

QUARTERLY COMMENTARY

Oakmark Fund

June 30, 2024

SECOND QUARTER, 2024

- The Fund returned -3.98% versus 4.28% for the S&P 500 Index for the quarter, and 12.72% since inception, versus 10.57% for the S&P 500 Index over the same period.
- At the sector level, the largest contributors were communication services and information technology, and the largest detractors were health care and energy.
- We are finding attractive investment opportunities across a diverse group of industries amid the unusually wide spread between high P/E and low P/E stocks that exists today. Read more in the [2Q 2024 U.S. equity market commentary](#).

TOP CONTRIBUTOR | DETRACTOR

Top contributor

Alphabet was the top contributor during the quarter. The stock price rose after the U.S.-based communication services company reported first-quarter operating income growth of 31% versus the prior year. We believe that management's cost reduction initiatives will improve operating efficiency and lead to faster earnings growth. In addition, we expect that the company's new AI-powered features, showcased at the recent Google I/O conference, will increase the value of its products to users. At its current share price, we continue to see upside to our estimate of Alphabet's intrinsic value.

Top detractor

IQVIA Holdings was the top detractor during the quarter. Although the U.S.-based health care company's stock price fell following the release of first quarter results, the company's fundamentals were

Second quarter highlights

Top contributors

- Alphabet Cl A
- Goldman Sachs
- Bank of America

Top detractors

- IQVIA Holdings
- Centene
- CVS Health

New purchases

- Corebridge Financial
- Nasdaq

Final sales

- Danaher
- KKR
- Oracle

in-line with consensus expectations. Forward-looking indicators in the clinical trial business continue to be favorable, and management foresees gradual improvement in the technology and analytics solutions segment in the second half of this year and a stronger rebound next year. We believe IQVIA should sustain above-average long-term growth even though it trades at a discount to other life sciences and data and information services companies.

PORTFOLIO ACTIVITY

New purchases

Corebridge Financial is one of the largest providers of retirement solutions and insurance products in the United States. Corebridge's extensive distribution

network and long-standing relationships with large financial institutions have helped it maintain a high market share position for decades. In our view, the market values Corebridge as a variable annuity company despite its more diversified and less risky earnings profile relative to peers. In addition, we believe the recent reduction in AIG's significant ownership stake removes an overhang on the stock price. The combination of these factors provided the opportunity to invest in Corebridge at a discount to other non-variable annuity peers and our estimate of intrinsic value.

Nasdaq is a global technology company that provides platforms and services for capital markets and other industries. Over the past decade, under the leadership of CEO Adena Friedman, Nasdaq has transformed from a traditional equity exchange into a collection of fast-growing, high-quality software and data businesses with the majority of revenue coming from non-exchange segments. Nasdaq's recent acquisition of Adenza led some investors to question management's capital allocation discipline. However, we believe the subsequent share price reaction more than compensates for the risk that Nasdaq overpaid for Adenza. More importantly, the experience seems to have catalyzed a renewed focus on organic growth, debt pay-down, and capital return. Despite Nasdaq's potential for faster-than-average growth, high mix of

recurring revenue, and impressive operating margins, the stock trades at a P/E multiple in line with the broader market. We were pleased to purchase shares in this excellent business for an average price.

PORTFOLIO MANAGERS

(Year joined Harris | Oakmark)

William C. Nygren, CFA (1983)

Michael A. Nicolas, CFA (2013)

Robert F. Bierig (2012)

PERFORMANCE (%)

	QTD*	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception
Investor Class OAKMX	-3.98%	18.01%	8.60%	14.68%	11.17%	12.72%
S&P 500 Total Return Index	4.28%	24.56%	10.01%	15.05%	12.86%	10.57%
Russell 1000 Value Index	-2.17%	13.06%	5.52%	9.01%	8.23%	9.81%

Expense ratio: Investor Class 0.91%

*Not annualized

Inception date: Investor Class 08/05/1991. 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 percentages of the Oakmark Fund's total net assets as of 06/30/2024: Alphabet Cl A 3.6%, American International Group 2.4%, Bank of America 2.3%, Centene 2.3%, Corebridge Financial 1.0%, CVS Health 0.8%, Danaher 0%, Goldman Sachs 0.9%, IQVIA Holdings 2.5%, KKR 0%, Nasdaq 1.5% and Oracle 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 Fund as of the most recent quarter-end.](#)

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 price to earnings ratio ("P/E") compares a company's current share price to its per-share earnings. It may also be known as the "price multiple" or "earnings multiple", and gives a general indication of how expensive or cheap a stock is.

Investors should not base investment decisions on any single attribute or characteristic data point.

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 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.

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 06/30/2024 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).

Harris Associates Securities L.P., Distributor, Member FINRA.

Date of first use: 07/11/2024
FCM-3897MX-10/24