794,777</u>

(a) Non-income producing security.

(b) Represents an American Depository Receipt.

(c) At March 31, 2000, net unrealized depreciation of \$1,525,692, for federal income tax purposes, consisted of gross unrealized appreciation of \$1,649,547 and gross unrealized depreciation of \$3,175,239.

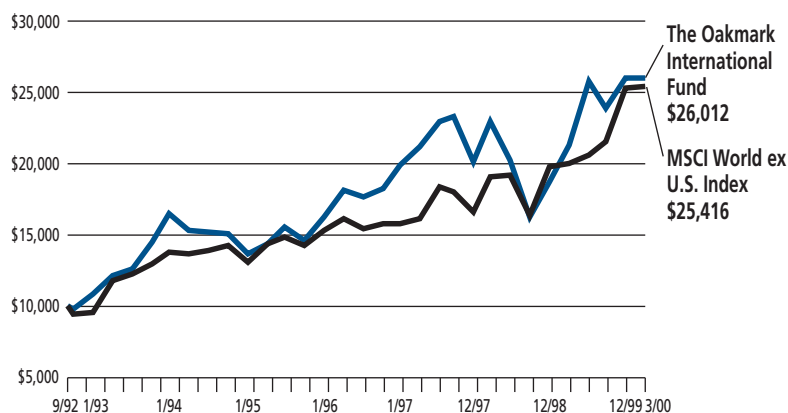
(d) Includes portfolio and transaction hedges.

THE OAKMARK INTERNATIONAL FUND

Report from David G. Herro and Michael J. Welsh, Portfolio Managers



THE VALUE OF A \$10,000 INVESTMENT IN THE OAKMARK INTERNATIONAL FUND FROM ITS INCEPTION (9/30/92) TO PRESENT (3/31/00) COMPARED TO THE MSCI WORLD EX U.S. INDEX



3/31/00 NAV \$14.67

	Average Annual Total Return*	
	Through 3/31/00	
	Total Return Last 3 mos.	From Fund Inception 9/30/92
The Oakmark International Fund	-0.2%	13.6%
MSCI World ex U.S. Index w/inc.**	0.6%	13.2%
MSCI EAFE Index w/inc.**	-0.1%	13.0%
Lipper International Fund Index**	0.6%	15.1%

*Total return includes change in share prices and in each case includes reinvestment of any dividends and capital gain distributions.

**Each of the three indexes or averages is an unmanaged group of stocks or funds whose composition is different from the Fund. The MSCI World ex U.S. Index includes 21 country sub-indexes. The MSCI EAFE Index refers to Europe, Asia and the Far East and includes 20 country sub-indexes. The Lipper International Fund Index includes 30 mutual funds that invest in securities whose primary markets are outside the United States. Past performance is no guarantee of future results.

For the first quarter of the year, your fund has achieved a return of -.2%. This compares to the MSCI World ex-U.S. Index which was up .6%. The Lipper International Fund Index also was up .6%.

Traveler's Log: Japan and Korea

Perceiving change in the Japanese economy is difficult for anyone using a time horizon shorter than a year. While there are numerous examples of specific companies which have started to restructure and focus more on shareholder returns (something we have found more common in smaller companies), in general, the changes have been masked by continued economic paralysis.

The quality of our company visits has certainly improved over the years. Management personnel dispatched to meet with investors are now higher up the ladder than they used to be and seem to better understand concepts like return and capital. However, many sociological impediments to enhancing shareholder returns still remain. For example, many companies are still tied to the tradition of using seniority as the primary criterion for advancement. Thankfully, there are some respected industry leaders such as Canon, Sony and Nomura which have started making promotion and compensation more dependent on performance. We are hopeful this trend will continue.

One very positive aspect of the rise of "new economy" companies in Japan (setting aside the absurd valuations the market is assigning many of them) is the freeing up of options for young people entering the labor market. The relaxation of listing requirements and the formation of alternative exchanges have opened the door to capital for many young firms. With the possibility of founding new startups or joining fast-growing service firms, many are no

longer are forced into a life of mind-numbing conformity as "salary men".

It has been sad to watch the treatment of the Japanese taxpayer over the past decade. To say they have been poorly served by their government is too kind. The delays and half-actions of the 1990s have transformed the country's formerly rock-solid finances into an enormous pile of government debt (most estimate total government obligations at well over 100% of GDP). The government's favorite tool, fiscal stimulus primarily in construction, has been a recurring failure. Japanese earners continue to be exceptional savers and will continue to be so as long as they have little confidence in an economic turnaround.

In stark contrast the Koreans have made more progress in reforming their banking sector in the last six months than the Japanese have in the past decade. It helped, ironically, that their short-term problems were much more severe, i.e., the wolf was at the door and they had no choice. Because of the rapidity of reform the outlook for Korea has gone from bleak to bright in two years.

The burst of change and energy happening right now in Korea was jolting, framed as it was by our Japanese visit. Anecdotaly, the immigration area designated for foreigners was packed by Americans, French, Germans and Indians (not ALL fund managers!); on previous visits there were usually only a handful of non-GI foreigners going through Kimpo Airport. On this trip you couldn't throw a rock in Seoul without hitting a foreigner trying to make a deal.

This has shown up in dramatic fashion in the foreign direct investment ("FDI") numbers. Before the crisis Korea used to be the outcast of Asian FDI, with regulations and nationalistic attitudes that were nearly xenophobic. Since the crisis the country has attracted more FDI cap-

ital than in the previous six years combined. President DJ Kim returned from Europe recently with a fist full of fresh investment commitments he received from French and German companies.

The dramatic adoption of change by the Korean people is most obvious in technology and telecoms. Cellular telephone penetration is now 50% (remember this country has 1/3 the GDP per capita of the US!), a rate that has DOUBLED since the crisis. The internet is also sweeping the country, from the share price mania of the KOSDAQ (Korea's equally high-octane version of our NASDAQ), to the embrace of on-line trading. "Cyber-trading", as its known, now accounts for nearly 50% of total share turnover, up from 5% at the beginning of last year, and currently the highest rate in the world.

Of course the dark side of this rush to embrace the future is that a financial bubble has developed in public companies identified with the internet. The KOSDAQ appears wildly overvalued (50% more expensive than the NASDAQ on a price/sales ratio) and share turnover on this market has increased an astounding 100-fold in the last 12 months. The terms "New economy" and "Cyber" routinely set-off desperate floods of money. *The Asian Wall Street Journal* recently related the story of a young entrepreneur, Jeong Seung Mo, who watched nearly US\$7 million gush into his bank account in the first five minutes after he posted a notice for new investors in his software company. "I advertised on the Internet because I contacted friends, banks, and institutional investors in person, and no one would give me money," Jeong said.

Our company meetings, most with "old economy" companies, were punctuated by management's disbelief in the under-valuation of their share prices, a sentiment that is all too familiar to value investors around the globe. Prof-

itability for many of these "old" companies has been tremendous. Because many of these companies were over-levered as the crisis hit, they responded with deep and massive restructuring. With slimmed down cost structures and many weaker competitors bankrupt, margins exploded when the economy boomed last year. For instance, one of our investments, Keumkang, doubled their operating profit in 1999 on a 20% pick up in revenue.

The future looks very bright for Korea as long as it stays on the path of reform. They have jettisoned their former economic role model, Japan, and replaced it with a more open Anglo-American style of free market capitalism. The short-term could still be volatile and progress could very well be interrupted by a number of potential negatives, including: another Daewoo-sized bankruptcy damaging the recovering financial sector; a popping of the KOSDAQ bubble; an unfavorable outcome in the upcoming legislative elections; a strongly appreciating Korean currency; trouble with North Korea; or a resurgence in the country's formerly strong labor unions.

We appreciate your support and confidence.



David G. Herro

Portfolio Manager
dherro@cs.com



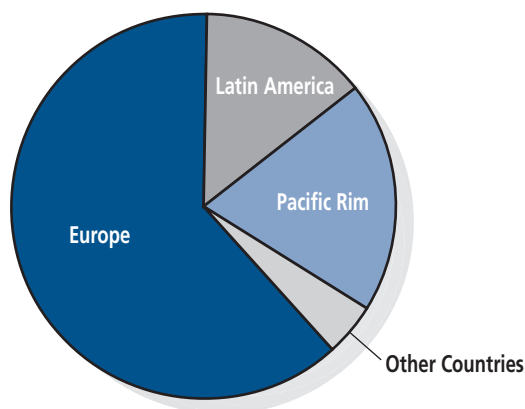
Michael J. Welsh





Portfolio Manager
102521.2142@compuserve.com

April 5, 2000

THE OAKMARK INTERNATIONAL FUND

International Diversification—March 31, 2000



	% of Fund Net Assets		% of Fund Net Assets
 Europe	58.8%	 Pacific Rim	18.5%
Great Britain	28.6%	Korea	5.4%
* France	7.6%	Japan	4.3%
* Finland	7.4%	Australia	3.4%
Denmark	5.1%	Singapore	2.8%
* Netherlands	3.8%	Hong Kong	2.6%
* Italy	2.7%		
Switzerland	1.8%	 Other	4.1%
* Germany	1.6%	Canada	3.5%
* Austria	0.2%	Bermuda	0.6%
 Latin America	13.5%		
Brazil	6.4%		
Panama	4.1%		
Argentina	3.0%		

* Euro currency countries comprise 23.3% of the Fund.

THE OAKMARK INTERNATIONAL FUND

Schedule of Investments—March 31, 2000 (Unaudited)

	Description	Shares Held	Market Value
Common Stocks—94.9%			
Food & Beverage—8.9%			
Diageo plc (Great Britain)	Beverages, Wines, & Spirits Manufacturer	4,757,000	\$ 35,728,565
Quilmes Industrial SA (Argentina), (b)	Brewer	2,121,000	22,270,500
Lotte Confectionery Company (Korea)	Confection Manufacturer	37,270	4,602,900
Lotte Chilsung Beverage Company (Korea) (d)	Soft Drinks, Juices, & Sport Drinks Manufacturer	73,000	4,405,429
			67,007,394
Apparel—2.7%			
Fila Holding S.p.A. (Italy), (b) (d)	Athletic Footwear & Apparel	2,752,800	\$ 20,473,950
Retail—6.0%			
Somerfield plc (Great Britain) (d)	Food Retailer	36,474,995	\$ 32,229,884
Giordano International Limited (Hong Kong)	Pacific Rim Clothing Retailer & Manufacturer	10,218,000	12,400,883
			44,630,767
Household Products—8.4%			
Hunter Douglas N.V. (Netherlands)	Window Coverings Manufacturer	1,107,700	\$ 28,320,103
Reckitt Benckiser plc (Great Britain)	Household Cleaners & Air Fresheners	2,530,000	23,906,267
Unilever plc (Great Britain)	Detergents & Personal Care Products	1,685,000	10,757,585
			62,983,955
Electronics—1.2%			
Canon, Inc. (Japan)	Office & Video Equipment	213,000	\$ 9,232,455
Other Consumer Goods & Services—5.4%			
Citizen Watch Co. (Japan)	Watch and Component Manufacturer	2,480,000	\$ 20,895,144
Mandarin Oriental International Limited (Singapore)	Hotel Management	33,134,400	17,561,232
Shimano Inc. (Japan)	Bicycle Parts Manufacturer	120,000	2,276,920
			40,733,296

THE OAKMARK INTERNATIONAL FUND

Schedule of Investments—March 31, 2000 (Unaudited) cont.

