QUARTERLY COMMENTARY

Oakmark Bond Fund

June 30, 2026

HIGHLIGHTS

- **The Fund (Institutional Class) outperformed the Bloomberg U.S. Aggregate Index for the quarter and since inception.**
- **Outperformance was driven almost entirely by asset allocation.**
- **Looking ahead, we expect uncertainty around AI, the economy, and the policy environment to persist. Rather than attempting to predict a single outcome, we remain focused on identifying investments where current valuations provide attractive compensation across a wide range of potential scenarios and support strong long-term results.**

PORTFOLIO ACTIVITY: SECOND QUARTER 2026

The Oakmark Bond Fund had a strong second quarter, outperforming its benchmark by 50 basis points. The Fund (Institutional Class) returned 1.03% for the quarter, while its benchmark, the Bloomberg U.S. Aggregate Index, returned 0.67%. The Fund's outperformance was driven almost entirely by asset allocation led by our overweight to corporate debt which was a sector that performed particularly well during the second quarter. Securitized credit also added value, benefiting from both an overweight position and returns that outpaced the benchmark's allocation to the sector. An underweight to government-guaranteed debt — a comparatively lower-returning sector this quarter — contributed further to allocation results. These gains were partially offset by modest detractors from yield curve positioning and security selection.

POSITIONING

Corporate credit spreads remain at or near historical tights across nearly every combination of credit quality and maturity. When markets become this expensive, our objective isn't necessarily to reduce risk indiscriminately. It's to become increasingly selective about the risk we continue to own.

That has led us to gradually prune a number of our most successful corporate investments as spreads approached or exceeded our estimates of fair value. As a result, corporate bonds declined from 44.5% of the portfolio at the end of the first quarter to 42.9% at quarter-end.

Importantly, we didn't simply reduce corporate exposure. We also upgraded its quality and lowered its risk profile. Our weighted average rating by S&P and Moody's now sits at the highest it's been since the inception of the fund. Also, by reducing corporate spread duration from a full 0.30 years, we've meaningfully reduced the portfolio's sensitivity to wider credit spreads in the future while simultaneously taking advantage of the meaningful treasury curve flattening that occurred in the corporate credit curve between intermediate and longer maturities during the quarter. In our view, that combination allows us to preserve much of today's attractive income while improving the portfolio's overall risk profile.

Within securitized credit, a similar pruning process was underway. We continued harvesting gains from several legacy subprime and prime auto ABS positions that had performed exceptionally well and redeployed that capital into areas where we believe relative value has become more compelling, including non-QM residential mortgages and other select deals.

Our guaranteed allocation also continued to evolve. During the quarter, we selectively exchanged U.S. Treasuries for Agency securities. We view this as both a relative value opportunity and a structural enhancement to the portfolio. Given our expectation that interest rates are likely to remain relatively range-bound over the next year, we believe Agency securities offer an attractive opportunity to increase current income with only a modest increase in net asset value volatility. Over time, we believe that additional carry should more than compensate investors for the incremental price fluctuations.

MARKET OUTLOOK

As we look to the second half of the year, we believe patience remains one of our most valuable assets. With credit spreads near historical tights, we're unlikely to add risk simply because capital becomes available. Instead, we'll continue to be highly selective, focusing on companies that have lagged broader credit markets for reasons we believe are company-specific and temporary rather than structural. These idiosyncratic opportunities allow us to continue earning attractive returns without relying on historically expensive index spreads.

Just as importantly, they position the portfolio for a more attractive opportunity set if broader market valuations eventually reset. Today's markets appear increasingly comfortable dismissing a number of well-known risks—including geopolitical uncertainty, the path of inflation, the long-term economic implications of AI, and the eventual course of monetary policy. Those risks may ultimately prove manageable. But with spreads already reflecting a great deal of optimism, we don't believe investors are being paid particularly well to assume they all resolve favorably.

