

Oakmark Global Select Fund: First Calendar Quarter 2024

March 31, 2024

The Oakmark Global Select Fund (“the Fund”) returned 2.95% for the quarter, underperforming the MSCI World Index (net), which returned 8.88%. Since its inception in October 2006, the Fund has returned an average of 7.60% per year, outperforming the MSCI World Index’s return of 7.42% over the same period.

Fiserv (U.S.) was a top contributor during the quarter. The company is a leader in merchant acquiring, issuer processing services, and core banking software. During the time we have held the stock, Fiserv, under the leadership of CEO Frank Bisignano, has delivered peer-leading organic growth, meaningful margin expansion, and mid-teens earnings-per-share growth. We believe the company can deliver similarly impressive results over the medium term, yet today the shares still trade at a meaningful discount to the S&P 500 Index. We believe that Fiserv is performing well and remains an attractive investment.

Charter Communications (U.S.) was a top detractor during the quarter. In February, the stock price fell when the company reported that broadband subscribers declined 0.2% sequentially. We anticipate that broadband subscriber growth will remain challenging in the near term due to a heightened competitive environment and the likely wind-down of a government subsidy program. However, we expect these competitive forces will abate over the medium term and that Charter’s broadband subscriber base will return to normal growth. In the meantime, the company continues to grow earnings, invest in high-return capital projects and repurchase stock. We maintain our belief in the long-term prospects of Charter Communications.

We purchased new positions in Reckitt Benckiser Group (U.K.), IQVIA Holdings (U.S.) and Centene (U.S.) during the first quarter.

Oakmark Global Select Fund – Investor Class

Average Annual Total Returns (03/31/2024)

Since Inception (10/2/2006) 7.60%

10–year 6.35%

5–year 8.73%

1–year 15.78%

3–month 2.95%

Expense Ratio: 1.14%

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.

Reckitt Benckiser Group is a global consumer products company with leading brands in consumer health, infant nutrition, home care and hygiene. We like that more than half of the company's sales are generated from consumer health products, which is a category with meaningful barriers to entry, high margins and attractive growth. Additionally, we believe the company's improved execution, particularly in sales and supply chain management, along with its investments in growth reacceleration, provide potential for future margin expansion. However, Reckitt's stock is trading meaningfully off its highs following an adverse verdict in a product liability lawsuit over its infant formula product. Although there is a legal liability risk for Reckitt, we believe that the rare nature of the alleged disease in question limits the scope of this liability, well below the share price movement to date. This has afforded us the opportunity to purchase shares of Reckitt at a discount to our estimate of its intrinsic value.

Fears about biotech funding and the sell-off in the broader life sciences area created an opportunity for us to invest in IQVIA, which we view as a high-quality business, at an attractive valuation. We believe that IQVIA is positioned to benefit from the trends of advanced therapeutics and personalized medicine given its ability to perform decentralized clinical trials that require digital capabilities. In our view, IQVIA can grow even further due to its data and software capabilities that enable the company to deliver real-world evidence so that biopharma companies and other health care providers can satisfy their regulatory and reimbursement mandates. We also appreciate CEO Ari Bousbib's strong track record on operations and capital allocation, and we are impressed by his large equity holdings in the company, which give him significant skin in the game. We were pleased to purchase shares of IQVIA at a discount to our estimate of its intrinsic value.

Centene is a large health insurer specializing in three major government-sponsored programs: Medicaid, Marketplace and Medicare Advantage. Each of these programs benefits from long-term secular tailwinds. In Medicaid, states are steadily outsourcing their programs to managed care companies like Centene to help reduce costs and improve care quality. Managed Medicaid penetration has increased meaningfully over the past two decades, and we expect further gains over time. In Marketplace, growth is driven by the trend toward more individuals buying health insurance. Centene holds the top market share in both of these programs and is well-positioned to capitalize on their continued growth. Finally, in Centene's Medicare Advantage business, past missteps will result in losses next year, but we believe Centene can turn its Medicare Advantage segment around and generate positive earnings in the next few years. Centene currently trades for about 9x our estimate of normal earnings power, which we believe is a compelling value for a business that generates healthy returns on capital and is capable of growing EPS at a low double-digit rate.

During the quarter, we also sold our positions in SAP (Germany), CBRE Group (U.S.) and Danaher (U.S.) as they approached our estimate of intrinsic value.

Geographically, we ended the quarter with 60.4% of the portfolio in the U.S., 20.7% in Europe, 9.7% in the U.K., and 8.2% in Asia.

We thank you for your continued support.

David G. Herro, CFA
Portfolio Manager
oakwx@oakmark.com

Anthony P. Coniaris, CFA
Portfolio Manager
oakwx@oakmark.com

Eric Liu, CFA
Portfolio Manager
oakwx@oakmark.com

M. Colin Hudson, CFA
Portfolio Manager and Co-Head of Fixed Income
oakwx@oakmark.com

John A. Sitarz, CFA, CPA
Portfolio Manager
oakwx@oakmark.com

The securities mentioned above comprise the following percentages of the Oakmark Global Select Fund's total net assets as of 03/31/2024: CBRE 0%, Centene 3.4%, Charter Communications Cl A 5.1%, Danaher 0%, Fiserv 5.6%, IQVIA Holdings 5.3%, Reckitt Benckiser Group 3.7% and SAP 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 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.

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 MSCI World Index (Net) is a free float-adjusted, market capitalization-weighted index that is designed to measure the global equity market performance of developed markets. The index covers approximately 85% of the free float-adjusted market capitalization in each country. This benchmark calculates reinvested dividends net of withholding taxes. This index is unmanaged and investors cannot invest directly in this index.

On occasion, Harris may determine, based on its analysis of a particular multi-national issuer, that a country classification different from MSCI best reflects the issuer's country of investment risk. In these instances, reports with country weights and performance attribution will differ from reports using MSCI classifications. Harris uses its own country classifications in its reporting processes, and these classifications are reflected in the included materials.

Because the Oakmark Global Select Fund is non-diversified, the performance of each holding will have a greater impact on the Fund's total return, and may make the Fund's returns more volatile than a more diversified fund.

Investing in foreign securities presents risks that in some ways may be greater than U.S. investments. Those risks include: currency fluctuation; different regulation, accounting standards, trading practices and levels of available information; generally higher transaction costs; and political risks.

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 or call 1-800-OAKMARK (1-800-625-6275).

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

Date of first use: 04/05/2024

FCM-3805WX-07/24