Harris | Oakmark

QUARTERLY COMMENTARY

Oakmark International Fund

September 30, 2025

THIRD QUARTER, 2025

- **The Fund (Class I Shares) underperformed the benchmark, the MSCI World ex USA Index, for the quarter, but outperformed the benchmark since inception.**
- **At the sector level, consumer discretionary and materials were the largest contributors to performance, while industrials and communication services were the largest detractors from performance.**
- **Geographically, the top three region allocations are 68.4% in Europe ex U.K., 11.5% in the U.K. and 9.3% in Asia ex Japan. For the quarter by country, China and France were top contributors to performance. The U.S. and Denmark were top detractors from performance. Emerging markets accounted for 10.4% of the portfolio.**
- **This quarter was less about the last 90 days and more about the future. We could not be more excited about the progress we have made as a team — both through enhancements to the process and repositioning of the portfolio. We look forward to continuing to follow our disciplined investment philosophy, staying nimble in our approach to discovering ideas, and delivering long-term results for our investors.**

Third-quarter highlights

Top contributors
- Kering
- Alibaba Group
- Glencore

Top detractors
- CNH Industrial
- Edenred
- DSV

New purchases
- Bunzl
- Dassault Systèmes
- FEMSA ADR Cl B
- Hexagon
- Intertek Group
- Siemens Healthineers

Final sales
- Amadeus IT Group
- Lloyds Banking Group
- NAVER
- Open Text
- Siemens
- Smith & Nephew
- Smiths Group
- Swatch Group
- WPP

TOP CONTRIBUTOR | DETRACTOR

Top contributor

Kering was the top contributor during the quarter. The France-based luxury goods holding company rose in anticipation of two key September events: the start of Luca De Meo's tenure as CEO and Demna Gvasalia's debut collection at Gucci. At the same time, revenue trends — while still negative — are improving. We believe new leadership can build on the significant investments made in recent years to strengthen the foundation of Kering's luxury houses and return the group to growth.

Top detractor

CNH Industrial was the top detractor during the quarter. The agricultural and farm equipment company's stock price declined as it delivered weak results but reaffirmed guidance amidst a difficult environment. Soft end user demand — especially in the U.S. — and inventory destocking are the primary reasons for the current challenges. Still, management has emphasized that they believe 2025 marks the bottom for the industry and expect a rebound over the medium term. Management has also presented a credible case for significant margin expansion, which when coupled with an improving market could lead to significant profit growth. CNH is the number two player in a consolidated equipment market that exhibits structural, long-term growth. Given this and an improved management team focused on improving operations — leveraging their improving technology position and allocating capital intelligently — we believe the company is well-positioned for the future.

PORTFOLIO ACTIVITY

This quarter, significant research activity at the firm led to six new positions being added to the Fund, while nine were exited.

New purchases

Bunzl is a distributor of not-for-resale goods to the foodservice, grocery, cleaning and hygiene, and safety sectors. The company is the leading player in the space, enjoying significant scale advantages in both procurement and logistics over smaller peers. Bunzl's end markets are characterized by low growth but are highly defensive, and the company has historically augmented organic growth with a value-accretive M&A program. Market concern around a recent stumble in execution in North America has caused shares to trade near valuation levels not seen for 15 years. However, management is moving quickly to rectify issues while nothing has structurally changed in the industry. In time, we expect Bunzl to return to its historical cadence of stable growth, driving both earnings growth and a multiple re-rating.

Dassault Systèmes is a French software company at the forefront of virtual twin technology, enabling customers to simulate the behavior of real-world products and systems in a digital environment. By allowing ideas to be tested, refined, and optimized virtually, in our view, Dassault's solutions help accelerate innovation, reduce costs, and drive superior product outcomes. The company primarily operates in oligopolistic niches, where it maintains what we view as a strong competitive position driven by high switching costs and distinguishing itself from peers through superior innovation and a sustained commitment to R&D. We like that these niches offer attractive growth prospects, expanding margins, and robust return on invested capital (ROIC), which we think Dassault can capture as it fully realizes the benefits of recent initiatives, particularly its migration to the cloud and related advantages that the modernized platform can provide in the coming years. Despite solid fundamentals, cyclical downturns have led the share price to decline nearly 40% from its peak, providing the opportunity to purchase shares in what we view as one of the higher quality and well-managed European companies at an attractive valuation.

FEMSA is a diversified Latin American conglomerate with leading market share positions in retail and beverages. Its retail operations are anchored by OXXO, Mexico's largest and most dominant convenience store chain, while its Beverage segment includes a significant stake in Coca-Cola FEMSA, which holds exclusive bottling rights across key markets in Mexico and South America. These scaled businesses have attractive unit economics. We believe that the group is well-positioned to benefit from simultaneous improvements in business quality and capital allocation. FEMSA is actively divesting non-core assets and redeploying the proceeds into substantial share buybacks and dividends, enhancing shareholder value. Despite strong fundamentals, the stock trades at a discount to our estimate of intrinsic value due tariff concerns and broader volatility in Mexican equities. This created a unique opportunity to initiate a position in a well-managed, stable company with strong returns and a favorable risk/reward skew, in our view.

