Harris | Oakmark

QUARTERLY COMMENTARY

Oakmark International Small Cap Fund

September 30, 2025

THIRD QUARTER, 2025

- **The Fund (Class I Shares) underperformed the benchmark, the MSCI World ex USA Small Cap Index (net), for the quarter.**
- **At the sector level, consumer discretionary and financials were the largest contributors to performance, while health care and industrials detracted from performance.**
- **Geographically, the top three region allocations are 62.3% in Europe ex U.K., 10.7% in the U.K. and 8.9% in Asia ex Japan. For the quarter, China and Sweden were top contributors to performance. Germany and the U.K. were top detractors from performance. Emerging markets accounted for 12.9% of the portfolio.**

Third-quarter highlights

Top contributors

- Wynn Macau
- Azimut Holding
- JDE Peet's

Top detractors

- Amplifon
- LANXESS
- Hays

New purchases

- Alten
- Aumovio
- Hamamatsu Photonics
- JEOL
- Kansai Paint
- Robertet

Final sales

- BBIPROGY
- Hakuhodo DY Holdings
- Sapiens International (US Shs)

TOP CONTRIBUTOR | DETRACTOR

Top contributor

Wynn Macau was the top contributor during the quarter. The Hong Kong-based casino operator saw its stock price rise despite delivering underwhelming second-quarter 2025 results. This performance was supported by a strengthening Macau market in recent months, which has benefited Wynn as one of just six licensed operators in the city — and among the most efficient. We are encouraged by the company's near-term plans to introduce updated rooms and a revamped Chairman's Club, which should bolster its position in the premium segment. Wynn remains well-positioned for continued outperformance.

Top detractor

Amplifon was the top detractor during the quarter. The Italian hearing aid company's stock price plunged after first half results revealed that revenue grew more slowly than expected, and the company reduced its fiscal year guidance. While this news was disappointing, we believe this shortfall is due to market and cyclical issues in the U.S. and several European markets rather than a structural slowing of hearing aid demand. We appreciate the front-footed management team which launched a new cost program to offset the impact from the revenue shortfall. We also believe that Amplifon's strong market position and ability to earn attractive profits remains intact. As such, Amplifon remains an attractive holding in our view.

PORTFOLIO ACTIVITY

While the quarter's performance was disappointing, we took advantage of market opportunities to increase positions in stocks where share prices diverged from our view of intrinsic value. Some examples of this include Amplifon, Azelis, Bakkafrost, and Valmet. Significant research activity at the firm led to six new positions being added to the Fund while three were exited. Biprogy and Sapiens were sold because they approached our estimate of intrinsic value, while we exited Hakuhodo to redeploy assets into more attractive opportunities.

New purchases

Alten is one of the world's largest engineering service providers, partnering with companies to help them design, execute, and manage project-based engineering and IT services. Over time, R&D intensity is rising as a percentage of GDP as corporations invest in new technologies and capabilities to differentiate their products, accelerate the speed of product development, and comply with increasing regulation. To help manage this cost, corporations are increasingly outsourcing their R&D spending, making outsourced R&D services a GDP+ growth business through-cycle. Alten is one of a handful of companies in this space that is considered a global tier-1 service provider, which helps them tightly embed with customers in very sticky relationships. The business itself is asset light and very cash generative and is still run by its founder, Simon Azoulay, who we consider a shrewd capital allocator into bolt-on M&A that enhances the company's capabilities, customer list, and geographic reach. Alten's stock price has contracted recently as the engineering services sector undergoes a cyclical downturn made worse by tariff uncertainty. We expect business fundamentals to eventually recover, driving an improvement in growth, profitability, and valuation, which is at historic lows.

Aumovio spun out of Continental in September 2025 and now develops, manufactures and distributes auto components and technology systems as a standalone company. Even without the backing of Continental's tires business, there's a lot to like about Aumovio. It built up strong positions in structurally attractive markets over the years under Continental. Aumovio operates through several segments that expose it to a compelling range of auto megatrends, like active safety, autonomous driving and software. Those trends have long teased upside, and we believe recent restructuring, portfolio optimization and a focus on returns will help Aumovio realize its potential. CEO Philipp von Hirschheydt and his management team deserve credit for that improved execution, and now that he's armed with a cash-rich balance sheet following the spinoff, we expect his knack for underpromising and overdelivering to continue. We were excited to open a position in Aumovio at a price we believe is well below its intrinsic value.

Hamamatsu Photonics is Japan's premier photon specialist, supplying detectors and light sources that enable complex machines to see what the human eye cannot and detect nanometer-scale defects. Hamamatsu is widely regarded as the preferred industry supplier and commands leading market share position across its major product categories. Moreover, the company's partnerships with its customers often begins in the concept stage of development, which has led to sticky, long-term relationships. In addition, we appreciate management's commitment to reinforcing its competitive moat through consistent reinvestment in research development, and believe it is poised to see an inflection point in its share price as cyclical headwinds subside. These headwinds provided us the opportunity to initiate a position in a dominant company with improving shareholder returns that is trading at a significant discount to our estimate of intrinsic value.