	Description	Shares Held	Market Value
Common Stocks—94.9% (cont.)			
Banks & Thrifts—16.7%			
Banco Latinoamericano de Exportaciones, S.A., Class E (Panama), (b) (d)	Latin American Trade Bank	1,157,800	\$ 30,681,700
Uniao de Bancos Brasileiros S.A. (Brazil), (c)	Major Brazilian Bank	701,100	22,259,925
Den Danske Bank Group (Denmark)	Commercial Banking	201,500	21,113,990
Canadian Imperial Bank of Commerce (Canada)	Commercial Banking	625,000	17,829,491
Unidanmark A/S, Class A (Denmark)	Commercial Banking	269,500	17,290,078
Banque Nationale de Paris (France)	Commercial Banking	108,500	8,571,268
National Australia Bank Limited (Australia)	Commercial Banking	295,000	3,789,784
United Overseas Bank Ltd., Foreign Shares (Singapore)	Commercial Banking	583,968	3,581,998
			125,118,234
Insurance—2.4%			
Swiss Re (Switzerland)	Reinsurance Provider	7,825	\$ 13,561,419
IPC Holdings, Ltd. (Bermuda)	Reinsurance Provider	370,500	4,446,000
			18,007,419
Telecommunications—5.2%			
SK Telecom Co. Ltd. (Korea)	Telecommunications	3,962	\$ 12,904,954
Telesp Participacoes (Brazil) S.A.	Telecommunications	444,100,000	7,752,306
Telemig Celular Participacoes S.A. (Brazil), (a)	Telecommunications	2,297,800,000	7,454,821
Tele Sudeste Celular Participacoes S.A. (Brazil)	Telecommunications	1,151,100,000	5,691,058
Tele Centro Sul Participacoes S.A. (Brazil), (a)	Telecommunications	469,200,000	5,119,035
			38,922,174
Pharmaceuticals—1.7%			
Glaxo Wellcome plc (Great Britain)	Pharmaceuticals	455,000	\$ 12,988,596

THE OAKMARK INTERNATIONAL FUND

Schedule of Investments—March 31, 2000 (Unaudited) cont.

Description		Shares Held	Market Value
Common Stocks—94.9% (cont.)			
Medical Products—0.0%			
Getinge Industrier AB, Class B (Sweden)	Medical Instruments Manufacturer	200	\$ 2,086
Aerospace—2.6%			
Rolls-Royce plc (Great Britain)	Aviation & Marine Power	5,988,702	\$ 19,355,271
Airport Maintenance—0.2%			
Flughafen Wien AG (Austria)	Airport Management & Operations	36,700	\$ 1,363,513
Components—4.1%			
Morgan Crucible Company plc (Great Britain)	Crucible & Components Manufacturer	4,058,424	\$ 15,862,785
IMI plc (Great Britain)	Components Manufacturer	4,120,000	15,152,340
			31,015,125
Chemicals—2.9%			
Nufarm Limited (Australia) (d)	Agricultural & Industrial Chemical Producer	10,557,554	\$ 21,439,531
Oil & Natural Gas—1.8%			
ISIS (France)	Oil Services	208,250	\$ 13,180,986
Machinery & Metal Processing—4.8%			
Metso Oyj (Finland), (a)	Paper and Pulp Machinery	2,634,577	\$ 35,570,619
Mining & Building Materials—1.8%			
Keumkang Ltd. (Korea) (d)	Building Materials	312,460	\$ 13,711,206
Other Industrial Goods & Services—14.3%			
Tomkins plc (Great Britain)	Diversified Engineering	11,211,565	\$ 35,967,629
Chargeurs SA (France) (d)	Wool, Textile Production & Trading	494,243	28,869,002
Kone Corporation, Class B (Finland)	Elevators	338,790	19,626,704
Buderus AG (Germany)	Industrial Manufacturing	710,120	11,967,566
Compagnie Generale des Etablissements Michelin (France)	Tire Manufacturer	205,000	6,583,826
Dongah Tire Industry Company (Korea) (d)	Tire Manufacturer	166,290	4,513,639
			107,528,366

THE OAKMARK INTERNATIONAL FUND

Schedule of Investments—March 31, 2000 (Unaudited) cont.

Description		Shares Held/ Par Value	Market Value
Common Stocks—94.9% (cont.)			
Diversified Conglomerates—3.8%			
Berisford plc (Great Britain)	Diversified Operations	2,645,700	\$ 12,699,845
Canadian Pacific Limited (Canada)	Diversified Operations	367,000	8,183,620
First Pacific Company Ltd. (Hong Kong)	Diversified Operations	14,716,000	7,181,717
			<u>28,065,182</u>
Total Common Stocks (Cost: \$798,638,163)			711,330,125
Short Term Investments—4.3%			
Commercial Paper—2.0%			
General Electric Capital Corporation, 6.18% due 4/3/2000		15,000,000	\$ 15,000,000
Total Commercial Paper (Cost: \$15,000,000)			15,000,000
Repurchase Agreements—2.3%			
State Street Repurchase Agreement, 6.03% due 4/3/2000		17,401,000	\$ 17,401,000
Total Repurchase Agreements (Cost: \$17,401,000)			17,401,000
Total Short Term Investments (Cost: \$32,401,000)			32,401,000
Total Investments (Cost \$831,039,163)—99.1% (e)			\$ 743,731,125
Foreign Currencies (Proceeds \$1,953,699)—0.3%			\$ 1,959,114
Other Assets In Excess Of Other Liabilities—0.6% (f)			4,358,328
Total Net Assets—100%			<u>\$ 750,048,567</u>

(a) Non-income producing security.

(b) Represents an American Depository Receipt.

(c) Represents a Global Depository Receipt.

(d) See footnote number five in the Notes to Financial Statements regarding transactions in affiliated issuers.

(e) March 31, 2000, net unrealized depreciation of \$87,302,622, for federal income tax purposes, consisted of gross unrealized appreciation of \$93,318,929 and gross unrealized depreciation of \$180,621,551.

(f) Includes portfolio and transaction hedges.

THE OAKMARK INTERNATIONAL SMALL CAP FUND

Report from David G. Herro and Michael J. Welsh, Portfolio Managers



Fellow Shareholders,

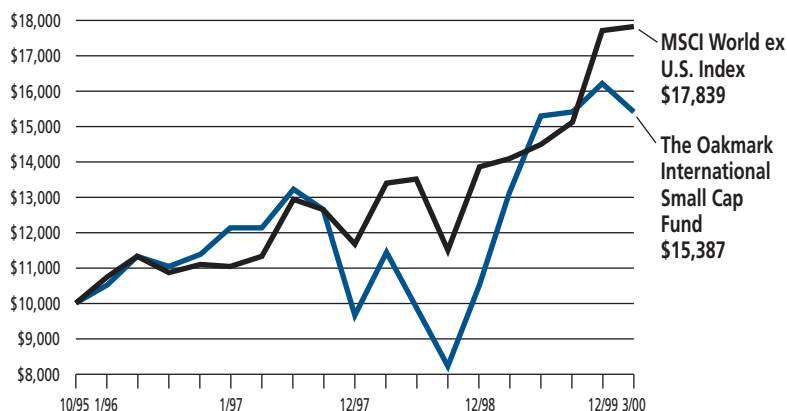
For the first calendar quarter of the year, your fund achieved a return of -5.0%. This compares to the MSCI World ex-U.S. Index which returned .6% and a 13.1% return for the Lipper International Small Cap average.

Though your Fund has achieved a negative return, please keep in mind that your fund was up over 53% last year so some pull back is natural. The current market prices of our portfolio of companies is **extremely** attractive, several examples of which we will describe below.

On Manias...

A lot has been said and written on the technology stock mania that has swept the globe. As managers who feel a tremendous sense of responsibility and duty to our shareholders we feel we must continue to warn you on the dangers of participating in this absurdity. Again, we are not saying that technology should be ignored or that the Internet is not a potent force to be reckoned with. We have experienced in our travels and in the normal course of business how technology and telecommunications have shrunk the world and changed the way the way it operates. As mentioned last quarter, we have owned certain technology and software stocks over the life of the Fund that have greatly contributed to returns. These truths, however, do not mean that companies involved in technology or telecommunications are always good investments. Price always must be considered. This is no different from buying a house, car, insurance policy or even a pound of hamburger. Rarely does any rational person buy something regardless of price.

THE VALUE OF A \$10,000 INVESTMENT IN THE OAKMARK INTERNATIONAL SMALL CAP FUND FROM ITS INCEPTION (11/1/95) TO PRESENT (3/31/00) AS COMPARED TO THE MSCI WORLD EX U.S. INDEX



3/31/00 NAV \$11.88

	Average Annual Total Return* Through 3/31/00 From Fund Inception 11/1/95	
	Total Return Last 3 mos.	
The Oakmark International Small Cap Fund	-5.0%	10.2%
MSCI World ex U.S. Index w/inc.**	0.6%	14.0%
Lipper International Small Cap Fund Average**	13.1%	23.7%
Micropal Equity International Small Cap Index**	13.8%	25.3%

*Total return includes change in share prices and in each case includes reinvestment of any dividends and capital gain distributions.

**Each of the three indexes or averages is an unmanaged group of indexes or funds whose composition is different from the Fund. The MSCI World ex U.S. Index includes 21 country sub-indexes. The Lipper International Small Cap Fund Average includes 76 mutual funds that invest in securities whose primary markets are outside the United States. The Micropal Equity International Small Cap Index is an unweighted index comprised of all funds within the international small company fund sector. Past performance is no guarantee of future results.

Today, at time of writing, this is not true in the global equity markets. A wall of money has piled into a small group of technology and telecom stocks no matter what the price. This buying hysteria has made for a two-headed market: one priced highly and the rest of the investment universe on sale. **For long-term investors like us, these times are glorious. The mispricing of assets in the short-term makes our job easier as long-term investors.** The availability of sound, well-managed companies with great **growth** prospects selling at **low** prices is huge. In fact, this highlights that the choice an investor faces is not between growth stocks and value stocks, for they are now one in the same, but between growth and momentum. And as we have always stated, buying something because of anticipated price movement is **not** investing, but, speculating.

Yes, these times often cause one to second-guess common sense. But, in the end, fundamentals always assert themselves. Always remember Nobel Prize winning economist Milton Friedman's famous quote: "there is no such thing as a free lunch."

...And Real Opportunity

Two years ago, we raved about values available to us in the Pacific Rim specifically and in the emerging markets in general. In a disciplined fashion we

took advantage of these opportunities and performed very well. Today, the situation is more expansive as the enormous gap between "old economy" and "new economy" has created great opportunity in the developed markets as well. Why are these stocks so undervalued? For one reason and one reason only: they are not directly related to technology. Consider your fund's largest holding, a German company called **Krones**. Krones is the world-leading manufacturer of bottling equipment. The company has great growth prospects as global soft drink and beer consumption increases, it is a technological leader, has net cash on its balance sheet and sells for about 4x's its cashflow. Management has made great strides to improve transparency and treatment of minority shareholders. And, the company itself thinks it's so undervalued that it is buying back its own stock!

