

Oakmark International Fund

June 30, 2024

SECOND QUARTER, 2024

- The Fund returned -4.28% versus -0.60% for the MSCI World ex USA Index (Net) for the quarter, and 8.34% since inception, versus 6.03% for the MSCI World ex USA Index (Net) over the same period.
- At the sector level, the smallest detractors were consumer staples and health care, and the largest detractors were industrials and consumer discretionary.
- Geographically, 68.6% of the portfolio was in Europe ex U.K., 16.6% in the U.K. and 6.7% in Asia ex Japan. For the quarter, Japan, Italy and India were contributors to the relative performance of countries owned. Germany, France and the U.S. were detractors from relative performance. Emerging markets accounted for 6.7% of the portfolio.

TOP CONTRIBUTOR | DETRACTOR

Top contributor

Prosus was the top contributor during the quarter. The Netherlands-headquartered company is a discounted way to invest in Tencent, which is one of the largest technology companies in China. The market reacted favorably to Tencent's strong earnings prospects as well as positive signs that their gaming business has bottomed. We continue to believe that an investment in Prosus is the optimal way to gain access to Tencent, one of the most valuable internet companies in the world.

Top detractor

CNH Industrial was the top detractor during the quarter. The U.S.-headquartered manufacturer of agriculture and construction equipment announced that CEO Scott Wine will be replaced by

Second quarter highlights

Top contributors

- Prosus
- Lloyds Banking Group
- Fresenius

Top detractors

- CNH Industrial
- Continental
- Daimler Truck Holding

New purchases

- Ahold Delhaize
- Airbus

Final sales

- Recruit Holdings

Gerrit Marx, CEO of Iveco Group, effective July 1, 2024. Scott made significant contributions to CNH Industrial in the areas of product, technology, and cost efficiency and we were disappointed to see him leave the business. We met with both Executive Chair Suzanne Heywood and Scott in April, which provided insight into the management change. CNH Industrial also slightly reduced guidance for 2024 when reporting first quarter results due to a weaker agriculture equipment market. This reduction was consistent with our forecasts and does not impact our view of the long-term profitability potential of the business. We believe that CNH Industrial's position within the structurally attractive agriculture equipment market will improve in the coming years. As a result, we continue to believe the stock is compelling.

PORTFOLIO ACTIVITY

We established two new positions in the quarter Ahold and Airbus which are discussed in greater detail below. We exited our position in Recruit, a Japanese-listed human resource services company whose key asset is Indeed a global job listing site. Recruit has been a strong performer during our ownership period and with its share price appreciating near our estimate of intrinsic value we exited our position and deployed the capital into more attractively valued names.

Purchases

Ahold Delhaize is one of the world's largest grocery retailers. The company operates a portfolio of grocery store brands, including Food Lion, Albert Heijn, Hannaford and Stop & Shop, that boast high local market share in attractive geographies within the U.S. (70% of group profitability) and Europe (30% of group profitability). Although the grocery industry is competitive, we like that that large grocery retailers like Ahold Delhaize benefit from economies of scale and are defensive in nature, which has resulted in attractive returns on capital and steady cash generation over time. Short-term headwinds related to food disinflation and market share losses for Ahold's U.S. Stop & Shop banner has weighed on recent sentiment and created an attractive entry point into the stock. We believe these are manageable

issues and have confidence that the company's experienced management team is capable of executing a strategy to realize the value of its assets.

Airbus is a global aircraft manufacturer that operates in a competitive duopoly market structure with Boeing. In our view, management's commitment to quality, product reliability, sound design and sensible projects has resulted in decades of steady market share gains for Airbus. With a full order book into the year 2030, we expect Airbus to continue to grow market share and believe this volume growth will allow the company to structurally increase profitability by better absorbing fixed costs and scaling several recent lucrative projects. We believe the current valuation does not reflect the company's attractive fundamental outlook and were able to purchase shares in the company at a discount to our estimate of intrinsic value.

PORTFOLIO MANAGERS

(Year joined Harris | Oakmark)

- David G. Herro, CFA (1992)
- Michael L. Manelli, CFA (2005)
- Eric Liu, CFA (2009)

PERFORMANCE (%)

	QTD*	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception
Investor Class OAKIX	-4.28%	-3.01%	-2.70%	3.90%	2.68%	8.34%
MSCI World ex USA Index (net)	-0.60%	11.22%	2.82%	6.55%	4.27%	6.03%
MSCI EAFE Index (net)	-0.42%	11.54%	2.89%	6.46%	4.33%	5.90%

Expense ratio: Investor Class 1.05%

*Not annualized

Inception date: Investor Class 09/30/1992. 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 International Fund's total net assets as of 06/30/2024: Ahold Delhaize 0.9%, Airbus 1.1%, CNH Industrial 3.2%, Continental 2.5%, Daimler Truck Holding 1.6%, Fresenius 2.3%, Lloyds Banking Group 3.3%, Prosus 2.6%, Recruit Holdings 0% and Tencent 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 International 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 ex USA Index (Net) is a free float-adjusted, market capitalization-weighted index that is designed to measure international developed market equity performance, excluding the U.S. 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 EAFE Index (Net) is designed to represent the performance of large and mid-cap securities across 21 Developed Markets countries in Europe, Australasia and the Far East, excluding the U.S. and Canada. The Index covers approximately 85% of the free float-adjusted market capitalization in each of the 21 countries. 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 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-3901IX-10/24