

## QUARTERLY COMMENTARY

# Oakmark Equity and Income Fund

December 31, 2025

### FOURTH QUARTER, 2025

- The Fund (Investor Class) outperformed the benchmark, the 60% S&P 500 / 40% Bloomberg U.S. Aggregate Bond Index, for the quarter and since inception.
- The equity portfolio returned 5.08<sup>1</sup> for the quarter versus 2.66% for the S&P 500 Index. The fixed income portfolio returned 1.35% versus 1.10% for the Bloomberg U.S. Aggregate Bond Index. The Fund's allocation was 60.0% in equities, 38.5% in fixed income, and 1.5% cash.
- At the sector level for the equity portfolio, the largest contributors to performance were communication services and health care, while industrials was the only detractor.
- The Fund had a strong quarter as the breadth of the market rally improved, with many value and smaller capitalization stocks performing well. We continue to find attractive opportunities to invest in undervalued companies across a variety of industries, including areas that have been left behind in the past year's momentum rally.

### Fourth-quarter highlights

#### Top stock contributors

- Alphabet CI A
- Warner Bros Discovery
- Glencore

#### Top stock detractors

- Fiserv
- Equifax
- Charter Communications CI A

#### New stock purchases

- Amrize
- Gartner
- Mondelēz CI A

#### Final stock sales

- BlackRock
- Charter Communications CI A

### TOP CONTRIBUTOR | DETRCTOR

#### Top contributor

**Alphabet** was the top contributor during the quarter. The U.S.-headquartered technology conglomerate's stock price jumped after it delivered impressive third-quarter earnings. Search revenue growth beat consensus expectations as Google continues to see strong user engagement trends. Results were also ahead of expectations in the Cloud segment, and the outlook for this business remains robust given accelerating demand for AI compute. 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

**Fiserv** was the top detractor during the quarter. The U.S.-headquartered bank software and payment processor's stock price declined sharply after reporting disappointing third-quarter earnings. Following the completion of a recent strategic review, Fiserv's new CEO concluded that prior leadership's medium-term revenue growth and margin targets were unachievable. While we are disappointed by these revelations, we continue to believe that Fiserv is a formidable competitor with attractive assets operating in growing end markets. We are also encouraged by recent upgrades to the executive

<sup>1</sup>The asset class returns noted above are unaudited and sourced from our proprietary accounting system.

management team and the board of directors, as well as recent insider stock purchases. The new management team expects Fiserv to deliver mid-single-digit organic revenue growth and double-digit earnings per share (EPS) growth on a normalized basis. Accordingly, we believe the risk/reward is attractive with the shares trading at a single-digit multiple of current EPS.

## PORTFOLIO ACTIVITY

### New purchases

**Amrize** is a leading producer of building materials and construction solutions, established following Holcim's spin-off of its North American operations in June. As a standalone company, Amrize holds strong market positions—it is the largest cement producer, the second-largest commercial roofing products manufacturer and a top-five aggregates producer in the U.S. and Canada. The company benefits from pricing power due to its scale, advantaged regional footprint and tight supply dynamics. We also see long-term potential in the Building Envelope segment and believe there is a path to narrowing the margin gap to roofing peers. In our view, Amrize is a fundamentally strong business that is flying under the radar of most U.S. investors. This created the opportunity to invest alongside a proven management team focused on unlocking shareholder value.

**Gartner** is a global leader in research services, with a long history of delivering valuable insights and data to business and technology leaders. In our

view, the company has the best brand in IT research, supported by its scale and a compelling customer value proposition. These advantages have driven a long history of strong organic growth and robust free-cash-flow conversion. The stock price has declined meaningfully from recent highs due to investor concerns surrounding AI-related disruption. We believe these concerns are overstated. In our view, Gartner is well-positioned to reaccelerate organic growth due to continued high customer engagement and the large opportunity to sell to new and existing customers. We took advantage of the opportunity to buy shares in this well-managed company at a bargain price.

**Mondelēz International** is a global snacking powerhouse with leading market share positions in crackers, cookies and chocolate. The brand portfolio houses iconic names like Cadbury, Milka, Toblerone, Oreo and Ritz. Mondelēz possesses a unique global footprint that over-indexes to snacking occasions. Snacking is an advantaged category that benefits from robust pricing power, low private label competition and rising per capita consumption. We believe these attributes will help Mondelēz sustain industry-leading growth. A rapid rise in commodity costs has temporarily depressed margins, masking the company's true earnings power. We believe Mondelēz's strong pricing power and commodity relief will help improve margins. The short-term fears surrounding commodity inflation allowed us to purchase shares at a discounted valuation relative to history, peers and the broader market.

## PORTFOLIO MANAGERS

(Year joined Harris | Oakmark)

M. Colin Hudson, CFA (2005)

Adam D. Abbas (2018)

Michael A. Nicolas, CFA (2013)

Alex Fitch, CFA (2011)

# QUARTERLY COMMENTARY — OAKMARK EQUITY AND INCOME FUND

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## AVERAGE ANNUALIZED TOTAL RETURNS (%)

	Inception date	QTD	YTD	1 yr	3 yrs	5 yrs	10 yrs	Since inception	Expense ratio
Investor Class   OAKBX	11/01/1995	3.28	11.06	11.06	12.32	8.44	8.52	9.61	0.85
Advisor Class   OAYBX	11/30/2016	3.35	11.33	11.33	12.59	8.70	8.71	9.67	0.62
Institutional Class   OANBX	11/30/2016	3.36	11.37	11.37	12.62	8.72	8.74	9.68	0.59
R6 Class   OAZBX	12/15/2020	3.34	11.41	11.41	12.65	8.75	8.75	9.69	0.56
60% S&P 500 / 40% Bloomberg U.S. Aggregate Bond Index		2.03	13.70	13.70	15.46	8.47	9.78	8.28	

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. See the prospectus for a comparison against the Fund's regulatory benchmark: S&P 500 Index. "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 Equity and Income Fund's total net assets as of 12/31/2025: Alphabet Cl A 3.4%, Amrize 0.6%, BlackRock 0%, Charter Communications Cl A 0%, Equifax 1.3%, Fiserv 0.9%, Gartner 0.8%, Glencore 1.8%, Mondelez Cl A 0.5% and Warner Bros Discovery 1.3%. **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 Equity and Income Fund [here](#) or visit [www.oakmark.com](http://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 60% S&P 500 / 40% Bloomberg U.S. Aggregate Bond Index is comprised of 60% weight given to the S&P 500 Index and 40% weight given to the Bloomberg U.S. Aggregate Bond Index and is rebalanced monthly. 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. The Bloomberg U.S. Aggregate Bond Index is a broad-based benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, mortgage-backed securities

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(agency fixed-rate and hybrid ARM pass-throughs), asset-backed securities and commercial mortgage-backed securities (agency and non-agency). These indexes are unmanaged and investors cannot invest directly in them.

Investing involves risk; principal loss is possible. There is no guarantee the Fund's investment objective will be achieved. Value stocks may fall out of favor with investors and underperform growth stocks during given periods.

Medium- and lower-quality debt securities that have higher yield potential but present greater investment and credit risk than higher-quality securities which may result in greater share price volatility. An economic downturn could severely disrupt the market in medium or lower grade debt securities and adversely affect the value of outstanding bonds and the ability of the issuers to repay principal and interest. 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.

Medium-sized companies' stocks tend to be more volatile than those of large companies and have underperformed the stocks of small and large companies during some periods. These and other risk considerations are described in detail in the Fund's prospectus

All information provided is as of 12/31/2025 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-4874BX-04/26