Another large position in your Fund is **Fletcher Building** in New Zealand. It sells at depressed valuation levels, is the dominant force in New Zealand construction materials including cement and concrete and operates in a market that is coming out of a lengthy recession in building activity. On top of all of this, they have divested themselves of underperforming assets and are about to be spun-out of a larger group thereby making themselves a focused,

independent entity (and, perhaps, a takeover target). This stock yields close to 10% and trades at 7x's expanding earnings. Fletcher and Krones are just two examples of why we are so excited about the portfolio going forward.

Stick with Common Sense

In closing this letter, we as managers of your Fund urge you to think carefully about your investment choices. Never before in recent memory has there been two distinct choices in the field of common stock investment. We are quite confident of our approach and remain extremely enthusiastic about this Fund's prospects. We hope you share our enthusiasm.



David G. Herro

Portfolio Manager
dherro@cs.com



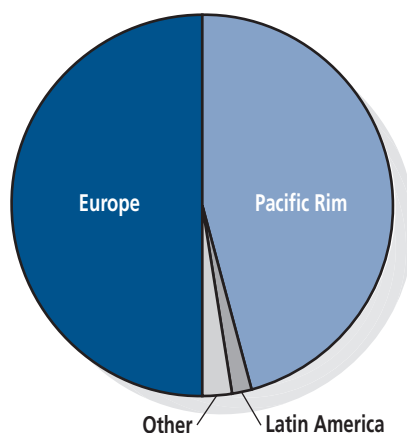
Michael J. Welsh

Portfolio Manager
102521.2142@compuserve.com

April 5, 2000

THE OAKMARK INTERNATIONAL SMALL CAP FUND

International Diversification—March 31, 2000



	% of Fund Net Assets
Europe	47.2%
Great Britain	17.9%
*France	14.7%
*Germany	7.4%
*Portugal	2.3%
*Italy	2.2%
*Finland	1.5%
Sweden	1.2%
Latin America	1.4%
Brazil	1.4%

	% of Fund Net Assets
Pacific Rim	43.2%
New Zealand	12.8%
Hong Kong	8.8%
Japan	6.4%
Korea	5.7%
Singapore	4.1%
Thailand	3.3%
Philippines	2.1%
Other	2.4%
Canada	1.5%
Bermuda	0.9%

* Euro currency countries comprise 28.1% of the Fund.

THE OAKMARK INTERNATIONAL SMALL CAP FUND

Schedule of Investments—March 31, 2000 (Unaudited)

Description		Shares Held	Market Value
Common Stocks—94.2%			
Food & Beverage—4.0%			
Alaska Milk Corporation (Philippines), (a)	Milk Producer	42,544,000	\$ 2,274,528
Hite Brewery Company (Korea)	Brewer	90,861	<u>2,030,551</u>
			4,305,079
Apparel—1.2%			
Kingmaker Footwear Holdings Limited (Hong Kong)	Athletic Footwear Manufacturer	7,640,000	\$ 1,314,780
Retail—11.8%			
House Of Fraser Plc (Great Britain)	Department Store	5,885,000	\$ 5,246,927
Carpetright plc (Great Britain)	Carpet Retailer	424,000	3,307,748
Denny's Japan Co., Ltd. (Japan)	Restaurant Chain	116,000	2,033,799
Dairy Farm International Holdings Limited (Singapore)	Supermarket Chain	1,405,800	899,712
Jusco Stores (Hong Kong) Co., Limited (Hong Kong)	Department Stores	6,888,000	574,992
York-Benimaru Co., Ltd. (Japan)	Supermarket Chain	21,000	<u>572,737</u>
			12,635,915
Other Consumer Goods & Services—8.2%			
Royal Doulton plc (Great Britain)	Tableware & Giftware	3,285,000	\$ 5,230,051
Il Shin Spinning Company (Korea)	Fabric & Yarn Manufacturer	53,320	2,170,912
Sanford Limited (New Zealand)	Fisheries	458,334	1,114,159
Designer Textiles (NZ) Limited (New Zealand) (b)	Knit Fabrics	1,960,000	<u>281,983</u>
			8,797,105
Insurance—1.0%			
Hannover Rueckversicherungs-AG (Germany)	Reinsurance Provider	16,500	\$ 1,066,471

THE OAKMARK INTERNATIONAL SMALL CAP FUND

Schedule of Investments—March 31, 2000 (Unaudited) cont.

Description		Shares Held	Market Value
Common Stocks—94.2% (cont.)			
Other Financial—8.2%			
JCG Holdings Ltd. (Hong Kong)	Investment Holding Company	9,914,000	\$ 4,488,104
Ichiyoshi Securities Co., Ltd. (Japan)	Stock Broker	328,000	4,277,914
			8,766,018
Hotels & Motels—4.1%			
Jarvis Hotels plc (Great Britain)	Hotel Operator	2,735,000	\$ 4,354,395
Broadcasting & Cable TV—1.5%			
Regional Cablesystems Inc. (Canada), (a)	Cable Operator	137,000	\$ 1,650,034
Publishing—4.5%			
Matchon Public Company Limited, Foreign Shares (Thailand) (b)	Newspaper Publisher	2,039,500	\$ 3,532,185
VLT AB, Class B (Sweden)	Newspaper Publisher	125,950	1,313,804
			4,845,989
Printing—2.0%			
Hung Hing Printing Group Limited (Hong Kong)	Printing Company	5,498,000	\$ 2,118,268
Telecommunications—2.3%			
Telemig Celular Participacoes S.A. (Brazil), (a)	Telecommunications	475,000,000	\$ 1,541,056
SK Telecom Co. Ltd. (Korea)	Telecommunications	296	964,126
			2,505,182
Pharmaceuticals—2.2%			
Recordati (Italy)	Pharmaceuticals	479,000	\$ 2,302,505
Transportation Services—3.6%			
Mainfreight Limited (New Zealand) (b)	Logistics Services	4,373,551	\$ 3,905,493

THE OAKMARK INTERNATIONAL SMALL CAP FUND

Schedule of Investments—March 31, 2000 (Unaudited) cont.

Description		Shares Held	Market Value
Common Stocks—94.2% (cont.)			
Oil & Natural Gas—4.2%			
ISIS (France)	Oil Services	54,177	\$ 3,429,082
Cairn Energy plc (Great Britain), (a)	Oil & Natural Gas Producer	545,000	<u>1,110,649</u>
			4,539,731
Mining & Building Materials—8.1%			
Fletcher Challenge Building (New Zealand)	Building Materials Manufacturer	5,710,951	\$ 6,176,381
Semapa-Sociedade de Investimento e Gestao, SGPS, SA (Portugal)	Cement Manufacturer	146,012	<u>2,494,278</u>
			8,670,659
Other Industrial Goods & Services—8.6%			
GFI Industries SA (France)	Industrial Fastener Manufacturer	257,974	\$ 5,805,040
Vaisala Oyj (Finland)	Atmospheric Observation Equipment	61,400	1,587,426
Yip's Hang Cheung (Holdings) Ltd. (Hong Kong)	Paint & Solvent Manufacturer	14,654,000	940,982
Dongah Tire Industry Company (Korea)	Tire Manufacturer	34,400	<u>933,725</u>
			9,267,173
Production Equipment—12.4%			
Krones AG (Germany)	Production Machinery Manufacturer	239,100	\$ 6,868,505
NSC Groupe (France) (b)	Textile Equipment Manufacturer	44,398	4,251,330
De Dietrich et Compagnie SA (France)	Production Machinery Manufacturer	41,500	<u>2,227,333</u>
			13,347,168
Steel—2.1%			
Steel & Tube Holdings Limited (New Zealand)	Produces and Distributes Steel	3,261,470	\$ 2,249,041
Diversified Conglomerates—4.2%			
Haw Par Corporation Ltd. (Singapore)	Healthcare and Leisure Products	2,177,000	\$ 3,459,189
Jardine Strategic Holdings Limited (Bermuda)	Diversified Operations	490,000	<u>999,600</u>
			4,458,789
Total Common Stocks (Cost: \$103,324,195)			101,099,795

THE OAKMARK INTERNATIONAL SMALL CAP FUND

Schedule of Investments—March 31, 2000 (Unaudited) cont.

Description	Par Value	Market Value
Short Term Investments—4.2%		
Commercial Paper—1.9%		
General Electric Capital Corporation, 6.18% due 4/3/2000	2,000,000	\$ 2,000,000
Total Commercial Paper (Cost: \$2,000,000)		2,000,000
Repurchase Agreements—2.3%		
State Street Repurchase Agreement, 6.03% due 4/3/2000	2,534,000	\$ 2,534,000
Total Repurchase Agreements (Cost: \$2,534,000)		2,534,000
Total Short Term Investments (Cost: \$4,534,000)		4,534,000
Total Investments (Cost \$107,858,195)—98.4% (c)		\$ 105,633,795
Foreign Currencies (Proceeds \$81,485)—0.1%		\$ 81,319
Other Assets In Excess Of Other Liabilities—1.5% (d)		1,604,663
Total Net Assets—100%		\$ 107,319,777

- (a) Non-income producing security.
- (b) See footnote number five in the Notes to Financial Statements regarding transactions in affiliated issuers.
- (c) At March 31, 2000, net unrealized depreciation of \$2,224,566, for federal income tax purposes, consisted of gross unrealized appreciation of \$10,878,312 and gross unrealized depreciation of \$13,102,878.
- (d) Includes portfolio and transaction hedges.



