

QUARTERLY COMMENTARY

Oakmark Bond Fund

December 31, 2024

FOURTH QUARTER, 2024

- **The Institutional Class for the Fund returned -2.56% versus -3.06% for the Bloomberg U.S. Aggregate Bond Index for the quarter, and 0.92% since inception versus -1.56% for the benchmark over the same period.**
- **Approximately 41 basis points of the Fund's outperformance this quarter was a result of prudent security selection within corporate credit and securitized debt and notable corporate credit performers included Boeing Corporation senior unsecured debt and GXO Logistics Inc. senior unsecured debt.**
- **Allocation decisions contributed approximately 28 basis points to the Fund's performance due to an overweight of corporate credit, securitized debt and U.S. Treasuries versus the Bloomberg U.S. Aggregate Bond Index.**

PORTFOLIO ACTIVITY

The Oakmark Bond Fund outperformed its benchmark in the fourth quarter, despite posting negative absolute returns. Higher interest rates weighed on the Fund's performance, and yields in the belly of the curve increased by approximately 70 basis points.

The Fund benefitted from strong security selection, which contributed 41 basis points to relative outperformance, and prudent asset allocation decisions, which added 28 basis points to relative outperformance.

Corporate credit and securitized debt performed well during the quarter. Investment-grade credit spreads tightened by approximately nine basis points while high-yield credit spreads narrowed by around 8 basis points. Loan index spreads tightened

even further, ending the quarter 25 basis points tighter.

The Fund's strategic allocations contributed 28 basis points to relative outperformance, led by overweights in corporate credit, securitized debt and U.S. Treasuries.

Issue selection within corporate credit and securitized debt was again a key driver. Notable performers included Boeing Corporation senior unsecured debt and GXO Logistics Inc. senior unsecured debt.

The Fund also outperformed the benchmark by 229 basis points over the 2024 calendar year, returning 3.54%. A key contributor to the Fund's 2024 calendar-year success was excess returns from corporate credit, driven by tightening credit spreads.

POSITIONING AND OUTLOOK

Heading into 2025, the Fund continues to overweight corporate credit and securitized debt while underweighting U.S. Treasuries. Most of the Fund's securitized holdings are in highly rated agency mortgage-backed securities, and less than 20% of corporate holdings are below investment grade. The Fund's duration remains in line with the benchmark at approximately six years and generates a yield-to-worst of 5.4% and a current yield of 5.0%.

PORTFOLIO MANAGERS

(Year joined Harris | Oakmark)

Adam D. Abbas (2018)

M. Colin Hudson, CFA (2005)

PERFORMANCE (%)

	QTD*	1 yr	3 yrs	5 yrs	10 yrs	Since inception
Institutional Class OANCX	-2.56%	3.54%	-0.54%	n/a	n/a	0.92%
Bloomberg U.S. Aggregate Bond Index	-3.06%	1.25%	-2.41%	n/a	n/a	-1.56%

Gross expense ratios: Institutional Class 1.08%

Net expense ratios: Institutional Class 0.52%

*Not annualized

Inception Institutional Class: 06/10/2020

Expense ratios are from the Fund's most recent prospectus dated January 28, 2024, as amended and restated July 1, 2024; actual expenses may vary.

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 preliminary percentages of the Oakmark Bond Fund's total net assets as of 12/31/2024: Boeing CC 08/49 3.750% Due 02-01-50 0.6% and GXO Logistics CC 02/34 6.500% Due 05-06-34 0.9%. **Portfolio holdings are subject to change without notice and are not intended as recommendations of individual stocks.**

To obtain a full list of the most recent quarter-end holdings, please visit our website at www.oakmark.com or call 1-800-OAKMARK (625-6275).

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 Treasuries, 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.

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 life 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.

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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.

All information provided is as of 12/31/2024 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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