

Oakmark U.S. Large Cap ETF

TICKER: OAKM

March 31, 2025

FIRST QUARTER, 2025

- The Fund returned 4.02%/4.00% (NAV/Market price) versus -4.27% for the S&P 500 Index for the quarter, and -0.90/-1.02% since inception versus -6.84% for the index over the same period.
- At the sector level, the largest contributors to performance were financials and health care, while communication services and consumer discretionary were the largest detractors.
- As we have done in other periods when stock prices declined significantly, we are taking advantage of the opportunity to reposition the portfolio toward companies with the most attractive risk-adjusted returns.

TOP CONTRIBUTOR | DETRACTOR

Top contributor

CVS Health was the top contributor during the quarter. The U.S.-headquartered health care services company's stock price rose after it delivered fourth-quarter results that exceeded consensus expectations and reconfirmed 2025 guidance. Given the company had a very challenging 2024, these two factors helped drive the share price higher over the quarter. While the Pharmacy and Health Services segments met expectations, we believe that a recovery towards target margins in the Health Care Benefits segment will be the most important determinant of stock price performance over the next few years. Positively, the company guided that the segment is on track to see a meaningful step-up in earnings during 2025 and should benefit from increasingly favorable Medicaid rates. We appreciate the company's latent earnings power and believe CVS' relative upside compared to industry peers makes it a compelling investment.

First-quarter highlights

Top contributors

- CVS Health
- American International Group (AIG)
- Intercontinental Exchange

Top detractors

- Alphabet Cl A
- General Motors
- IQVIA Holdings

New purchases

- Airbnb Cl A
- Bank of America
- Willis Towers Watson

Final sales

- Masco
- Reinsurance Group

Top detractor

Alphabet was the top detractor during the quarter. The U.S.-headquartered company's stock price declined despite having posted fourth-quarter 2024 earnings that were in line with consensus expectations. Search revenue growth remained strong, and management reiterated that the new "AI Overviews" feature is driving higher engagement with comparable monetization. The one miss during the quarter was in the Cloud segment, where revenue grew 30% year-over-year but fell slightly short of consensus expectations. We believe the shortfall was largely due to short-term capacity constraints and that the long-term growth outlook for Google Cloud

remains robust. We continue to see Alphabet as a collection of great businesses that can further benefit from the company's world class AI capabilities. With shares trading at just 15x our estimate of next year's earnings per share, we believe the stock is meaningfully undervalued.

PORTFOLIO ACTIVITY

New purchases

Airbnb is an online marketplace to list, discover and book unique accommodations worldwide. The company benefits from a strong network effect between its guests and hosts. We believe there is a long growth runway as global travel is an attractive market, and alternative accommodations have been taking share. We anticipate Airbnb will drive further growth by creating more valuable services for both sides of its network. This includes the potential for paid placement, which has created significant economic value for comparable marketplaces. In our view, management is aligned with shareholders and well qualified to lead Airbnb as the company attempts to capture these growth opportunities. Short-term concerns about the macro travel environment and declining margins stemming from growth investments allowed us to purchase shares at a discount to our estimate of business value.

Bank of America is one of the world's largest financial institutions. In our view, the company's leading, low-cost deposit franchise helps to support healthy returns on tangible common equity through the cycle. Furthermore, we believe that management has improved the risk profile of the bank over time, as evidenced by its strong underwriting results, higher credit quality, and increased capital and liquidity. Despite these business improvements and good fundamental performance during 2024, a recent sell-off provided us the opportunity to invest in Bank of America at a single digit multiple of normalized earnings and a significant discount to our estimate of intrinsic value.

Willis Towers Watson (WTW) is a leading insurance broker and HR services firm. It operates in a capital-light industry with high returns on equity and attractive free cash flow generation. Since the cancellation of its proposed business combination with Aon a few years ago, WTW has made significant progress in turning around the company. Under a re-constituted board of directors, management sees an opportunity to sustain mid-single digit or greater organic revenue growth and drive several hundred basis points of operating margin expansion to narrow the gap to best-in-class peers. We believe the shares are undervalued on both an absolute basis and relative to the multiples at which comparable companies trade today.

PORTFOLIO MANAGERS

(Year joined Harris | Oakmark)

William C. Nygren, CFA (1983)

Michael A. Nicolas, CFA (2013)

Robert F. Bierig (2012)

PERFORMANCE (%)	QTD	1 year	Since inception (12/03/2024)
Net asset value (NAV)	4.02%	n/a	-0.90%
Market price	4.00%	n/a	-1.02%
S&P 500 Index	-4.27%	n/a	-6.84%
Russell 1000 Value Index	2.14%	n/a	-3.83%

Inception date: 12/03/2024. Periods less than one year are not annualized. Net expense ratio: 0.59%. Harris Associates, L.P. (the "Adviser") has contractually undertaken to waive its management fee by 0.05% of the Fund's average daily net assets. The undertaking lasts until 01/27/2027, and may not be terminated during its term without the consent of the Board of Trustees. Without the fee waiver, the gross expense ratio for the Fund would be 0.64%.

Performance reflected net of fees. The performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. 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. To obtain most recent month-end performance data, visit oakmark.com/OAKM.

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 U.S. Large Cap ETF: <https://oakmark.com/etfs/oakm/>

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.

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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.

Understanding the risks

Investing involves risk; principal loss is possible. There is no guarantee the Fund's investment objective will be achieved. The Fund is actively managed and does not seek to replicate a specific index. **Exchange-traded funds (ETFs)** are subject to additional risks that do not apply to conventional mutual funds, including the risks that the market price of ETF's shares may trade at a premium or discount to its net asset value (NAV), an active secondary trading market may not develop or be maintained, or trading may be halted by the

exchange in which they trade, which may impact an ETF's ability to sell its shares. Unlike mutual funds, ETF shares are bought and sold at market price, which may be higher or lower than their NAV, and are not individually redeemed from the fund. Brokerage commissions will reduce returns. The Fund invests primarily in **large-capitalization securities**, which may be unable to respond quickly to new competitive challenges or opportunities, attain the high growth rate of successful smaller companies, or be out of favor under certain market conditions. The Fund tends to be invested in a relatively **focused portfolio** of securities, thus the appreciation or depreciation of any one security held will have a greater impact on the Fund's net asset value versus investing in a larger number of securities. **Common stocks** are subject to special risks. As a **new fund**, there is a limited operating history and there can be no assurance it will grow to an economically viable size, in which case it may cease operations and require investors to liquidate or transfer their investments. These and other risk considerations, such as market, sector or industry, large shareholder, and value style are described in detail in the Fund's prospectus.

Glossary

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. Returns reflect the reinvestment of dividends. This index is unmanaged and investors cannot invest directly in this index.

The **Russell 1000® Value Index** measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000® companies with lower price-to-book ratios and lower expected growth values. This index is unmanaged and investors cannot invest directly in this index.

Indexes portrayed show that returns reflect the reinvestment of dividends, are unmanaged, and it is not possible to invest directly in such indexes.

March 31, 2025

Before investing, carefully consider fund investment objectives, risks, charges and other expenses. For this and other information that should be read carefully, please request a prospectus and summary prospectus by calling 1-800-458-7452 or visiting oakmark.com/OAKM.

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