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THE OAKMARK FAMILY OF FUNDS

Statement of Assets and Liabilities—March 31, 2000

	The Oakmark Fund	The Oakmark Select Fund	The Oakmark Small Cap Fund
Assets			
Investments, at value	\$ 2,206,713,226 (cost: 2,293,924,775)	\$ 1,497,263,646 (cost: 1,438,473,438)	\$ 253,675,006 (cost: 289,248,034)
Cash	298	422	926
Foreign currency, at value	0	0	0
Receivable for:			
Forward foreign currency contracts	0	0	0
Securities sold	42,700,243	8,470,527	5,364,945
Fund shares sold	4,916,456	7,765,648	122,016
Dividends and interest	7,630,388	1,006,773	142,133
Total receivables	55,247,087	17,242,948	5,629,094
Other assets	156,740	29,457	20,269
Total assets	<u>\$ 2,262,117,351</u>	<u>\$ 1,514,536,473</u>	<u>\$ 259,325,295</u>
Liabilities and Net Assets			
Options sold, at fair value (premiums received:)	\$ 0 0	\$ 0 0	\$ 170,000 227,886
Payable for:			
Securities purchased	28,673,299	9,899,563	2,322,050
Fund shares redeemed	15,957,012	1,657,274	751,085
Forward foreign currency contracts	0	0	0
Other	1,624,587	644,587	242,370
Total liabilities	46,254,898	12,201,424	3,485,505
Net assets applicable to fund shares outstanding	<u>\$ 2,215,862,453</u>	<u>\$ 1,502,335,049</u>	<u>\$ 255,839,790</u>
Fund shares outstanding	<u>89,480,824</u>	<u>74,863,519</u>	<u>19,103,170</u>
Analysis of Net Assets			
Paid in capital	\$ 2,689,287,987	\$ 1,279,139,658	\$ 270,855,132
Accumulated undistributed net realized gain (loss) on sale of investments, forward contracts and foreign currency exchange transactions	(411,801,705)	162,429,490	20,499,800
Net unrealized appreciation (depreciation) of investments	(87,211,548)	58,790,207	(35,515,142)
Net unrealized appreciation (depreciation) of foreign currency portfolio hedges	0	0	0
Net unrealized appreciation (depreciation)—other	0	0	0
Accumulated undistributed net investment income (loss)	25,587,719	1,975,694	0
Net assets applicable to Fund shares outstanding	<u>\$ 2,215,862,453</u>	<u>\$ 1,502,335,049</u>	<u>\$ 255,839,790</u>
Price of Shares			
Net asset value per share: Class I	\$ 24.76	\$ 20.07	\$ 13.39
Class I—Net assets	\$ 2,215,862,453	\$ 1,497,713,941	\$ 255,839,790
Class I—Shares outstanding	89,480,824	74,633,059	19,103,170
Net asset value per share: Class II		\$ 20.05	
Class II—Net assets		\$ 4,621,108	
Class II—Shares outstanding		230,460	

The Oakmark Equity and Income Fund	The Oakmark Global Fund	The Oakmark International Fund	The Oakmark International Small Cap Fund
\$ 51,727,267 (cost: 47,179,205) 904 0 0 808,948 3,460 358,855 <u>1,171,263</u> 2,051 <u>\$ 52,901,485</u>	\$ 25,536,516 (cost: 27,050,697) (361,613) 0 50,555 1,609,028 1,500 165,603 <u>1,834,686</u> 10,680 <u>\$ 27,020,269</u>	\$ 743,731,125 (cost: 831,039,163) 383 1,959,114 1,607,161 8,135,843 433,394 7,585,450 <u>17,761,848</u> 19,661 <u>\$ 763,472,131</u>	\$ 105,633,796 (cost: 107,858,195) 391 81,319 544,254 1,138,651 71,597 1,153,906 <u>2,908,408</u> 2,219 <u>\$ 108,626,133</u>
\$ 0 0 115,300 378,007 0 92,299 <u>585,606</u> <u>\$ 52,315,879</u> 3,479,175 <u> </u>	\$ 0 0 115,300 10,776 28,299 71,117 <u>225,492</u> <u>\$ 26,794,777</u> 2,665,668 <u> </u>	\$ 0 0 9,625,153 577,297 1,871,278 1,349,836 <u>13,423,564</u> <u>\$ 750,048,567</u> 51,122,007 <u> </u>	\$ 0 0 659,217 247,728 144,057 255,354 <u>1,306,356</u> <u>\$ 107,319,777</u> 9,032,169 <u> </u>
\$ 44,705,203 2,496,638 4,548,062 0 75 565,901 <u>\$ 52,315,879</u>	\$ 26,287,235 1,870,172 (1,525,692) 36,112 1,787 125,163 <u>\$ 26,794,777</u>	\$ 776,055,252 83,685,784 (87,302,622) (207,417) (109,263) (22,073,167) <u>\$ 750,048,567</u>	\$ 103,392,566 4,384,393 (2,224,566) 409,652 (654) 1,358,386 <u>\$ 107,319,777</u>
\$ 15.04 \$ 52,315,879 3,479,175	\$ 10.05 \$ 26,794,777 2,665,668	\$ 14.67 \$ 749,992,422 51,118,176 \$ 14.66 \$ 56,145 3,831	\$ 11.88 \$ 107,319,777 9,032,169

THE OAKMARK FAMILY OF FUNDS

Statement of Operations—March 31, 2000

	The Oakmark Fund	The Oakmark Select Fund	The Oakmark Small Cap Fund
Investment Income:			
Dividends	\$ 40,256,457	\$ 12,056,916	\$ 1,372,017
Interest Income	6,215,066	2,430,662	366,228
Securities lending income	0	0	0
Other Income	189,274	0	0
Foreign taxes withheld	0	0	0
Total investment income	46,660,797	14,487,578	1,738,245
Expenses:			
Investment advisory fee	17,361,382	7,560,785	2,206,456
Transfer and dividend disbursing agent fees	1,015,631	395,189	116,894
Other shareholder servicing fees	870,695	549,720	102,134
Reports to shareholders	719,858	254,909	85,998
Custody and accounting fees	188,043	101,691	41,603
Registration and blue sky expenses	(8,396)	35,102	9,607
Trustee fees	58,509	28,371	17,575
Legal fees	23,710	14,106	6,295
Audit fees	12,829	12,273	12,273
Other	179,993	88,464	34,244
Total expenses	20,422,254	9,040,610	2,633,079
Expense reimbursement	0	0	(112,500)
Expense offset arrangements	(6,499)	(1,216)	(332)
Net expenses	20,415,755	9,039,394	2,520,247
Net Investment Income (loss):	26,245,042	5,448,184	(782,002)
Net realized and unrealized gain (loss) on investments and foreign currency transactions:			
Net realized gain (loss) on investments	(411,390,237)	184,486,213	36,103,517
Net realized gain (loss) on foreign currency transactions	0	0	0
Net change in unrealized appreciation (depreciation) of investments and foreign currencies	(254,210,921)	31,553,980	(51,770,930)
Net change in appreciation (depreciation) of forward currency exchange contracts	0	0	0
Net change in appreciation (depreciation)—other	0	0	0
Net realized and unrealized gain (loss) on investments and foreign currency transactions:	<u>(665,601,158)</u>	<u>216,040,193</u>	<u>(15,667,413)</u>
Net increase (decrease) in net assets resulting from operations	<u><u>\$(639,356,116)</u></u>	<u><u>\$ 221,488,377</u></u>	<u><u>\$ (16,449,415)</u></u>

The Oakmark Equity and Income Fund	The Oakmark Global Fund	The Oakmark International Fund	The Oakmark International Small Cap Fund
\$ 663,899 604,341 0 0 <u>(16,519)</u> 1,251,721	\$ 323,047 16,699 0 0 <u>(30,087)</u> 309,659	\$ 12,106,499 1,039,528 0 0 <u>(1,333,627)</u> 11,812,400	\$ 2,099,822 125,643 0 0 <u>(243,351)</u> 1,982,114
215,368 24,194 7,517 14,216 25,114 8,057 12,754 4,893 10,773 18,507 <u>341,393</u> 0 <u>(410)</u> 340,983	136,171 17,526 1,782 30,792 14,085 15,087 12,383 7,728 9,027 10,785 <u>255,366</u> (16,500) <u>(231)</u> 238,635	3,981,177 229,650 187,488 152,516 451,147 28,804 22,137 8,875 14,883 53,780 <u>5,130,457</u> 0 <u>(1,404)</u> 5,129,053	831,013 52,277 38,248 29,792 98,302 13,204 13,580 5,308 12,829 24,681 <u>1,119,234</u> 0 <u>(1,829)</u> 1,117,405
910,738	71,024	6,683,347	864,709
2,515,982 0 725,595 0 234	1,954,715 52,812 263,350 34,975 7,590	86,862,642 1,616,580 (28,999,849) 244,057 16,532	5,599,958 (222,842) (8,096,383) 392,574 5,776
<u>3,241,811</u>	<u>2,313,442</u>	<u>59,739,962</u>	<u>(2,320,917)</u>
<u>\$ 4,152,549</u>	<u>\$ 2,384,466</u>	<u>\$ 66,423,309</u>	<u>\$ (1,456,208)</u>

THE OAKMARK FAMILY OF FUNDS

Statement of Changes in Net Assets—March 31, 2000

	The Oakmark Fund	
	Six Months Ended March 31, 2000	Year Ended September 30, 1999
From Operations:		
Net investment income	\$ 26,245,042	\$ 63,903,129
Net realized gain (loss) on sale of investments	(411,390,237)	748,595,189
Net realized gain (loss) on foreign currency transactions	0	0
Net change in unrealized appreciation (depreciation) of investments and foreign currencies	(254,210,921)	(147,719,773)
Net change in unrealized appreciation (depreciation) of forward currency exchange contracts	0	0
Net change in unrealized appreciation (depreciation)— other	0	0
Net increase (decrease) in net assets from operations	(639,356,116)	664,778,545
Distribution to shareholders from (1):		
Net investment income	(32,700,105)	(89,026,890)
Net realized short-term gain	(100,782,239)	(128,028,090)
Net realized long-term gain	(487,251,797)	(195,972,927)
Total distributions to shareholders	(620,734,141)	(413,027,907)
From Fund share transactions:		
Proceeds from shares sold	170,987,093	832,343,635
Reinvestment of dividends and capital gain distributions	603,455,859	391,307,098
Payments for shares redeemed	(2,071,322,609)	(3,626,526,884)
Net increase (decrease) in net assets from Fund share transactions	(1,296,879,657)	(2,402,876,151)
Total increase (decrease) in net assets	(2,556,969,915)	(2,151,125,513)
Net assets:		
Beginning of period	4,772,832,369	6,923,957,882
End of period	<u>\$ 2,215,862,453</u>	<u>\$ 4,772,832,369</u>
Undistributed net investment income	<u>\$ 25,587,719</u>	<u>\$ 52,730,692</u>
(1) Distributions per share:		
Net investment income	\$ 0.2632	\$ 0.4401
Net realized short-term gain	0.8111	0.6329
Net realized long-term gain	3.9217	0.9686
Total distributions to shareholders	<u>\$ 4.9960</u>	<u>\$ 2.0416</u>

The Oakmark Select Fund

	Six Months Ended March 31, 2000	Year Ended September 30, 1999
From Operations:		
Net investment income	\$ 5,448,184	\$ 15,427,356
Net realized gain (loss) on sale of investments	184,486,213	301,413,442
Net realized gain (loss) on foreign currency transactions	0	0
Net change in unrealized appreciation (depreciation) of investments and foreign currencies	31,553,980	18,463,317
Net change in unrealized appreciation (depreciation) of forward currency exchange contracts	0	0
Net change in unrealized appreciation (depreciation)— other	0	0
Net increase (decrease) in net assets from operations	221,488,377	335,304,115
*Distribution to shareholders from (1):		
Net investment income	(14,709,648)	(3,491,747)
Net realized short-term gain	(8,341,169)	(497,653)
Net realized long-term gain	(268,868,124)	(50,206,634)
Total distributions to shareholders	(291,918,941)	(54,196,034)
From Fund share transactions:		
Proceeds from shares sold	330,084,276	688,865,887
Reinvestment of dividends and capital gain distributions	287,174,874	51,676,128
Payments for shares redeemed, net of fees	(683,402,349)	(610,635,670)
Net increase (decrease) in net assets from Fund share transactions	(66,143,199)	129,906,345
Total increase (decrease) in net assets	(136,573,763)	411,014,426
Net assets:		
Beginning of period	1,638,908,812	1,227,894,386
End of period	<u>\$ 1,502,335,049</u>	<u>\$ 1,638,908,812</u>
Undistributed net investment income	<u>\$ 1,975,694</u>	<u>\$ 13,637,247</u>
(1) Distributions per share:		
Net investment income	\$ 0.1972	\$ 0.0491
Net realized short-term gain	0.1118	0.0070
Net realized long-term gain	3.6040	0.7058
Total distributions to shareholders	\$ 3.9130	\$ 0.7619

*Class II shares were first sold December 31, 1999, after the distribution date.

