

Oakmark Fund: Fourth Quarter 2022

December 31, 2022

The Oakmark Fund generated a 10.3% return compared to a 7.6% return for the S&P 500 Index during the fourth quarter. The Oakmark Fund generated a -13.4% return compared to a -18.1% return for the S&P 500 Index during the calendar year. We are pleased that the Fund outperformed the S&P 500 Index in both the quarter and the full year. Although performance lagged value indexes primarily due to our overweight position in communication services, we continue to expect to do well versus value as we have in the past. We believe that our disciplined investment approach will drive attractive absolute returns in the long term despite the down year in 2022.

In the fourth quarter, every sector in which the Fund was invested contributed a positive absolute return. The largest contributing sectors were financials and energy. The smallest contributing sectors were consumer staples and real estate. The largest individual contributors were Netflix and APA Corp. The largest individual detractors were Amazon and Alphabet.

In the calendar year, the largest contributing sectors were energy and industrials. The largest detracting sectors were communication services and financials. The largest individual contributors were EOG Resources and APA Corp. The largest individual detractors were Meta Platforms and Ally Financial. Stock prices were generally more volatile than underlying business values in 2022. Although we continue to have a significant weighting in energy, we trimmed those positions to provide capital for opportunities we viewed as more undervalued, including financials.

We initiated two new holdings and eliminated two others in the fourth quarter. Specifically, we sold Diamondback Energy and General Electric to make room for Adobe and Magna International. We believe that these new investments are more attractive positions on a risk-adjusted basis for the Fund.

Oakmark Fund - Investor Class

Average Annual Total Returns (12/31/2022)

Since Inception (08/5/91) 12.19%

10-year 11.86%

5-year 7.78%

1-year -13.36%

3-month 10.29%

Expense Ratio: 0.91%

Expense ratios are as of the Fund's most recent prospectus dated January 28, 2022, as amended August 1, 2022 and October 1, 2022; 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.

Adobe Inc.

We invested in Adobe after the stock traded near a three-year low in the wake of the announcement that it would acquire Figma, a complementary design software vendor, for \$20 billion. Despite the market's fears related to this transaction, we believe that Adobe is a fast-growing, high-margin business that continues to possess enduring competitive advantages. Its Creative Cloud is the de facto standard for both professionals and students, and its Acrobat products are used to read and create billions of PDF documents every year. After a successful transition from selling licenses to cloud-based subscriptions, Adobe has grown free cash flow per share at an 18% annual rate for the past decade. Adobe trades for approximately the same multiple of next year's free cash flow as the S&P 500, but we believe it deserves a substantial premium.

Magna International

Magna International is one of the largest global auto suppliers. The company has leading market share positions in most of its major product lines. Results have been pressured because global auto production volumes have been depressed relative to normal levels over the past few years. However, as volumes recover, we believe that Magna will deliver material revenue growth and margin expansion off of today's depressed earnings base. Further, Magna is particularly well-positioned among auto suppliers because the vast majority of its business is either unaffected by or positively exposed to the megatrends of electrification and autonomy. We believe that Magna, trading at less than 7x our estimate of normal earnings per share, presents an attractive opportunity to invest in a well-managed company in an out-of-favor sector.

In addition to these new investments, we received shares in MasterBrand upon its spin-off in December from Fortune Brands Home & Security. Following the spin-off, Fortune Brands was renamed Fortune Brands Innovation (FBIN), and MasterBrand became a separate publicly traded company. MasterBrand is a leading cabinet manufacturer that maintains the largest scale, the most diverse channel mix, and the broadest product portfolio in the industry. We believe that both Fortune Brands Innovation and MasterBrand are undervalued stocks, and we remain investors in each of them.

As always, we take into consideration tax efficiency of the Fund to help maximize after-tax returns. As a result, the Oakmark Fund made no annual capital gains distributions in 2022.

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

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The securities mentioned above comprise the following preliminary percentages of the Oakmark Fund's total net assets as of 12/31/2022: Adobe 1.3%, Ally Financial 2.3%, Alphabet Cl A 3.4%, Amazon.com 1.9%, APA 2.3%, Diamondback Energy 0%, EOG Resources 2.4%, Fortune Brands Innovations 1.2%, General Electric 0%, Magna 1.0%, Masterbrand 0.3%, Meta Platforms Cl A 1.9% and Netflix 2.0%. **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 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.

Options may be used for hedging purposes, but also entail risks related to liquidity, market conditions and credit that may increase volatility. The value of the fund's positions in options may fluctuate in response to changes in the value of the underlying asset. Selling call options may limit returns in a rising market.

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.

All information provided is as of 12/31/2022 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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Date of first use: 01/09/2023