Harris | Oakmark

QUARTERLY COMMENTARY

Oakmark International Fund

June 30, 2025

SECOND QUARTER, 2025

- **The Fund (Investor Share Class) outperformed the benchmark, the MSCI World ex USA Index, for the quarter and since inception.**
- **At the sector level, industrials and financials were the largest contributors to performance, while no sectors detracted from performance.**
- **Geographically, the top three country allocations are 68.2% in Europe ex U.K., 14.5% in the U.K. and 9.7% in the Asia ex Japan. For the quarter, South Korea, Germany and Ireland were top contributors to relative performance. China, United States and Canada were top detractors from relative performance. Emerging markets accounted for 9.4% of the portfolio.**

Second-quarter highlights

Top contributors

- KB Financial Group
- Continental
- Bayer

Top detractors

- Alibaba Group
- Worldline
- LVMH

New purchases

- ASML
- ASR Nederland
- SMC

Final sales

- Anheuser-Busch InBev
- Brambles
- Compass Group
- Henkel
- Holcim
- Schindler Holding

TOP CONTRIBUTOR | DETRACTOR

Top contributor

KB Financial Group was the top contributor during the quarter. The South Korea-headquartered diversified bank's stock price rose steadily throughout the period as it posted solid first-quarter results with buybacks and dividends tracking ahead of our expectations – showing firm commitment to Korea's corporate Value-Up program during turbulent times. In addition, capital generation was solid and net-interest margins are more resilient than they have been in previous rate cut cycles. We believe governance in Korea is changing (e.g. Value-Up and Commercial Act Amendment), so an inflection is warranted in the banks' historically discounted book value trading multiples due to higher payouts and better allocation of capital retained. Our time horizon and conviction on quality underpinned significant purchases of KB shares during recent turmoil. We continue to appreciate management's commitment to executing its Value-Up plan and KB is making a strong case that it is potentially the best bank in South Korea.

Top detractor

Alibaba Group was the top detractor during the quarter. The China-headquartered consumer discretionary company's stock price declined in April amidst concerns over the impact of U.S.-China trade tensions. In addition, the company posted slightly weaker-than-expected 2024 results further dampening sentiment. Despite this, recovery in the

E-Commerce business continues to progress well, and Cloud is growing at a healthy rate. We continue to believe that Alibaba is well-positioned for future growth as it was one of early investors in Chinese AI. Over time, we think it can leverage its enhanced capabilities and leading market position to unlock further value.

PORTFOLIO ACTIVITY

We added three new positions during the quarter (discussed in detail below) while exiting six. Five of the six final sales, Anheuser-Busch InBev, Brambles, Compass Group, Holcim and Schindler Holding, were the result of share prices converging with our estimate of intrinsic value. We exited our Henkel investment over concerns about management's inability to drive volume improvement within its consumer business.

New purchases

ASML is the world's largest semiconductor equipment manufacturer. It is the global leader in the production of lithography machines, with dominant market share in immersion lithography and an effective monopoly in EUV lithography. EUV lithography is an exceptionally capital intense business with complex supply chains, making it difficult for competitors to contend with ASML. Chips built with EUV lithography power data centers and newer generations of PCs and smartphones. We believe the demand for ASML's EUV lithography machines will accelerate with the proliferation of those devices and the rise of artificial intelligence, which demands high-quality chips. ASML services and upgrades lithography machines after selling them, creating recurring revenue streams that bolster its already-robust profits. Despite its promising outlook, ASML's stock price declined recently as certain customers cut their capital expenditure budgets while geopolitical concerns weighed on the broader semiconductor industry. That gave us the chance to open a position in this high-quality company at a price well below our estimate of its intrinsic value.

ASR Nederland is a Dutch insurance and investment holding company. Life insurance within the Netherlands has been incredibly cash-generative for years, and we like that ASR has historically returned the vast majority of its free cash flow to shareholders. In addition, we believe the company is well positioned to benefit from regulatory reforms that should restore growth to a previously closed-book, no-growth, life insurance market. Meanwhile, recent consolidation in the P&C and Disability markets has led to growing premiums and rational pricing and we expect ASR will continue to be a primary beneficiary of this consolidation. Lastly, we believe ASR's 2023 acquisition of Aegon Netherlands presents significant revenue and cost synergies, which should further accelerate capital generation and shareholder returns, in our view. Despite ASR's compelling fundamental outlook, we were excited to purchase shares in the company at a discounted valuation to peers based on normalized earnings power and expected distributable cash.