THE OAKMARK FAMILY OF FUNDS

Statement of Changes in Net Assets—March 31, 2000 (cont.)

	The Oakmark Small Cap Fund	
	Six Months Ended March 31, 2000	Year Ended September 30, 1999
From Operations:		
Net investment income	\$ (782,002)	\$ (2,516,832)
Net realized gain (loss) on sale of investments	36,103,517	(11,002,740)
Net realized gain (loss) on foreign currency transactions	0	0
Net change in unrealized appreciation (depreciation) of investments and foreign currencies	(51,770,930)	82,350,204
Net change in unrealized appreciation (depreciation) of forward currency exchange contracts	0	0
Net change in unrealized appreciation (depreciation)— other	0	0
Net increase (decrease) in net assets from operations	(16,449,415)	68,830,632
Distribution to shareholders from (1):		
Net investment income	0	0
Net realized short-term gain	0	0
Net realized long-term gain	0	(4,508,112)
Total distributions to shareholders	0	(4,508,112)
From Fund share transactions:		
Proceeds from shares sold	24,431,744	262,182,135
Reinvestment of dividends and capital gain distributions	0	4,278,943
Payments for shares redeemed, net of fees	(189,281,818)	(511,639,081)
Net increase (decrease) in net assets from Fund share transactions	(164,850,074)	(245,178,003)
Total increase (decrease) in net assets	(181,299,489)	(180,855,483)
Net assets:		
Beginning of period	437,139,279	617,994,762
End of period	<u>\$ 255,839,790</u>	<u>\$ 437,139,279</u>
Undistributed net investment income	<u>\$ 0</u>	<u>\$ (9,437,333)</u>
(1) Distributions per share:		
Net investment income	\$ 0	\$ 0
Net realized short-term gain	0	0
Net realized long-term gain	0	0.0874
Total distributions to shareholders	\$ 0	\$ 0.0874

The Oakmark Equity and Income Fund

	Six Months Ended March 31, 2000	Year Ended September 30, 1999
From Operations:		
Net investment income	\$ 910,738	\$ 1,640,639
Net realized gain (loss) on sale of investments	2,515,982	6,246,386
Net realized gain (loss) on foreign currency transactions	0	(1,597)
Net change in unrealized appreciation (depreciation) of investments and foreign currencies	725,595	690,123
Net change in unrealized appreciation (depreciation) of forward currency exchange contracts	0	0
Net change in unrealized appreciation (depreciation)— other	234	(159)
Net increase (decrease) in net assets from operations	4,152,549	8,575,392
Distribution to shareholders from (1):		
Net investment income	(1,718,499)	(855,395)
Net realized short-term gain	0	0
Net realized long-term gain	(5,192,802)	(829,557)
Total distributions to shareholders	(6,911,301)	(1,684,952)
From Fund share transactions:		
Proceeds from shares sold	5,590,181	21,877,864
Reinvestment of dividends and capital gain distributions	6,650,712	1,610,146
Payments for shares redeemed, net of fees	(17,483,853)	(27,806,714)
Net increase (decrease) in net assets from Fund share transactions	(5,242,960)	(4,318,704)
Total increase (decrease) in net assets	(8,001,712)	2,571,736
Net assets:		
Beginning of period	60,317,591	57,745,855
End of period	<u>\$ 52,315,879</u>	<u>\$ 60,317,591</u>
Undistributed net investment income	<u>\$ 565,901</u>	<u>\$ 1,806,607</u>
(1) Distributions per share:		
Net investment income	\$ 0.4509	\$ 0.2118
Net realized short-term gain	0	0
Net realized long-term gain	1.3625	0.2053
Total distributions to shareholders	\$ 1.8134	\$ 0.4171

THE OAKMARK FAMILY OF FUNDS

Statement of Changes in Net Assets—March 31, 2000 (cont.)

	The Oakmark Global Fund	
	Six Months Ended March 31, 2000	Year Ended September 30, 1999 (a)
From Operations:		
Net investment income	\$ 71,024	\$ 32,032
Net realized gain (loss) on sale of investments	1,954,715	(84,542)
Net realized gain (loss) on foreign currency transactions	52,812	(871)
Net change in unrealized appreciation (depreciation) of investments and foreign currencies	263,350	(1,789,042)
Net change in unrealized appreciation (depreciation) of forward currency exchange contracts	34,975	(4,719)
Net change in unrealized appreciation (depreciation)—other	7,590	53
Net increase (decrease) in net assets from operations	2,384,466	(1,847,089)
Distribution to shareholders from (1):		
Net investment income	(29,834)	0
Net realized short-term gain	0	0
Net realized long-term gain	0	0
Total distributions to shareholders	(29,834)	0
From Fund share transactions:		
Proceeds from shares sold	10,783,756	25,938,577
Reinvestment of dividends and capital gain distributions	28,824	0
Payments for shares redeemed, net of fees	(10,325,789)	(138,134)
Net increase (decrease) in net assets from Fund share transactions	486,791	25,800,443
Total increase (decrease) in net assets	2,841,423	23,953,354
Net assets:		
Beginning of period	23,953,354	0
End of period	<u>\$ 26,794,777</u>	<u>\$23,953,354</u>
Undistributed net investment income	<u>\$ 125,163</u>	<u>\$ 32,032</u>
(1) Distributions per share:		
Net investment income	\$ 0.0098	\$ 0
Net realized short-term gain	0	0
Net realized long-term gain	0	0
Total distributions to shareholders	\$ 0.0098	\$ 0

(a) From August 4, 1999, to date on which Fund shares were first offered for sale to the public.

The Oakmark International Fund

	Six Months Ended March 31, 2000	Year Ended September 30, 1999
From Operations:		
Net investment income	\$ 6,683,347	\$ 15,632,479
Net realized gain (loss) on sale of investments	86,862,642	(28,187,781)
Net realized gain (loss) on foreign currency transactions	1,616,580	11,558,024
Net change in unrealized appreciation (depreciation) of investments and foreign currencies	(28,999,849)	290,561,381
Net change in unrealized appreciation (depreciation) of forward currency exchange contracts	244,057	1,014,015
Net change in unrealized appreciation (depreciation)— other	16,532	(274,516)
Net increase (decrease) in net assets from operations	66,423,309	290,303,602
*Distribution to shareholders from (1):		
Net investment income—Class I	(27,291,783)	(16,590,763)
Net investment income—Class II	(1,053)	0
Net realized short-term gain	0	(32,678,201)
Net realized long-term gain	0	(20,071,535)
Total distributions to shareholders	(27,292,836)	(69,340,499)
From Fund share transactions:		
Proceeds from shares sold	73,526,909	370,563,788
Reinvestment of dividends and capital gain distributions	26,255,741	65,432,760
Payments for shares redeemed, net of fees	(200,006,543)	(601,921,972)
Net increase (decrease) in net assets from Fund share transactions	(100,223,893)	(165,925,424)
Total increase (decrease) in net assets	(61,093,420)	55,037,679
Net assets:		
Beginning of period	811,141,987	756,104,308
End of period	<u>\$ 750,048,567</u>	<u>\$ 811,141,987</u>
Undistributed net investment income	<u>\$ (22,073,167)</u>	<u>\$ 37,780,575</u>
(1) Distributions per share:		
Net investment income	\$ 0.4861	\$ 0.2440
Net realized short-term gain	0	0.4807
Net realized long-term gain	0	0.2953
Total distributions to shareholders	<u><u>\$ 0.4861</u></u>	<u><u>\$ 1.0200</u></u>

*Class II Shares were first sold November 4, 1999.

THE OAKMARK FAMILY OF FUNDS

Statement of Changes in Net Assets—March 31, 2000 (cont.)

	The Oakmark International Small Cap Fund	
	Six Months Ended March 31, 2000	Year Ended September 30, 1999
From Operations:		
Net investment income	\$ 864,709	\$ 2,541,981
Net realized gain (loss) on sale of investments	5,599,958	12,338,825
Net realized gain (loss) on foreign currency transactions	(222,842)	968,518
Net change in unrealized appreciation (depreciation) of investments and foreign currencies	(8,096,383)	34,768,296
Net change in unrealized appreciation (depreciation) of forward currency exchange contracts	392,574	186,436
Net change in unrealized appreciation (depreciation)— other	5,776	(2,615)
Net increase (decrease) in net assets from operations	(1,456,208)	50,801,441
Distribution to shareholders from (1):		
Net investment income	(1,252,257)	(1,558,450)
Net realized short-term gain	(3,278,736)	0
Net realized long-term gain	(3,226,904)	0
Total distributions to shareholders	(7,757,898)	(1,558,450)
From Fund share transactions:		
Proceeds from shares sold	29,202,382	253,467,836
Reinvestment of dividends and capital gain distributions	7,637,609	1,470,554
Payments for shares redeemed, net of fees	(75,672,311)	(200,585,753)
Net increase (decrease) in net assets from Fund share transactions	(38,832,320)	54,352,637
Total increase (decrease) in net assets	(48,046,426)	103,595,628
Net assets:		
Beginning of period	155,366,203	51,770,575
End of period	<u>\$ 107,319,777</u>	<u>\$ 155,366,203</u>
Undistributed net investment income	<u>\$ 1,358,386</u>	<u>\$ 2,612,604</u>
(1) Distributions per share:		
Net investment income	\$ 0.1135	\$ 0.2049
Net realized short-term gain	0.2972	0
Net realized long-term gain	0.2923	0
Total distributions to shareholders	<u><u>\$ 0.7030</u></u>	<u><u>\$ 0.2049</u></u>

THE OAKMARK FAMILY OF FUNDS

Notes to Financial Statements

1. SIGNIFICANT ACCOUNTING POLICIES

The following are the significant accounting policies of The Oakmark Fund ("Oakmark"), The Oakmark Select Fund ("Select"), The Oakmark Small Cap Fund ("Small Cap"), The Oakmark Equity and Income Fund ("Equity and Income"), The Global Fund ("Global"), The Oakmark International Fund ("International"), and The Oakmark International Small Cap Fund ("Int'l Small Cap") collectively referred to as "the Funds", each a series of the Harris Associates Investment Trust (a Massachusetts business trust). These policies are in conformity with generally accepted accounting principles ("GAAP"). The presentation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and assumptions.

Security valuation—

Investments are stated at current value. Securities traded on securities exchanges and securities traded on the NASDAQ National Market are valued at the last sales price on the day of valuation, or if lacking any reported sales that day, at the most recent bid quotation. Over-the-counter securities not so traded are valued at the most recent bid quotation. Money market instruments having a maturity of 60 days or less from the date of valuation are valued on an amortized cost basis which approximates market value. Securities for which quotations are not readily available are valued at a fair value as determined by the Pricing Committee appointed by the Board of Trustees.