JEOL manufactures, develops, and sells a range of scientific and industrial equipment. JEOL's roots lie in its scientific instruments business, which sells tools like electron microscopes to academic institutions and food, chemical, and semiconductor customers, among others. Building and servicing this equipment requires significant scientific know-how, resulting in high barriers to entry and thus oligopolistic market structures. JEOL subsequently leveraged its electron beam technology to manufacture mask writing equipment, which fulfills an integral step in chip manufacturing that tethers the company to the world's leading-edge foundries. JEOL services mask writers for years after selling them, creating a recurring revenue stream that helps smooth out the volatility of equipment sales. Additionally, management has intensified its focus on improving profitability in the scientific instruments business, where margins meaningfully lag global peers. In sum, we believe we are buying two good franchises – scientific instruments and mask writers – for the price of one.

Kansai Paint is one of the two market leaders in paint and coatings in Japan. The company's products are used primarily for automobiles, construction, and ships along with bridges and residential housing. We have owned Kansai on and off over the past 15 years. We most recently sold out of the company in early 2024 as the share price reached our estimate of intrinsic value. Since then, the share price has declined more than 20% due to weak auto production and a weak decorative market in India as well as a de-rating of most global paint companies. Since then, management has focused on shifting emphasis to niches within the paint market, such as construction chemicals and wood coating while focusing less on retail. With the shares priced at more attractive levels, we reinitiated a position in the company. After speaking with management, we continue to believe that there is ample opportunity to reduce costs and improve profitability. Additionally, we believe many of the negatives of the Indian decorative market are now priced into the shares. Finally, we think management continues to allocate capital well and plans to return 100% of free cash flow through dividends and share repurchases.

Robertet is a global leader in the production of flavors and fragrances and a near pure-play on the natural ingredients sub-segment. The company supplies premium components to high-end luxury brands such as Hermès, Chanel, and Aesop. Although these inputs represent a small portion of end products' cost of goods sold, they are critical to the consumer experience, defining the signature scent or taste and enabling Robertet to command premium pricing. Many of these scents and flavors underpin popular heritage products, leading to long-lived, recurring revenues. Despite its strong positioning, the stock trades at a discount to our estimate of intrinsic value due to cyclical headwinds and lingering investor overhang, which we believe are temporary. We appreciate Robertet's shareholder-aligned management team and believe their renewed efforts to expand, internationalize, and modernize the business will lead to significant value creation over the long term.

PORTFOLIO MANAGERS*

(Year joined Harris | Oakmark)

David G. Herro, CFA (1992)
Justin D. Hance, CFA (2010)

* Effective July 1, 2025 Michael Manelli is no longer a portfolio manager of the Fund.

AVERAGE ANNUALIZED TOTAL RETURNS (%)

	Inception date	QTD	YTD	1 yr	3 yrs	5 yrs	10 yrs	Since inception	Expense ratio
Investor Class | OAKEX	11/01/1995	0.75	27.58	13.64	23.68	13.70	8.08	8.93	1.33
Advisor Class | OAYEX	11/30/2016	0.80	27.76	13.79	23.85	13.88	8.21	8.97	1.17
Institutional Class | OANEX	11/30/2016	0.84	27.86	13.89	23.98	13.99	8.29	9.00	1.08
R6 Class | OAZEX	12/15/2020	0.84	27.86	13.98	24.02	14.01	8.30	9.00	1.06
MSCI World ex USA Small Cap Index		7.24	29.54	19.35	19.98	9.24	8.29	n/a	
MSCI World ex USA Small Cap Value Index		8.65	31.90	21.19	22.08	12.79	8.37	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 11/1/1995-11/30/2016. 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 11/1/1995-11/30/2016, 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 Small Cap Fund's total net assets as of 09/30/2025: Alten 0.7%, Amplifon 2.2%, Aumovio 0.4%, Azelis Group 2.5%, Azimut Holding 3.2%, Bakkafrost 1.4%, BIPROGY 0%, Hakuhodo DY Holdings 0%, Hamamatsu Photonics 1.6%, Hays 1.3%, JDE Peet's 1.8%, JEOL 0.3%, Kansai Paint 0.2%, LANXESS 2.0%, Robertet 0.9%, Sapiens International (US Shs) 0%, Valmet 2.1% and Wynn Macau 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 International Small Cap 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 Small Cap Index (Net) is designed to measure performance of small-cap stocks across 22 of 23 Developed Markets (excluding the United States). The index covers approximately 14% 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 Small Cap Value Index (Net) captures small cap securities exhibiting overall value style characteristics across 22 of 23 Developed Markets countries (excluding the United States). The value investment style characteristics for index construction are defined using three variables: 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 Oakmark International Small Cap 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.

The stocks of smaller companies often involve more risk than the stocks of larger companies. Stocks of small companies tend to be more volatile and have a smaller public market than stocks of larger companies. Small companies may have a shorter history of operations than larger companies, may not have as great an ability to raise additional capital and may have a less diversified product line, making them more susceptible to market pressure.

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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