SMC is the world's largest maker of pneumatic equipment. The company is dominantly positioned and has gained market share globally over the past decade, driven by its unmatched scale, broad product portfolio, strong inventory availability and extensive service network. In our view, SMC is set to carry this momentum forward as it should benefit meaningfully from structural growth tailwinds towards automation. Despite the strong outlook, the stock price has been driven down by a combination of a weak factory automation cycle, a period of high capital expenditure, and inflated inventories. While this has depressed the free cash flow over the past few years, we believe the next three to five years will market a strong factory automation cycle and the capital intensity will normalize, creating much stronger free cash flow. This provided the opportunity to initiate a position in what we see as an industry leader with attractive economics that is poised to unlock sustained value.

June 30, 2025

PORTFOLIO MANAGERS

(Year joined Harris | Oakmark)

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

*Effective July 1, 2025 Tony Coniaris will replace Michael Manelli as a portfolio manager of the Fund.

AVERAGE ANNUALIZED TOTAL RETURNS (%)

	Inception date	QTD	1 yr	3 yrs	5 yrs	10 yrs	Since inception	Expense ratio
Investor Class | OAKIX	09/30/1992	12.64	20.97	12.98	11.54	4.92	8.70	1.05
Advisor Class | OAYIX	11/30/2016	12.67	21.18	13.18	11.73	5.05	8.74	0.88
Institutional Class | OANIX	11/30/2016	12.71	21.28	13.25	11.81	5.11	8.76	0.81
R6 Class | OAZIX	12/15/2020	12.74	21.40	13.33	11.87	5.14	8.77	0.75
MSCI World ex USA Index		12.05	18.70	15.73	11.51	6.65	6.39	
MSCI World ex USA Value Index		10.53	24.96	17.76	14.76	6.34	n/a	

Expense ratios are as of the Fund's most recent prospectus dated January 28, 2025, as amended and restated January 30, 2025, March 14, 2025 and May 19, 2025; actual expenses may vary. Returns for periods less than one year are not annualized. Since inception returns for the indexes are calculated based on the Investor Class inception date. "Linked performance": Advisor and Institutional Class shares commenced operations on 11/30/2016. The performance attributed to the those share classes prior to that date is that of the Investor Class shares from 9/30/1992-11/30/2016. Performance prior to 11/30/2016 has not been adjusted to reflect the lower expenses of Advisor and Institutional Class shares which would have had similar, but potentially higher returns due to lower expenses. R6 Class shares commenced operations on 12/15/2020. The performance attributed to the R6 Class shares prior to that date is that of the Investor Class shares from 9/30/1992-11/30/2016, and then the performance of the Institutional Class shares from 11/30/2016-12/15/2020. Performance prior to 12/15/2020 has not been adjusted to reflect the lower expenses of R6 Class shares. During this period, R6 Class shares would have had similar, but potentially higher returns due to lower expenses.

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 06/30/2025: Alibaba Group 1.8%, Anheuser-Busch InBev 0.0%, ASML Holding (US Shs) 1.1%, ASR Nederland 1.0%, Bayer 2.6%, Brambles 0.0%, Compass Group 0.0%, Continental 2.8%, Henkel 0.0%, Holcim 0.0%, KB Financial Group 2.3%, LVMH 1.5%, Schindler Holding 0.0%, SMC 0.4% and Worldline 0.5%. **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 World ex USA Value Index (Net) represents returns for large- and mid-cap securities exhibiting overall value style characteristics across 22 of 23 Developed Markets (excluding the United States). The value investment style characteristics for index construction are based on book value-to-price, 12-month forward earnings-to-price, and dividend yield. The Total Return Index (Net) includes reinvested dividends net of foreign withholding tax. 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 06/30/2025 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).

Natixis Distribution, LLC (Member FINRA | SIPC), a limited purpose broker-dealer and the distributor of various registered investment companies for which advisory services are provided by affiliates of Natixis Investment Managers, is a marketing agent for the Oakmark Funds.

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