Hexagon provides advanced sensor and software solutions that help companies measure, analyze, and act on the physical world. Over the years, the company has strengthened its economic profile through strategic portfolio transformation and continuous innovation leading to a compelling set of value-added technologies today. The company has, in our view, upgraded its management team with the election of Bjorn Rosengren as Chairman and Anders Svensson as CEO — whose exceptional track records and operational expertise are well-suited to unlock further efficiencies across an already high-quality asset base. Despite solid fundamentals, we think the stock is undervalued due to a combination of end market weakness and company-specific shortfalls that should be addressed by the new, refocused, management team. This created the unique opportunity to invest in a company that we think is poised to see an inflection in return on capital employed (ROCE), cash flow, and share price over the long term.

Intertek is the number three global testing, inspection and certification (TIC) services company behind SGS and BVI. We view these companies as high quality businesses, as evinced by an asset-light business model, high customer retention, healthy profit growth and strong cash generation. Compared to its pre-COVID history, we expect the industry's growth rate to accelerate thanks to lower oil & gas industry headwinds, stronger pricing, global sustainability requirements, and a greater corporate focus on supply chain resilience. We believe Intertek is well-positioned to capitalize on these tailwinds and additionally benefits from a more favorable geographic mix towards faster growth markets in the Americas and APAC as well as a strong position in the fast-growing assurance business. The business also has an under-levered balance sheet that we believe should enable it to either accelerate growth through bolt-on acquisitions or to return a material amount of the market cap to shareholders over our investment time horizon. Despite these positives, Intertek trades at near decade-low multiples due to concerns over tariffs and a lighter regulatory environment, the risks of which we believe are overstated.

Siemens Healthineers is a global leader in medical technology, specializing in imaging, radiation therapy and clinical diagnostics. We view these as structurally attractive markets characterized by consistent long-term growth, rational competition, defensiveness and a strong focus on innovation. We believe Siemens Healthineers is well-placed to continue enjoying profitable growth in these markets supported by a favorable product cycle as it launches new imaging modalities. In our view, the company is well progressed in its turnaround of the diagnostics business unit which creates margin opportunity and portfolio optionality. Despite its strong fundamentals, we think the stock is undervalued due to headwinds that we consider transitory. We believe that this sets up a compelling opportunity to invest in a high-quality, well-managed business with potential for margin expansion and continued improvement in its business mix over the long term.

PORTFOLIO MANAGERS*

(Year joined Harris | Oakmark)

David G. Herro, CFA (1992)
Tony Coniaris, CFA (1999)
Eric Liu, CFA (2009)

*Effective July 1, 2025 Tony Coniaris replaced Michael Manelli as a portfolio manager of the Fund.

September 30, 2025

AVERAGE ANNUALIZED TOTAL RETURNS (%)

	Inception date	QTD	YTD	1 yr	3 yrs	5 yrs	10 yrs	Since inception	Expense ratio
Investor Class | OAKIX	09/30/1992	3.92	26.27	15.56	20.73	11.59	6.82	8.76	1.05
Advisor Class | OAYIX	11/30/2016	3.99	26.46	15.78	20.94	11.79	6.96	8.80	0.88
Institutional Class | OANIX	11/30/2016	3.99	26.51	15.84	21.01	11.86	7.03	8.82	0.81
R6 Class | OAZIX	12/15/2020	3.99	26.54	15.90	21.09	11.92	7.05	8.83	0.75
MSCI World ex USA Index		5.33	25.34	16.03	21.60	11.60	8.41	6.51	
MSCI World ex USA Value Index		7.88	31.51	22.90	25.20	16.20	8.54	n/a	

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 9/30/1992-11/30/2016. 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 9/30/1992-11/30/2016, 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 International Fund's total net assets as of 09/30/2025: Alibaba Group 2.1%, Amadeus IT Group 0%, Bunzl 0.8%, CNH Industrial 2.5%, Dassault Systemes 2.0%, DSV 2.2%, Edenred 1.4%, FEMSA ADR Cl B 1.4%, Glencore 2.6%, Hexagon 1.5%, Intertek Group 0.4%, Kering 2.3%, Lloyds Banking Group 0%, NAVER 0%, Open Text 0%, Siemens 0%, Siemens Healthineers 0.9%, Smith & Nephew 0%, Smiths Group 0%, Swatch Group 0% and WPP 0%. **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 International 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.

This content is not a recommendation of or an offer to buy or sell a security and is not warranted to be correct, complete or accurate.

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 MSCI World ex USA Index (Net) is a free float-adjusted, market capitalization-weighted index that is designed to measure international developed market equity performance, excluding the U.S. The index covers approximately 85% of the free float-adjusted market capitalization in each country. This benchmark calculates reinvested dividends net of withholding taxes. This index is unmanaged and investors cannot invest directly in this index.

The MSCI World ex USA Value Index (Net) represents returns for large- and mid-cap securities exhibiting overall value style characteristics across 22 of 23 Developed Markets (excluding the United States). The value investment style characteristics for index construction are based on book value-to-price, 12-month forward earnings-to-price, and dividend yield. The Total Return Index (Net) includes reinvested dividends net of foreign withholding tax. This index is unmanaged and investors cannot invest directly in this index.

On occasion, Harris may determine, based on its analysis of a particular multi-national issuer, that a country classification different from MSCI best reflects the issuer's country of investment risk. In these instances, reports with country weights and performance attribution will differ from reports using MSCI classifications. Harris uses its own country classifications in its reporting processes, and these classifications are reflected in the included materials.

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

The 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.

Investing in foreign securities presents risks that in some ways may be greater than U.S. investments. Those risks include: currency fluctuation; different regulation, accounting standards, trading practices and levels of available information; generally higher transaction costs; and political risks.

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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