

## QUARTERLY COMMENTARY

## Oakmark International Fund

December 31, 2025

## FOURTH QUARTER, 2025

- The Fund (Investor Class) underperformed the benchmark, the MSCI World ex USA Index, for the quarter, but outperformed the benchmark for the calendar year and since inception.
- At the sector level, health care and financials were the largest contributors to performance, while consumer staples was the only detractor from performance.
- Geographically, the top three regional allocations are 68.1% in Europe ex U.K., 13.8% in the U.K. and 8.7% in the Asia ex Japan. For the quarter, Germany, Switzerland and France were top contributors to performance. China, the U.S. and Ireland were top detractors from performance. Emerging markets accounted for 10.2% of the portfolio.
- Valuations across many international markets remain relatively attractive even after a year of strong returns. The opportunity set has shifted somewhat toward more stable, higher quality businesses and we are taking advantage of that opportunity.

## TOP CONTRIBUTOR | DETRACTOR

## Top contributor

**Bayer** was the top contributor during the quarter. Two anticipated events developed in the company's favor. First, Bayer enjoyed a positive readout on the company's stroke drug, Asundexian, which met its primary endpoint in a recent phase III trial. Asundexian has the potential to be a blockbuster and support a return to growth for the Pharmaceuticals business, in our opinion. Second, the United States Solicitor General recommended that the Supreme Court hear Bayer's appeal in Durnell v. Monsanto, increasing the odds that the RoundUp matter is heard by the Court. Both events

## Fourth-quarter highlights

## Top contributors

- Bayer
- DSV
- Samsung Electronics Pfd

## Top detractors

- Alibaba Group
- CNH Industrial
- Dassault Systemes

## New purchases

- AstraZeneca ADR
- IMCD NV
- Sanofi
- Symrise
- Unilever

## Final sales

- Exor
- Komatsu
- Mercedes-Benz Group
- Novartis
- SKF CI B
- Sandvik
- Schroders
- Worldline

support our investment thesis for Bayer as management works to turn around fundamental performance and contain litigation risk.

### Top detractor

**Alibaba Group** was the top detractor during the quarter. The China-headquartered technology conglomerate's stock price declined as it reported mixed results. The core E-commerce business continues to perform well, and Cloud revenue growth is accelerating. However, the company's earnings were negatively impacted due to significant spending on subsidies to grow their Quick Commerce business, in our opinion. We believe losses from Quick Commerce will be reduced over time and continue to believe the company is well-positioned for long-term growth, having been one of the early investors in Chinese AI. Over time, we think it can leverage its advanced capabilities and leading market position to unlock further value.

## PORTFOLIO ACTIVITY

### New purchases

**AstraZeneca** is one of the largest pharmaceutical companies in the world. It researches, develops and commercializes prescription medicines designed to treat lung and breast cancers, cardiorenal diseases, respiratory problems and other rare diseases. We believe AstraZeneca's robust on-market portfolio and sector-leading late-stage pipeline provide an attractive growth profile. Moreover, we believe the company can build on its long track record of a productive research and development program, thanks to its innovative culture and exceptional management team. CEO Pascal Soriot is one of the industry's best executives, and he has cultivated a deep bench of talent, a robust decision-making framework and a differentiated R&D culture that should drive strong growth for years to come, in our view. Recent concerns over United States regulations have overshadowed AstraZeneca's merits and weighed on the broader pharmaceutical industry. This opened a window for us to purchase shares of this company at a price well below our estimate of its intrinsic value.

**IMCD** is a global leader in the marketing, sales and distribution of specialty chemicals and ingredients. The company is widely regarded as best-in-class, benefiting from a highly technical salesforce and extensive global scale. These strengths make IMCD a preferred partner, enabling it to drive consistent organic growth, enhance visibility across distribution channels, and streamline points of contact for customers and suppliers alike. IMCD specializes in the "true specialties" area of the market, where chemicals or ingredients often have a material impact on end-product performance. That translates into significant pricing power and demand inelasticity – market features we find particularly attractive. Despite strong fundamentals, the stock price has fallen significantly due to a combination of cyclical downturn and market fears that we believe are overstated. This presented us with the opportunity to invest in a well-managed company with substantial M&A opportunities that we think should re-rate over the long term.

**Sanofi** is a global pharmaceutical company developing biologics, vaccines and healthcare solutions to prevent and treat a wide range of conditions in immunology, hemophilia, rare diseases and general medicine. We think there is a lot to be excited about as management has prioritized innovation by aggressively investing in research and development to cultivate a pipeline of promising products. Despite strong fundamentals, the stock has been weighed down by a volatile year for the vaccine market, investor concerns about patent cliffs and minimal value ascription to its pipeline. This created the opportunity for us to invest in a company we believe is improving, with a long runway for future growth as vaccine markets normalize and new product potential is realized.

**Symrise** is a global leader in the development of flavors, fragrances, and specialty ingredients used across food, beverages and consumer products. We find the industry's consolidated structure attractive and value Symrise's leading positions in pet food

palatability, beverage flavors and personal care ingredients that are well supported by its broad portfolio and long-standing customer relationships. While these ingredients represent a small portion of the total cost of goods sold, they are critical to the performance and differentiation of the end product, creating sticky long-term buyer-seller relationships. We also appreciate management's renewed focus on profitability and cash flow, with early signs of positive operational and financial inflection supporting improved results going forward. Despite this strong outlook, we believe that the stock has underperformed recently due to stalling organic growth under previous leadership, creating an attractive entry point for us to invest in a company poised for growth that is trading at a significant discount to our estimate of intrinsic value.

**Unilever** is a global consumer goods company that develops and markets everyday food and personal care brands for billions of consumers worldwide. Anchored by iconic brands such as Dove, Knorr, Hellmann's and Vaseline, Unilever's refreshed management team is driving improved execution and strategic discipline to deliver more consistent growth, with a focus on higher-margin categories. Specifically, we appreciate their undertaking of various self-help initiatives, including cost-savings programs and brand divestments, which we believe will help unlock sustained value in the future. Despite Unilever's strong outlook, it trades at a discount to its peer group as prior undermanagement has resulted in 1% volume growth for the past decade. This provided us the opportunity to invest in a strong company with leading brands and an improved management team that is poised to increase per-share value.

## 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.

## 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	4.83	32.37	32.37	14.48	6.65	6.78	8.84	1.05
Advisor Class   OAYIX	11/30/2016	4.84	32.58	32.58	14.67	6.84	6.93	8.89	0.88
Institutional Class   OANIX	11/30/2016	4.89	32.70	32.70	14.77	6.91	7.00	8.91	0.81
R6 Class   OAZIX	12/15/2020	4.89	32.73	32.73	14.82	6.97	7.02	8.92	0.75
MSCI World ex USA Index		5.20	31.85	31.85	17.64	9.46	8.55	6.62	
MSCI World ex USA Value Index		8.15	42.23	42.23	21.58	13.94	9.16	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 12/31/2025: Alibaba Group 1.7%, AstraZeneca ADR 1.3%, Bayer 2.3%, CNH Industrial 2.2%, Dassault Systemes 2.3%, DSV 2.2%, Exor 0%, IMCD NV 1.0%, Komatsu 0%, Mercedes-Benz Group 0%, Novartis 0%, Samsung Electronics Pfd 1.8%, Sandvik 0%, Sanofi 1.3%, Schroders 0%, SKF Cl B 0%, Symrise 1.3%, Unilever 1.4% and Worldline 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](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 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.

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. 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. 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. 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](http://Oakmark.com) or call 1-800-OAKMARK (1-800-625-6275).*

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