

QUARTERLY COMMENTARY

Oakmark Fund

September 30, 2025

THIRD QUARTER, 2025

- The Fund (Class I Shares) underperformed the benchmark, the S&P 500 Index, for the quarter, but outperformed the benchmark since inception.
- At the sector level, the largest contributors to performance were financials and energy, while health care and consumer staples were the largest detractors.
- While our relative performance has been pressured by our underweight exposure to the information technology sector, we are finding attractive opportunities to invest in high-quality, undervalued businesses across a variety of industries.

TOP CONTRIBUTOR | DETRACTOR

Top contributor

Alphabet was the top contributor during the quarter. The technology conglomerate's stock price appreciated following a favorable ruling in the Google Search antitrust case and second-quarter earnings that exceeded expectations across the board. Innovations in the Google Search experience are driving both engagement and revenue benefits. Moreover, Cloud growth is accelerating thanks to robust demand for AI workloads. We continue to believe Alphabet is undervalued on a sum-of-the-parts basis and see potential for the company's AI leadership to drive further upside across the portfolio.

Top detractor

Centene was the top detractor during the quarter. The U.S.-headquartered managed care company's stock price declined after it withdrew its 2025 earnings per share guidance and subsequently

Third-quarter highlights

Top contributors

- Alphabet Cl A
- Warner Bros Discovery
- Citigroup

Top detractors

- Centene
- Charter Communications Cl A
- Keurig Dr Pepper

New purchases

- Targa Resources
- Union Pacific

Final sales

- BlackRock
- Centene
- Kenvue

reinstated it at a much lower level. This negative revision was caused by cost pressure in the company's Medicaid and Marketplace businesses. While today's valuation seems to imply that the headwinds impacting Centene are structural, we believe they're attributable to temporary factors and expect a meaningful earnings recovery in the coming years.

PORTFOLIO ACTIVITY

New purchases

Targa Resources is a leading midstream natural gas and natural gas liquids (NGL) company. Targa is a part of a group that controls 90% of the fractionation capacity in the largest hub for NGLs in the

world, known as Mont Belvieu. Thanks to the region's unique topography and proximity to the Gulf Coast, Targa benefits from meaningful cost advantages and significant barriers to entry. We like that Targa generates approximately 90% of its earnings through multi-year fee-based arrangements with its customer base, which provides protection against oversupply or re-contracting. Uncertainty around Permian oil production growth has recently weighed on the share price. However, in our view, Targa remains well-positioned to grow, even if the Permian slows dramatically. We were happy to purchase shares at a discount to peers based on normalized earnings power and our estimate of intrinsic value.

Union Pacific is the largest and most profitable Class I railroad in the U.S. We see freight rail as an attractive industry, underpinned by irreplaceable infrastructure, strong pricing power, and minimal risk of technological disruption. The company is led by an exceptional CEO, Jim Vena, who has driven significant cultural and operational improvements. Despite these improvements, the stock has significantly underperformed the market in recent years as macro headwinds and uncertainty related to the proposed merger with Norfolk Southern have distracted investors from an improving long-term outlook. This provided us with the opportunity to purchase UNP at a meaningful discount to our estimate of intrinsic value. We believe the stock is undervalued on a standalone basis, with further potential upside should the merger be approved, as we find the strategic and financial logic of the deal compelling.

PORTFOLIO MANAGERS

(Year joined Harris | Oakmark)

William C. Nygren, CFA (1983)

Michael A. Nicolas, CFA (2013)

Robert F. Bierig (2012)

AVERAGE ANNUALIZED TOTAL RETURNS (%)

	Inception date	QTD	YTD	1 yr	3 yrs	5 yrs	10 yrs	Since inception	Expense ratio
Investor Class OAKMX	08/05/1991	3.18	8.91	11.13	22.19	19.02	13.70	12.80	0.89
Advisor Class OAYMX	11/30/2016	3.24	9.07	11.35	22.42	19.26	13.86	12.85	0.70
Institutional Class OANMX	11/30/2016	3.24	9.09	11.38	22.46	19.29	13.90	12.86	0.66
R6 Class OAZMX	12/15/2020	3.26	9.14	11.44	22.52	19.35	13.92	12.87	0.62
S&P 500 Index		8.12	14.83	17.60	24.94	16.74	15.30	10.87	
Russell 1000 Value Index		5.33	11.65	9.44	16.96	13.88	10.72	10.01	

