

## Oakmark Fund: First Calendar Quarter 2024

March 31, 2024

The Oakmark Fund (“the Fund”) returned 10.27% during the first quarter, fractionally underperforming the S&P 500 Index’s return of 10.56%. Since its inception in August 1991, the Fund has returned an average of 12.96% per year, outperforming the S&P 500 Index’s return of 10.51% over the same period.

In the first quarter, our largest contributing sectors were financials and consumer discretionary and there were no detractors. The largest individual contributors for the period were General Motors and Kroger, and our largest detractors were Charter Communications and Warner Bros. Discovery. Each of these businesses traded at meaningful discounts to our estimates of intrinsic value, so we purchased additional shares of all of them during the quarter. Amid the outperformance of growth stocks to start the year, we are finding attractive opportunities to buy stocks that meet our value investment criteria.

We initiated three new holdings and eliminated five others during the quarter.

We sold our positions in Amazon, HCA Healthcare, Hilton Worldwide, Meta Platforms and PHINIA during the period. Each position approached our estimate of intrinsic value, so we sold them in favor of more compelling alternatives, in our view.

The following is a brief description of our new holdings:

Deere & Company is a leading manufacturer of agricultural equipment with dominant market share in North America and Brazil. Despite its brand strength, technological capabilities and distribution advantages, the company’s stock price has recently fallen due to fears about a downturn in the agriculture business cycle. Longer term, world population and food demand are expected to increase annually yet land and labor devoted to agriculture are expected to

### Oakmark Fund - Investor Class

#### Average Annual Total Returns (03/31/2024)

Since Inception (08/05/1991) 12.96%

10–year 12.16%

5–year 16.35%

1–year 33.52%

3–month 10.27%

Expense Ratio: 0.91%

*Expense ratios are from the Fund’s most recent prospectus dated January 28, 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. 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. To obtain the most recent month-end performance data, visit [Oakmark.com](http://Oakmark.com).*

decline. Deere seems well-positioned to benefit from this dynamic as farms will have to become more productive. We were pleased to purchase shares in Deere at a low double-digit multiple of our estimate of normal earnings power.

Delta Air Lines is a leading global airline. Of the big three U.S.-based airlines (Delta, United and American), we see Delta as the most competitively advantaged. We believe the company's years of industry-leading operational performance and investments in the customer experience have established Delta as the premium brand in the industry. We also think its geographically optimal hubs, high local market share, robust loyalty program and unique corporate culture all support healthy returns on capital. Delta currently trades at 6x our estimate of normalized earnings per share. We believe this is an attractive valuation for a competitively advantaged and growing business in an out-of-favor industry.

Kenvue became the largest standalone consumer health company following its split-off from Johnson & Johnson in May 2023. The company's highly recognizable brands, such as Neutrogena, Listerine, Tylenol and Band-Aid, have been market share leaders in their respective categories for generations. However, Kenvue's first year as a public company was clouded by litigation and market share losses in certain categories. As a result, Kenvue now trades for just 16.5x trailing earnings, a substantial discount to the market and other consumer health and packaged goods companies. We see an opportunity for the company to improve efficiency and re-invest the cost savings into increased product development and marketing, which should help improve its growth and brand equity.

We thank you, our fellow shareholders, for your investment in the Oakmark Fund.

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The securities mentioned above comprise the following percentages of the Oakmark Fund's total net assets as of 03/31/2024: Amazon 0%, American Airlines 0%, Charter Communications Cl A 1.8%, Deere & Company 2.5%, Delta Air Lines 1.0%, General Motors 2.7%, HCA Healthcare 0%, Hilton Worldwide 0%, Johnson & Johnson 0%, Kenvue 1.1%, Kroger 2.4%, Meta Platforms 0%, PHINIA 0%, United Airlines 0% and Warner Bros Discovery 1.2%. **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](http://www.oakmark.com) or call 1-800-OAKMARK (625-6275).

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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.

EPS refers to Earnings Per Share and is calculated by dividing total earnings by the number of shares outstanding.

The S&P 500 Total Return 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 Oakmark 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.**

All information provided is as of 03/31/2024 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](http://Oakmark.com) or call 1-800-OAKMARK (1-800-625-6275).*

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