Foreign currency translations—

Values of investments and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars using the mean of the bid and offer prices of such currencies at the time of valuation. Purchases and sales of investments and dividend and interest income are converted at the prevailing rate of exchange on the respective dates of such transactions.

The Funds do not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held. Such fluctuations are included with the net realized gain or loss from investments.

Net realized gains on foreign currency transactions arise from sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions, the difference between the amounts of dividends, interest, and foreign withholding taxes recorded on the Funds' books, and the U.S. dollar equivalent of the amounts actually received or paid, and the realized gains or losses resulting from the portfolio and transaction hedges.

At March 31, 2000, only the Equity and Income, Global, International and Int'l Small Cap Funds had foreign currency transactions. Net unrealized appreciation (depreciation)-other includes the following components:

	Equity and Income	Global	International	Int'l Small Cap
Unrealized appreciation (depreciation) on dividends and dividend reclaims receivable	\$88	\$1,787	\$ (82,393)	\$1,182
Unrealized appreciation (depreciation) on open securities purchases and sales	0	6,133	24,677	9,944
Unrealized appreciation (depreciation) on transaction hedge purchases and sales	0	(5,857)	(56,701)	(9,453)
Unrealized appreciation (depreciation) on tax expense payable	(13)	(276)	5,154	(2,327)
Net unrealized appreciation (depreciation) - other	<u>\$75</u>	<u>\$1,787</u>	<u>\$ (109,263)</u>	<u>\$ (654)</u>

Security transactions and investment income—

Security transactions are accounted for on the trade date (date the order to buy or sell is executed) and dividend income is recorded on the ex-dividend date. Interest income and expenses are recorded on the accrual basis.

Fund shares are sold and redeemed on a continuing basis at net asset value. Net asset value per share is determined daily as of the close of regular trading on the New York Stock Exchange on each day the Exchange is open for trading by dividing the total value of the Fund's investments and other assets, less liabilities, by the number of Fund shares outstanding.

Forward foreign currency contracts—

At March 31, 2000, Global, International and Int'l Small Cap had entered into forward foreign currency contracts under which they are obligated to exchange currencies at specified future dates. The Funds' currency transactions are limited to transaction hedging and portfolio hedging involving either specific transactions or portfolio positions.

THE OAKMARK FAMILY OF FUNDS

Notes to Financial Statements (cont.)

The contractual amounts of forward foreign exchange contracts do not necessarily represent the amounts potentially subject to risk. The measurement of the risks associated with these instruments is meaningful only when all related and offsetting transactions are considered. Risks arise from the possible inability of counter parties to meet the terms of their contracts and from movements in currency values.

The Global Fund had the following outstanding contracts at March 31, 2000:

Portfolio Hedges—

US Dollar Proceeds	Foreign Currency Sold	Settlement Date	Unrealized Appreciation (Depreciation) at March 31, 2000
\$ 1,500,000	905,551 Pound Sterling	April 2000	\$ 58,196
302,821	32,523,000 Japanese Yen	April 2000	(22,084)
			<u>\$ 36,112</u>

Transaction Hedges: Foreign Currency Sales—

US Dollar Purchased	Foreign Currency Sold	Settlement Date	Unrealized Appreciation (Depreciation) at March 31, 2000
\$ 83,595	647,400 Danish Krone	April 2000	\$ 359
221,294	23,353,200 Japanese Yen	April 2000	(6,176)
			<u>\$(5,817)</u>

The International Fund had the following outstanding contracts at March 31, 2000:

Portfolio Hedges—

US Dollar Proceeds	Foreign Currency Sold	Settlement Date	Unrealized Appreciation (Depreciation) at March 31, 2000
\$24,629,460	2,645,204,000 Japanese Yen	August 2000	\$(1,796,138)
30,000,000	18,111,021 Pound Sterling	April 2000	1,163,917
29,088,000	18,000,000 Pound Sterling	May 2000	424,804
			<u>\$ (207,417)</u>

Transaction Hedges: Foreign Currency Purchases—

US Dollar Sold	Foreign Currency Purchased	Settlement Date	Unrealized Appreciation (Depreciation) at March 31, 2000
\$ 1,546,581	2,240,903 Canadian Dollar	April 2000	\$ (4,322)
995,939	1,027,271 Euro Currency	April 2000	(12,276)
988,396	623,122 Pound Sterling	April 2000	3,677
2,092,386	1,318,163 Pound Sterling	April 2000	6,262
2,043,880	1,287,443 Pound Sterling	April 2000	5,859
			<u>\$ (800)</u>

THE OAKMARK FAMILY OF FUNDS

Notes to Financial Statements (cont.)

Transaction Hedges: Foreign Currency Sales—

US Dollar Purchased	Foreign Currency Sold	Settlement Date	Unrealized Appreciation (Depreciation) at March 31, 2000
\$ 136,135	142,252 Euro Currency	April 2000	\$ (78)
484,385	506,149 Euro Currency	April 2000	(278)
2,362,240	248,554,894 Japanese Yen	April 2000	(58,788)
209,651	21,461,990 Japanese Yen	April 2000	602
1,375,324	862,272 Pound Sterling	April 2000	2,500
2,265,110	1,422,629 Pound Sterling	April 2000	141
			<u><u>\$ (55,901)</u></u>

The Int'l Small Cap Fund had the following outstanding contracts at March 31, 2000:

Portfolio Hedges—

US Dollar Proceeds	Foreign Currency Sold	Settlement Date	Unrealized Appreciation (Depreciation) at March 31, 2000
\$4,959,938	507,600,000 Japanese Yen	September 2000	\$(133,510)
14,000,000	8,451,810 Pound Sterling	April 2000	543,162
			<u><u>\$ 409,652</u></u>

Transaction Hedges: Foreign Currency Purchases—

US Dollars Sold	Foreign Currency Purchased	Settlement Date	Unrealized Appreciation (Depreciation) at March 31, 2000
\$ 281,764	177,484 Euro Currency	April 2000	\$ 808
95,508	60,168 Pound Sterling	April 2000	286
			<u><u>\$1,094</u></u>

Transaction Hedges: Foreign Currency Sales—

US Dollars Purchased	Foreign Currency Sold	Settlement Date	Unrealized Appreciation (Depreciation) at March 31, 2000
\$ 33,916	35,493 Euro Currency	April 2000	\$ (70)
4,467	34,777 Hong Kong Dollar	April 2000	0
9,571	74,523 Hong Kong Dollar	April 2000	0
186,965	19,730,460 Japanese Yen	April 2000	(5,218)
105,301	11,079,796 Japanese Yen	April 2000	(2,621)
39,959	80,595 New Zealand Dollar	April 2000	(24)
702,864	443,112 Pound Sterling	April 2000	(2,614)
			<u><u>\$(10,547)</u></u>

At March 31, 2000, Global, International and Int'l Small Cap Funds each had sufficient cash and/or securities to cover any commitments under these contracts.

THE OAKMARK FAMILY OF FUNDS

Notes to Financial Statements (cont.)

Federal income taxes, dividends and distributions to shareholders—

No provision is made for Federal income taxes. The Funds elect to be taxed as “regulated investment companies” and make such distributions to their shareholders as to be relieved of all Federal income taxes under provisions of current Federal tax law.

Income dividends and capital gains distributions are determined in accordance with federal income tax regulations, which may differ from GAAP. To the extent these tax and book differences are permanent in nature, such amounts are reclassified among paid in capital, undistributed net investment income and undistributed net realized gain (loss) on investments. These differences are primarily related to foreign currency transactions, deferral of losses on wash sales, and character of capital loss carryforwards. The funds also utilize earnings and profits distributed to shareholders on redemption of shares as a part of the dividends paid deduction for income tax purposes.

Bank Loans—

The Funds have an unsecured line of credit with a syndication of banks. It is a committed line of \$300 million. Borrowings under this arrangement bear interest at .45% above the Federal Funds Effective Rate. As of March 31, 2000, there were no outstanding borrowings.

2. TRANSACTIONS WITH AFFILIATES

Each fund has an investment advisory agreement with Harris Associates L.P. (Adviser). For management services and facilities furnished, the Funds pay the Adviser monthly fees at annual rates as follows. Oakmark pays 1% on the first \$2.5 billion of net assets, .95% on the next \$1.25 billion of net assets, .90% on the next \$1.25 billion of net assets, .85% on the next \$5 billion of net assets, and .80% on the excess of \$10 billion of net assets. International pays 1% on the first \$2.5 billion of net assets, .95% on the next \$2.5 billion of net assets, and .90% on the excess of \$5 billion of net assets. Select pays 1% on the first \$1 billion, .95% on the next \$500 million, .90% on the next \$500 million, .85% on the next \$500 million, .80% on the next \$2.5 billion of net assets, and .75% on the excess of \$5 billion of net assets. Small Cap pays 1.25% on the first \$1 billion of net assets, 1.15% on the next \$500 million, 1.10% on the next \$500 million, 1.05% on the next \$500 million, and 1% on the excess of \$2.5 billion. Equity and Income pays .75% of net assets, Int'l Small Cap pays 1.25% of net assets, and Global pays 1.00% of net assets. Each fee is calculated on the total net assets as determined at the end of each preceding calendar month. The Adviser has voluntarily agreed to reimburse the Funds to the extent that annual expenses, excluding certain expenses, exceed 1.5% for domestic funds, 2.0% for international funds, and 1.75% for The Global Fund.

In connection with the organization of the Funds, expenses of approximately \$146,500 and \$47,000 were advanced to Oakmark and International, approximately \$7,283 each to Small Cap, Equity and Income and Int'l Small Cap, and \$3,500 to Select by the Adviser. These expenses are being amortized on a straight line basis through October, 2000 for Small Cap, Equity and Income and Int'l Small Cap, and October, 2001 for Select. Oakmark and International have fully amortized all organization expenses.

During the twelve months ended March 31, 2000, the Funds incurred brokerage commissions of \$4,765,046, \$1,970,164, \$430,363, \$91,585, \$177,124, \$1,876,722, and \$262,991 of which \$1,600,477, \$601,043, \$106,188, \$41,177, \$57,179, \$0, and \$0 were paid by Oakmark, Select, Small Cap, Equity and Income, Global, International and Int'l Small Cap, respectively, to an affiliate of the Adviser.

The Funds' Trustees may participate in a Deferred Compensation Plan which may be terminated at any time. The obligations of the Plan are paid solely out of the assets of the Funds.

THE OAKMARK FAMILY OF FUNDS

Notes to Financial Statements (cont.)