Expense ratios are as of the Fund's most recent prospectus dated January 28, 2025, as amended and restated January 30, 2025, March 14, 2025 and May 19, 2025; actual expenses may vary. Returns for periods less than one year are not annualized. Since inception returns for the indexes are calculated based on the Investor Class inception date. "Linked performance": Advisor and Institutional Class shares commenced operations on 11/30/2016. The performance attributed to the those share classes prior to that date is that of the Investor Class shares from 8/5/1991-11/30/2016. Performance prior to 11/30/2016 has not been adjusted to reflect the lower expenses of Advisor and Institutional Class shares which would have had similar, but potentially higher returns due to lower expenses. R6 Class shares commenced operations on 12/15/2020. The performance attributed to the R6 Class shares prior to that date is that of the Investor Class shares from 8/5/1991-11/30/2016, and then the performance of the Institutional Class shares from 11/30/2016-12/15/2020. Performance prior to 12/15/2020 has not been adjusted to reflect the lower expenses of R6 Class shares. During this period, R6 Class shares would have had similar, but potentially higher returns due to lower expenses.

Past performance is no guarantee of future results. The performance data quoted represents past performance. Current performance may be lower or higher than the performance data quoted. Total return includes change in share prices and, in each case, includes reinvestment of dividends and capital gain distributions. The investment return and principal value vary so that an investor's shares, when redeemed, may be worth more or less than the original cost.

The securities mentioned above comprise the following percentages of the Oakmark Fund's total net assets as of 09/30/2025: Alphabet CI A 3.5%, BlackRock 0%, Centene 0%, Charter Communications CI A 1.4%, Citigroup 3.4%, Kenvue 0%, Keurig Dr Pepper 2.2%, Targa Resources 1.6%, Union Pacific 1.1% and Warner Bros Discovery 2.5%. **Portfolio holdings are subject to change without notice and are not intended as recommendations of individual stocks.**

Access the full list of holdings for the Oakmark Fund [here](#) or visit www.oakmark.com.

The information, data, analyses, and opinions presented herein (including current investment themes, the portfolio managers' research and investment process, and portfolio characteristics) are for informational purposes only and represent the investments and views of the portfolio managers and Harris Associates L.P. as of the date written and are subject to change and may change based on market and other conditions without notice.

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Certain comments herein are based on current expectations and are considered "forward-looking statements." These forward-looking statements reflect assumptions and analyses made by the portfolio managers and Harris Associates L.P. based on their experience and perception of historical trends, current conditions, expected future developments, and other factors they believe are relevant. Actual future results are subject to a number of investment and other risks and may prove to be different from expectations. Readers are cautioned not to place undue reliance on the forward-looking statements.

The S&P 500 Index is a float-adjusted, capitalization-weighted index of 500 U.S. large-capitalization stocks representing all major industries. It is a widely recognized index of broad, U.S. equity market performance. Returns reflect the reinvestment of dividends. This index is unmanaged and investors cannot invest directly in this index.

The Russell 1000® Value Index measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000® companies with lower price-to-book ratios and lower expected growth values. This index is unmanaged and investors cannot invest directly in this index.

September 30, 2025

Value stocks may fall out of favor with investors and underperform growth stocks during given periods.

The Oakmark Fund's portfolio tends to be invested in a relatively small number of stocks. As a result, the appreciation or depreciation of any one security held by the Fund will have a greater impact on the Fund's net asset value than it would if the Fund invested in a larger number of securities. Although that strategy has the potential to generate attractive returns over time, it also increases the Fund's volatility.

All information provided is as of 09/30/2025 unless otherwise specified.

Before investing in any Oakmark Fund, you should carefully consider the Fund's investment objectives, risks, management fees and other expenses. This and other important

information is contained in a Fund's prospectus and summary prospectus. Please read the prospectus and summary prospectus carefully before investing. For more information, please visit Oakmark.com or call 1-800-OAKMARK (1-800-625-6275).

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FCM-4653MX-01/26