Should broader credit risk premiums become more attractive, we'd expect to have both the flexibility and the conviction to deploy additional capital just as we did in Q1 and Q2 of 2025 and in Q1 of 2026. Until then, we believe patience is not the absence of action. It is an active investment decision.

For a more detailed discussion of our views on AI, credit markets, and the opportunities we see today, please refer to the Second Quarter Fixed Income Market Commentary.

PORTFOLIO MANAGERS

(Year joined Harris | Oakmark)

Adam D. Abbas (2018)
M. Colin Hudson, CFA (2005)

June 30, 2026

AVERAGE ANNUALIZED TOTAL RETURNS (%)

	Inception date	QTD	YTD	1 yr	3 yrs	5 yrs	Since inception	Expense ratio gross	Expense ratio net
Investor Class | OAKCX	01/28/2022	0.96	0.92	4.16	5.61	n/a	1.89	0.84	0.74
Advisor Class | OAYCX	06/10/2020	1.03	0.92	4.41	5.85	1.53	2.17	0.65	0.48
Institutional Class | OANCX	06/10/2020	1.03	1.05	4.55	5.88	1.55	2.20	0.66	0.45
R6 Class | OAZCX	12/15/2020	1.04	1.07	4.61	5.97	1.63	1.71	0.56	0.41
Bloomberg U.S. Aggregate Index		0.67	0.62	3.79	4.16	0.08	0.08		

Expense ratios are as of the Fund's most recent statutory prospectus dated January 28, 2026, as amended and restated April 2, 2026; actual expenses may vary. The Fund's Adviser has contractually undertaken to waive and/or reimburse certain fees and expenses so that the total annual operating expenses of each class are limited to 0.74%, 0.48%, 0.45% and 0.41% of average net assets, respectively. Each of these undertakings lasts until 01/27/2027 and may only be modified by mutual agreement of the parties. Returns for periods less than one year are not annualized. Since inception returns for the indexes are calculated based on the Institutional Class inception date.

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 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 and 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.

Yield is the annual rate of return of an investment paid in dividends or interest, expressed as a percentage. A snapshot of a fund's interest and dividend income, yield is expressed as a percentage of a fund's net asset value, is based on income earned over a certain time period and is annualized, or projected, for the coming year.

Duration is a measure of the sensitivity of the price of a bond or other debt instrument to a change in interest rates. 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 Treasurys, government-related and corporate securities, mortgage-backed securities (agency fixed-rate and hybrid ARM pass-throughs), asset-backed securities and commercial mortgage-backed securities (agency and non-agency). This index is unmanaged and investors cannot invest directly in this index.

Investing involves risk; principal loss is possible. There is no guarantee the Fund's investment objective will be achieved. The Oakmark Bond Fund invests primarily in a diversified portfolio of bonds and other fixed-income securities. These include, but are not limited to, investment grade corporate bonds; U.S. or non-U.S.-government and government-related obligations (such as, U.S. Treasury securities); below investment-grade corporate bonds; agency mortgage backed-securities; commercial mortgage- and asset-backed securities; senior loans (such as, leveraged loans, bank loans, covenant lite loans, and/or floating rate loans); assignments; restricted securities (e.g., Rule 144A securities); and other fixed and floating rate instruments. The Fund may invest up to 20% of its assets in equity securities, such as common stocks and preferred stocks. The Fund may also hold cash or short-term debt securities from time to time and for temporary defensive purposes.

Under normal market conditions, the Fund invests at least 25% of its assets in investment-grade fixed-income securities and may invest up to 35% of its assets in below investment-grade fixed-income securities (commonly known as "high-yield" or "junk bonds").

Fixed income risks include interest-rate and credit risk. Typically, when interest rates rise, there is a corresponding decline in bond values. Credit risk refers to the possibility that the bond issuer will not be able to make principal and interest payments. Bond values fluctuate in price so the value of your investment can go down depending on market conditions. These and other risk considerations such are described in detail in the Fund's prospectus.

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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