3. FUND SHARE TRANSACTIONS

Proceeds and payments on Fund shares as shown in the Statement of Changes in Net Assets are in respect of the following number of shares (in thousands):

	Six Months Ended March 31, 2000						
	Oakmark	Select	Small Cap	Equity & Income	Global	International	Int'l Small Cap
Shares sold	6,430	17,874	1,832	380	1,156	5,118	2,412
Shares issued in reinvestment of dividends	21,629	15,744	0	463	3	1,898	656
Less shares redeemed	(77,434)	(37,087)	(14,214)	(1,209)	(1,102)	(14,047)	(6,328)
Net increase (decrease) in shares outstanding	<u>(49,375)</u>	<u>(3,469)</u>	<u>(12,382)</u>	<u>(366)</u>	<u>57</u>	<u>(7,031)</u>	<u>(3,260)</u>

	Twelve Months Ended September 30, 1999						
	Oakmark	Select	Small Cap	Equity & Income	Global	International	Int'l Small Cap
Shares sold	22,559	32,332	18,587	1,449	2,623	27,499	21,542
Shares issued in reinvestment of dividends	10,299	2,853	298	112	0	6,003	178
Less shares redeemed	<u>(100,457)</u>	<u>(30,105)</u>	<u>(36,338)</u>	<u>(1,842)</u>	<u>(15)</u>	<u>(47,902)</u>	<u>(16,944)</u>
Net increase (decrease) in shares outstanding	<u>(67,599)</u>	<u>5,080</u>	<u>(17,453)</u>	<u>(281)</u>	<u>2,608</u>	<u>(14,400)</u>	<u>4,776</u>

4. INVESTMENT TRANSACTIONS

Transactions in investment securities (excluding short term securities) were as follows (in thousands):

	Oakmark	Select	Small Cap	Equity & Income	Global	International	Int'l Small Cap
Purchases	\$649,635	\$392,575	\$40,917	\$15,944	\$25,272	\$262,741	\$19,964
Proceeds from sales	\$2,310,069	\$772,559	\$222,938	\$26,482	\$25,479	\$380,793	\$62,744

THE OAKMARK FAMILY OF FUNDS

Notes to Financial Statements (cont.)

5. TRANSACTIONS IN SECURITIES OF AFFILIATED ISSUERS

Affiliated issuers, as defined under the Investment Company Act of 1940, are those in which the Fund's holdings of an issuer represent 5% or more of the outstanding voting securities of the issuer. A summary of the Fund's transactions in the securities of these issuers during the six months ended March 31, 2000 is set forth below:

Summary of Transactions with Affiliated Companies The Oakmark Fund

Affiliates	Purchase (Cost)	Sales Proceeds	Dividend Income	Market Value March 31, 2000
AC Nielsen Corporation	\$ 0	\$21,436,839	\$ 0	\$ 83,565,000
TOTALS	\$ 0	\$21,436,839	\$ 0	\$ 83,565,000

Summary of Transactions with Affiliated Companies The Oakmark Select Fund

Affiliates	Purchase (Cost)	Sales Proceeds	Dividend Income	Market Value March 31, 2000
US Industries, Inc.	\$ 2,912,258	\$27,182,892	\$ 760,745	\$ 72,255,825
USG Corporation	11,264,597	12,477,289	1,056,720	146,068,312
TOTALS	\$14,176,855	\$39,660,181	\$1,817,465	\$218,324,137

Summary of Transactions with Affiliated Companies The Oakmark Small Cap Fund

Affiliates	Purchase (Cost)	Sales Proceeds	Dividend Income	Market Value March 31, 2000
Barry (R.G.) Corporation	\$ 0	\$ 59,398	\$ 0	\$ 2,970,000
Finger Lakes Financial Corp.	0	56,248	22,140	1,260,656
Sames Corporation	0	157,333	0	3,390,000
Ugly Duckling Corporation	0	0	0	13,453,125
TOTALS	\$ 0	\$ 272,979	\$ 22,140	\$ 21,073,781

THE OAKMARK FAMILY OF FUNDS

Notes to Financial Statements (cont.)

Summary of Transactions with Affiliated Companies The Oakmark International Fund

Affiliates	Purchase (Cost)	Sales Proceeds	Dividend Income	Market Value March 31, 2000
Banco Latinoamericano de Exportaciones, S.A.				
Class E	\$ 443,700	\$ 3,045,448	\$1,591,000	\$ 30,681,700
Chargeurs SA	0	8,287,042	0	28,869,002
Dongah Tire Industry Company	0	0	222,263	4,513,639
Fila Holding S.p.A.	1,824,332	0	0	20,473,950
Keumkang Ltd.	0	1,467,014	348,029	13,711,206
Lotte Chilsung Beverage Company	0	0	32,524	4,405,429
Nufarm Limited	1,403,176	0	0	21,439,531
Somerfield plc	29,313,238	0	813,479	32,229,884
TOTALS	\$32,984,446	\$12,799,504	\$3,007,295	\$156,324,341

Summary of Transactions with Affiliated Companies The Oakmark International Small Cap Fund

Affiliates	Purchase (Cost)	Sales Proceeds	Dividend Income	Market Value March 31, 2000
Designer Textiles (NZ) Limited	\$ 0	\$ 0	\$ 11,154	\$ 281,983
Mainfreight Limited	115,895	15,170	167,324	3,905,493
Matichon Public Company Limited, Foreign Shares	0	0	0	3,532,185
NSC Groupe	0	1,118,301	0	4,251,330
TOTALS	\$ 115,895	\$ 1,133,471	\$ 178,478	\$ 11,970,991

THE OAKMARK FUND

Financial Highlights

For a share outstanding throughout each period

	Six Months Ended March 31, 2000	Year Ended September 30, 1999	Year Ended September 30, 1998	Eleven Months Ended September 30, 1997	Year Ended October 31,					Period ended October 31, 1991(a)
					1996	1995	1994	1993	1992	
Net Asset Value, Beginning of Period	\$ 34.37	\$ 33.54	\$ 41.21	\$ 32.39	\$ 28.47	\$ 25.21	\$ 24.18	\$ 17.11	\$ 12.10	\$10.00
Income From Investment Operations:										
Net Investment Income (Loss)	0.25	0.44	0.47	0.36	0.34	0.30	0.27	0.17	(0.03)	(0.01)
Net Gains or Losses on Securities (both realized and unrealized)	(4.86)	2.43	(1.73)	10.67	4.70	4.66	1.76	7.15	5.04	2.11
Total From Investment Operations:	(4.61)	2.87	(1.26)	11.03	5.04	4.96	2.03	7.32	5.01	2.10
Less Distributions:										
Dividends (from net investment income)	(0.26)	(0.44)	(0.40)	(0.34)	(0.28)	(0.23)	(0.23)	(0.04)	0	0
Distributions (from capital gains)	(4.74)	(1.60)	(6.01)	(1.87)	(0.84)	(1.47)	(0.77)	(0.21)	0	0
Total Distributions	(5.00)	(2.04)	(6.41)	(2.21)	(1.12)	(1.70)	(1.00)	(0.25)	0	0
Net Asset Value, End of Period	\$ 24.76	\$ 34.37	\$ 33.54	\$ 41.21	\$ 32.39	\$ 28.47	\$ 25.21	\$ 24.18	\$ 17.11	\$12.10
Total Return	(15.06)%	7.98%	(4.06)%	39.24%*	18.07%	21.55%	8.77%	43.21%	41.40%	87.10%*
Ratios/Supplemental Data:										
Net Assets, End of Period (\$million)	\$2,215.9	\$4,772.8	\$6,924.0	\$6,614.9	\$3,933.9	\$2,827.1	\$1,677.3	\$1,107.0	\$114.7	\$4.8
Ratio of Expenses to Average Net Assets	1.22%*	1.11%	1.08%	1.08%*	1.18%	1.17%	1.22%	1.32%	1.70%	2.50%(b)*
Ratio of Net Income (Loss) to Average Net Assets	1.56%*	1.02%	1.22%	1.19%*	1.13%	1.27%	1.19%	0.94%	(0.24)%	(0.66)%(c)*
Portfolio Turnover Rate	21%	13%	43%	17%	24%	18%	29%	18%	34%	0%

*Data has been annualized.

(a) The date which Fund shares were first offered for sale to the public was August 5, 1991.

(b) If the Fund had paid all of its expenses and there had been no reimbursement by the Adviser, this annualized ratio would have been 4.92% for the period.

(c) Computed giving effect to the Adviser's expense limitation undertaking.

THE OAKMARK SELECT FUND

Financial Highlights

For a share outstanding throughout each period

	Six Months Ended March 31, 2000 Class I	December 31, 1999 Through March 31, 2000 Class II (a)	Year Ended September 30, 1999	Year Ended September 30, 1998	Eleven Months Ended September 30, 1997
Net Asset Value, Beginning of Period	\$ 20.92	\$18.42	\$ 16.76	\$ 16.34	\$ 10.00
Income From Investment Operations:					
Net Investment Income (Loss)	0.06	0.03	0.20	0.03	(0.01)
Net Gains or Losses on Securities (both realized and unrealized)	<u>3.01</u>	<u>1.60</u>	<u>4.72</u>	<u>0.56</u>	<u>6.35</u>
Total From Investment Operations:	3.07	1.63	4.92	0.59	6.34
Less Distributions:					
Dividends (from net investment income)	(0.20)	0.00	(0.05)	0	0
Distributions (from capital gains)	<u>(3.72)</u>	<u>0.00</u>	<u>(0.71)</u>	<u>(0.17)</u>	<u>0</u>
Total Distributions	(3.92)	0.00	(0.76)	(0.17)	0
Net Asset Value, End of Period	<u>\$ 20.07</u>	<u>\$20.05</u>	<u>\$ 20.92</u>	<u>\$ 16.76</u>	<u>\$ 16.34</u>
Total Return	16.52%	8.85%	30.07%	3.64%	69.16%*
Ratios/Supplemental Data:					
Net Assets, End of Period (\$million)	\$1,497.7	\$ 4.6	\$1,638.9	\$1,227.9	\$514.2
Ratio of Expenses to Average Net Assets	1.18%*	1.36%*	1.16%	1.22%	1.12%*
Ratio of Net Income (Loss) to Average Net Assets	0.71%*	.33%*	0.98%	17.00%	(0.11)%*
Portfolio Turnover Rate	27%	27%	67%	56%	37%

* Data has been annualized.

(a) The date which Class II shares were first sold to the public was December 31, 1999.

THE OAKMARK SMALL-CAP FUND

Financial Highlights

For a share outstanding throughout each period

	Six Months Ended March 31, 2000	Year Ended September 30, 1999	Year Ended September 30, 1998	Eleven Months Ended September 30, 1997	Year Ended October 31, 1996
Net Asset Value, Beginning of Period	\$ 13.88	\$ 12.63	\$ 20.34	\$ 13.19	\$ 10.00
Income From Investment Operations:					
Net Investment Income (Loss)	0.00	(0.16)	(0.12)	(0.01)	(0.02)
Net Gains or Losses on Securities (both realized and unrealized)	<u>(0.49)</u>	<u>1.50</u>	<u>(4.73)</u>	<u>7.16</u>	<u>3.21</u>
Total From Investment Operations:	(0.49)	1.34	(4.85)	7.15	3.19
Less Distributions:					
Dividends (from net investment income)	0.00	0.00	0	0	0
Distributions (from capital gains)	<u>0.00</u>	<u>(0.09)</u>	<u>(2.86)</u>	<u>0</u>	<u>0</u>
Total Distributions	<u>0.00</u>	<u>(0.09)</u>	<u>(2.86)</u>	<u>0</u>	<u>0</u>
Net Asset Value, End of Period	<u>\$ 13.39</u>	<u>\$ 13.88</u>	<u>\$ 12.63</u>	<u>\$ 20.34</u>	<u>\$ 13.19</u>
Total Return	(3.53)%	10.56%	(26.37)%	59.14%	31.94%*
Ratios/Supplemental Data:					
Net Assets, End of Period (\$million)	\$255.8	\$437.1	\$618.0	\$1,513.4	\$218.4
Ratio of Expenses to Average Net Assets	1.50%*(a)	1.48%	1.45%	1.37%*	1.61%
Ratio of Net Income (Loss) to Average Net Assets	(0.46)%*(a)	(0.44)%	(0.40)%	(0.25)%*	(0.29)%
Portfolio Turnover Rate	13%	68%	34%	27%	23%

*Data has been annualized.

