

Oakmark Global Select Fund

December 31, 2024

FOURTH QUARTER, 2024

- The Fund returned -4.96% versus -0.16% for the MSCI World Index for the quarter, and 7.37% since inception versus 7.61% for the index over the same period.
- At the sector level, the largest contributors were communication services and financials, while health care and consumer discretionary detracted from performance.
- Geographically, the top three country allocations were 61.1% in the U.S., 20.8% in Europe ex U.K. and 15.2% in the U.K. For the quarter, there were no countries held that positively contributed to relative performance. Germany, the U.S. and South Korea were detractors from relative performance. Emerging markets accounted for 2.8% of the portfolio.

TOP CONTRIBUTOR | DETRACTOR

Top contributor

Capital One Financial was the top contributor during the quarter. The U.S.-headquartered consumer finance company's stock price rose after posting good third-quarter results. In our view, the update seemed to be marginally positive on all fronts, with loans and card purchase volumes growing modestly. In addition, an improved credit outlook caused management to release \$134 million of loss reserves in the quarter, which contributed to earnings per share that exceeded consensus expectations. Furthermore, Capital One's stock price got a significant boost in November following the U.S. presidential election as investors are optimistic that the financials sector will benefit from looser regulations. Specific to Capital One, the market now appears to believe that there is a greater probability of the merger with Discover closing and that the credit

Fourth-quarter highlights

Top contributors

- Capital One Financial
- Alphabet Cl A
- Fiserv

Top detractors

- Bayer
- Centene
- IQVIA Holdings

New purchases

- Charles Schwab
- Diageo
- Elevance Health

Final sales

- Bank of America
- Samsung Electronics Pfd

card late fee cap proposed by the Consumer Financial Protection Bureau seems less likely to be implemented. We appreciate management's focus on creating long-term value and think the stock offers an attractive upside.

Top detractor

Bayer was the top detractor during the quarter. The Germany-headquartered agriculture and pharma company's stock price declined following developments in polychlorinated biphenyl (PCB) litigation and soft preliminary 2025 guidance. In October, the Washington Supreme Court granted review for the plaintiff's appeal of Bayer's first win at appellate court in PCB. Bayer's appellate win, if enforced, will result in existing cases being retried on different grounds, but the Washington Supreme Court review

raises the risk that the win is overturned. We viewed the appellate win as helpful but not a skeleton key to litigation resolution, so the Washington Supreme Court development is only marginal to value. In November, Bayer issued preliminary 2025 guidance indicating that profits would likely decline. The seemingly implied decline in agriculture business profitability was particularly disappointing versus consensus. This was partially driven by temporary regulatory issues that we expect to resolve in the mid term, and the balance was driven by challenges in the crop protection portfolio. Bayer is now kicking off a deep restructuring of crop protection that we expect to help offset pressures and drive recovery. Overall, despite current headwinds, we believe that new CEO Bill Anderson's restructuring and organizational change initiatives will unlock improved performance at Bayer and better capitalize on the potential of its well-positioned franchises. We are watching closely for evidence of success as Bill's strategy enters its second year.

PORTFOLIO ACTIVITY

New Purchases

Charles Schwab is a leading provider of brokerage services, with more than \$9 trillion in client assets spread across over 35 million active brokerage accounts. As the largest discount brokerage platform, Schwab has meaningful scale advantages, which the company uses to reinvest in providing the best service quality and pricing in the industry. These customer-friendly investments attract even more clients to its platform, furthering a virtuous cycle that has enabled Schwab to gain share of U.S. investible assets for more than four decades. In recent years, this underlying growth has been masked by short-term headwinds as high rates have incentivized clients to shift cash from Schwab bank into higher yielding alternatives. Schwab has had to rely on more expensive funding to replace these deposits, pressuring earnings per share. We view this as a temporary headwind. Over time, we expect Schwab's strong

underlying business growth will drive growth in its deposits and a rebound in earnings per share. The current concerns provided the opportunity to establish a position at a discount to the market for a business that is well above average, in our view.

Diageo is a global producer, distributor and marketer of premium drinks with more than 200 brands and sales in nearly 180 countries. The U.K.-based holding company's portfolio includes leading brands, such as Johnnie Walker, Guinness, Don Julio, Crown Royal, Smirnoff, Baileys, Casamigos and Captain Morgan. As a market leader, Diageo's scale provides meaningful competitive advantages in terms of distribution and marketing, which enables the company to invest more than its peers while still generating strong returns on capital. In addition, we like that the company's portfolio is well diversified by geography and category, which helps mitigate against earnings volatility related to economic cyclicity and shifting consumer preferences. Industry destocking and what we believe is temporary weaker demand have weighed on the share price recently, which provided an attractive re-entry point to invest in this dominant beverage company at a below-average price.

Elevance Health is one of the nation's largest managed care organizations. We believe managed care is an attractive industry, as health expenditures have historically outpaced GDP, and the short business cycle allows companies to quickly correct underwriting mistakes. More recently, managed care stocks have underperformed the market as the industry is facing headwinds due to mismatches between reimbursement rates and medical costs. We believe this will prove transitory and that changes to pricing and/or plan designs will help realign profit trends over time. While we acknowledge that a return to "normal" profitability will take a few years, we believe the stock is trading at a depressed multiple of depressed earnings and for a significant discount to both the broader market and the companies' own trading history. With its unmatched scale,

diversification across end markets, and track record of disciplined underwriting and capital allocation, we believe that over time, the market will once again recognize Elevance as a high-quality franchise with above average-growth characteristics.

PORTFOLIO MANAGERS

(Year joined Harris | Oakmark)

David G. Herro, CFA (1992)

Tony Coniaris, CFA (1999)

Eric Liu, CFA (2009)

M. Colin Hudson, CFA (2005)

John A. Sitarz, CFA, CPA (2013)

PERFORMANCE (%)

	QTD*	1 yr	3 yrs	5 yrs	10 yrs	Since inception
Investor Class OAKWX	-4.96%	4.68%	-0.14%	6.06%	6.42%	7.37%
MSCI World Index (net)	-0.16%	18.67%	6.34%	11.17%	9.95%	7.61%
MSCI All Country World Index (net)	-0.99%	17.49%	5.44%	10.06%	9.23%	7.19%

Expense ratio: Investor Class 1.14%

*Not annualized

Inception date: Investor Class 10/02/2006

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 Global Select Fund's total net assets as of 12/31/2024: Alphabet Cl A 7.2%, Bank of America 0%, Bayer 3.7%, Capital One Financial 5.5%, Centene 4.1%, Charles Schwab 4.5%, Diageo 4.8%, Discover Financial Services 0%, Elevance Health 1.5%, Fiserv 4.0%, IQVIA Holdings 5.6% and Samsung Electronics Pfd 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 Global Select 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 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.

The MSCI All Country World Index (Net) is a free float-adjusted, market capitalization-weighted index that is designed to measure the equity market performance of developed and emerging markets. The index includes large- and mid-sized stocks and covers approximately 85% of the global equity opportunity set. 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.

The 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.

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 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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