(a) If the Fund had paid all of its expenses and there had been no expense reimbursement by the Adviser, ratios would have been as follows:

	March 31, 2000
Ratio of Expenses to Average Net Assets	1.57%
Ratio of Net Income (Loss) to Average Net Assets	(0.53)%

THE OAKMARK EQUITY AND INCOME FUND

Financial Highlights

For a share outstanding throughout each period

	Six Months Ended March 31, 2000	Year Ended September 30, 1999	Year Ended September 30, 1998	Eleven Months Ended September 30, 1997	Year Ended October 31, 1996
Net Asset Value, Beginning of Period	\$15.68	\$13.99	\$14.49	\$11.29	\$10.00
Income From Investment Operations:					
Net Investment Income (Loss)	0.22	0.43	0.29	0.21	0.10
Net Gains or Losses on Securities (both realized and unrealized)	<u>0.95</u>	<u>1.68</u>	<u>0.04</u>	<u>3.24</u>	<u>1.19</u>
Total From Investment Operations:	1.17	2.11	0.33	3.45	1.29
Less Distributions:					
Dividends (from net investment income)	(0.45)	(0.21)	(0.24)	(0.12)	0
Distributions (from capital gains)	<u>(1.36)</u>	<u>(0.21)</u>	<u>(0.59)</u>	<u>(0.13)</u>	<u>0</u>
Total Distributions	(1.81)	(0.42)	(0.83)	(0.25)	0
Net Asset Value, End of Period	<u>\$15.04</u>	<u>\$15.68</u>	<u>\$13.99</u>	<u>\$14.49</u>	<u>\$11.29</u>
Total Return	8.02%	15.32%	2.57%	34.01%*	12.91%
Ratios/Supplemental Data:					
Net Assets, End of Period (\$million)	\$52.3	\$60.3	\$57.7	\$33.5	\$13.8
Ratio of Expenses to Average Net Assets	1.21%*	1.18%	1.31%	1.50%*(a)	2.50%(a)
Ratio of Net Income (Loss) to Average Net Assets	3.21%*	2.65%	2.39%	2.38%*(a)	1.21%(a)
Portfolio Turnover Rate	29%	81%	46%	53%	66%

*Data has been annualized

(a) If the Fund had paid all of its expenses and there had been no expense reimbursement by the Adviser, ratios would have been as follows:

	September 30, 1997	October 31, 1996
Ratio of Expenses to Average Net Assets	1.70%	2.64%
Ratio of Net Income (Loss) to Average Net Assets	2.18%	1.08%

THE OAKMARK GLOBAL FUND

Financial Highlights

For a share outstanding throughout each period

	Six Months Ended March 31, 2000	Year Ended September 30, 1999(a)
Net Asset Value, Beginning of Period	\$ 9.18	\$10.00
Income From Investment Operations:		
Net Investment Income (Loss)	0.05	0.01
Net Gains or Losses on Securities (both realized and unrealized)	0.83	(0.83)
Total From Investment Operations:	0.88	(0.82)
Less Distributions:		
Dividends (from net investment income)	(0.01)	0.00
Distributions (from capital gains)	0.00	0.00
Total Distributions	(0.01)	0.00
Net Asset Value, End of Period	<u>\$10.05</u>	<u>\$ 9.18</u>
Total Return	9.59%	(8.18)%
Ratios/Supplemental Data:		
Net Assets, End of Period (\$million)	\$26.8	\$24.0*
Ratio of Expenses to Average Net Assets	1.75%*(b)	1.75%*(b)
Ratio of Net Income (Loss) to Average Net Assets	0.52%*(b)	0.98%*(b)
Portfolio Turnover Rate	96%	7%

*Data has been annualized

(a) The date which Fund shares were first offered for sale to the public was August 4, 1999.

(b) If the Fund had paid all of its expenses and there had been no expense reimbursement by the Adviser, ratios would have been as follows:

	March 31, 2000	September 30, 1999
Ratio of Expenses to Average Net Assets	1.87%	2.22%
Ratio of Net Income (Loss) to Average Net Assets	0.40%	0.51%

THE OAKMARK INTERNATIONAL FUND

Financial Highlights

For a share outstanding throughout each period

	Six Months Ended March 31, 2000 Class I	November 4, 1999 Through March 31, 2000 Class II(b)	Year Ended September 30, 1999	Year Ended September 30, 1998	Eleven Months Ended September 30, 1997	Year Ended October 31,				Period Ended October 31, 1992(a)
						1996	1995	1994	1993	
Net Asset Value, Beginning of Period	\$ 13.95	\$14.36	\$ 10.42	\$ 18.77	\$ 14.92	\$ 12.97	\$ 14.50	\$ 14.09	\$ 9.80	\$10.00
Income From Investment Operations:										
Net Investment Income (Loss)	0.11	0.19	0.36	0.41	0.27	0.09	0.30	0.21	0.06	0.26
Net Gains or Losses on Securities (both realized and unrealized)	1.10	0.60	4.19	(5.32)	3.74	2.90	(0.77)	0.43	4.48	(0.46)
Total From Investment Operations:	1.21	0.79	4.55	(4.91)	4.01	2.99	(0.47)	0.64	4.54	(0.2)
Less Distributions:										
Dividends (from net investment income)	(0.49)	(0.49)	(0.24)	(0.58)	(0.16)	0	0	(0.08)	(0.25)	0
Distributions (from capital gains)	0.00	0.00	(0.78)	(2.86)	0	(1.04)	(1.06)	(0.15)	0	0
Total Distributions	(0.49)	0.00	(1.02)	(3.44)	(0.16)	(1.04)	(1.06)	(0.23)	(0.25)	0
Net Asset Value, End of Period	\$ 14.67	\$14.66	\$ 13.95	\$ 10.42	\$ 18.77	\$ 14.92	\$ 12.97	\$ 14.50	\$ 14.09	\$ 9.80
Total Return	8.85%	2.02%	46.41%	(29.90)%	29.63%*	24.90%	(3.06)%	4.62%	47.49%	(22.81)%*
Ratios/Supplemental Data:										
Net Assets, End of Period (\$million)	\$750.0	\$ 0.1	\$811.1	\$756.1	\$1,647.3	\$1,172.8	\$819.7	\$1,286.0	\$815.4	\$23.5
Ratio of Expenses to Average Net Assets	1.30%*	1.69%*	1.29%	1.32%	1.26%*	1.32%	1.40%	1.37%	1.26%	2.04%*
Ratio of Net Income (Loss) to Average Net Assets	1.68%*	1.87%*	1.94%	1.95%	2.09%*	1.45%	1.40%	1.44%	1.55%	37.02%*
Portfolio Turnover Rate	35%	35%	54%	43%	61%	42%	26%	55%	21%	0%

*Data has been annualized.

(a) The date which Fund shares were first offered for sale to the public was September 30, 1992.

(b) The date which Class II shares were first sold to the public was November 4, 1999.

THE OAKMARK INTERNATIONAL SMALL CAP FUND

Financial Highlights

For a share outstanding throughout each period

	Six Months Ended March 31, 2000	Year Ended September 30, 1999	Year Ended September 30, 1998	Eleven Months Ended September 30, 1997	Year Ended October 31, 1996
Net Asset Value, Beginning of Period	\$ 12.64	\$ 6.89	\$12.20	\$11.41	\$10.00
Income From Investment Operations:					
Net Investment Income (Loss)	0.01	0.20	0.18	0.13	0.04
Net Gains or Losses on Securities (both realized and unrealized)	<u>(0.07)</u>	<u>5.75</u>	<u>(4.09)</u>	<u>1.10</u>	<u>1.37</u>
Total From Investment Operations:	(0.06)	5.95	(3.91)	1.23	1.41
Less Distributions:					
Dividends (from net investment income)	(0.11)	(0.20)	(0.06)	(0.08)	0
Distributions (from capital gains)	<u>(0.59)</u>	<u>0.00</u>	<u>(1.34)</u>	<u>(0.36)</u>	<u>0</u>
Total Distributions	(0.70)	(0.20)	(1.40)	(0.44)	0
Net Asset Value, End of Period	<u>\$ 11.88</u>	<u>\$ 12.64</u>	<u>\$ 6.89</u>	<u>\$12.20</u>	<u>\$11.41</u>
Total Return	(0.34)%	88.02%	(35.20)%	12.07%	*14.15%
Ratios/Supplemental Data:					
Net Assets, End of Period (\$million)	\$107.3	\$155.4	\$51.8	\$66.0	\$39.8
Ratio of Expenses to Average Net Assets	1.73%*	1.79%	1.96%	1.93%*	2.50%(a)
Ratio of Net Income (Loss) to Average Net Assets	1.33%*	2.31%	2.17%	1.23%*	0.65%(a)
Portfolio Turnover Rate	16%	126%	69%	63%	27%

*Data has been annualized.

(a) If the Fund had paid all of its expenses and there had been no expense reimbursement by the Adviser, ratios would have been as follows:

October 31, 1996

Ratio of Expenses to Average Net Assets	2.65%
Ratio of Net Income (Loss) to Average Net Assets	0.50%

THE OAKMARK FAMILY OF FUNDS

Trustees and Officers

Trustees

Michael J. Friduss
Thomas H. Hayden
Christine M. Maki
Victor A. Morgenstern
Allan J. Reich
Marv Rotter
Burton W. Ruder
Peter S. Voss
Gary Wilner, M.D.

Officers

Victor A. Morgenstern—*Chairman*
Robert M. Levy—*President*
James P. Benson—*Vice President*
Henry R. Berghoef—*Vice President*
Kevin G. Grant—*Vice President*
David G. Herro—*Vice President*
Gregory L. Jackson—*Vice President*
Clyde S. McGregor—*Vice President*
William C. Nygren—*Vice President*
Steven J. Reid—*Vice President*
Edward A. Studzinski—*Vice President*
Michael J. Welsh—*Vice President*
Anita M. Nagler—*Secretary*
Ann W. Regan—*Vice President—*
Shareholder Operations and Assistant Secretary
Kristi L. Rowsell—*Treasurer*
John J. Kane—*Assistant Treasurer*

Other Information

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Independent Public Accountants

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This report, including the unaudited financial statements contained herein, is submitted for the general information of the shareholders of the Funds. The report is not authorized for distribution to prospective investors in the Funds unless it is accompanied or preceded by a currently effective prospectus of the Funds. No sales charge to the shareholder or to the new investor is made in offering the shares of the Funds.

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