

QUARTERLY COMMENTARY

Oakmark International Small Cap Fund

June 30, 2025

SECOND QUARTER, 2025

- The Fund (Investor Share Class) outperformed the benchmark, the MSCI World ex USA Small Cap Index (net), for the quarter.
- At the sector level, financials and industrials were the largest contributors to performance, while no sectors detracted from performance.
- Geographically, the top three country allocations are 60.2% in Europe ex U.K., 12.0% in the U.K. and 9.4% in Asia ex Japan. For the quarter, Japan, South Korea and Norway were top contributors to relative performance. Germany, Switzerland and Belgium were top detractors from relative performance. Emerging markets accounted for 13.4% of the portfolio.

TOP CONTRIBUTOR | DETRACTOR

Top contributor

iM Financial Group was the top contributor during the quarter. The South Korea-headquartered regional bank's stock price appreciated steadily throughout the period as it posted better-than-expected first-quarter 2025 earnings that highlighted a recovery in net profit and lower credit costs. In addition, iM showed its commitment to Korea's corporate Value-Up program by aggressively repurchasing stock and we expect this trend to continue through the end of the year. 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. iM Financial Group management refers to "quality growth, not quantity growth" about its nationwide initiative and we believe their operating expense-light and credit-disciplined approach is a prudent way to establish

Second-quarter highlights

Top contributors

- iM Financial Group
- Atea
- BNK Financial Group

Top detractors

- TeamViewer
- Gerresheimer
- Azelis Group

New purchases

- Amplifon
- Ayala Land
- Bakkafrost
- Jenoptik
- Misumi Group

Final sales

- Babcock International
- dormakaba Holding
- Elekta CI B
- International Workplace Group
- IONOS Group
- Wickes Group

proof of concept when expanding outside its core region.

Top detractor

TeamViewer was the top detractor during the quarter. The Germany-headquartered application software company's stock sold off after it delivered first-quarter 2025 results. In our view, the sell-off was more corrective in nature as the results were relatively in

line with our expectations and the stock had climbed in prior weeks. In addition, management reaffirmed full-year guidance, which is loaded towards the second half of 2025. In our view, TeamViewer is trading at an extremely attractive valuation and the market is not properly appreciating its improving resilience and quality due to its growing Enterprise business, which was recently enhanced by the acquisition of 1E.

PORTFOLIO ACTIVITY

We exited six positions in the quarter. We sold Babcock International, dormakaba Holding, International Workplace Group, IONOS Group, and Wickes Group as their share prices approached our estimate of intrinsic value. We exited our position in El-eka CI B due to concerns about fundamental performance and management transitions.

New purchases

Amplifon is the world's largest hearing aid retailer. Amplifon is well-positioned in a number of major Western markets where the company benefits from attractive demographics, rising life expectancy and increasing device penetration. Notably, manufacturers have limited brand awareness and retailers play a critical part in the value chain, providing consultative input to customers, which is difficult to disintermediate and enhances Amplifon's scale and buying power. A cyclical slowdown in Europe and overblown technological concerns have driven the company's valuation to its lowest level in over 10 years, providing an attractive entry point in a company that we expect to see meaningful organic growth, generate healthy returns and cash flow, and deploy capital in a value accretive manner.

Ayala Land is the largest private sector landowner in the Philippines. In our view, the Philippines is one of most attractive emerging markets to invest in, given demographic tailwinds and a consumption-

driven economy. Concerns about an oversupplied condo market in Metro Manila have created an attractive entry point, allowing us to initiate a position with the stock trading near book value for the first time in over 20 years. We expect the multiple to re-rate higher given our view that return on equity (ROE) and return on invested capital (ROIC) will positively inflect as the company is no longer in land accumulation mode but instead focused on developing that land into profitable estates, for which the company has a long track record of success.

Bakkafrost is the leading Nordic fish producer within an attractive niche: large 6kg Salmon. In our view, the salmon industry is structurally attractive, with increasingly favorable supply and demand dynamics, and spot prices approaching a cyclical trough. Moreover, Bakkafrost's unique location (mostly Faroe Islands) and vertical integration allow it to produce larger and healthier fish than their competition. This makes Bakkafrost one of the rare companies that can achieve both a price premium and a cost advantage simultaneously. Recently, cyclical forces and idiosyncratic operational issues have weighed on the company's stock price. This provided us the opportunity to initiate a position in a dominant company with an excellent and aligned management team that presents an attractive risk/reward.

Jenoptik is a leading supplier of high-end optics and photonics solutions for semiconductor, medical, metrology, and traffic safety equipment. Jenoptik has a strong competitive position, driven by hard-to-replicate products and sticky, long-term relationships with top-tier semiconductor companies. In particular, Jenoptik serves as the sole supplier for critical components in lithography machines which we believe positions the business to grow alongside industry leader ASML. Despite its strong outlook, the stock is trading at a discount to our estimate of intrinsic value due to a weak

June 30, 2025

semiconductor cycle. This created the opportunity for us to purchase shares in a well-managed company that we think is poised to capitalize on favorable long-term demand trends, an improved business mix and other self-help initiatives.

Misumi Group produces factory automation (FA) and die set components through a combination of fabless and internal manufacturing, while also distributing branded third-party FA components and industrial supplies. By standardizing customer procurement and leveraging its extensive supply chain, Misumi Group created the broadest offering in the marketplace, expedited delivery times and increased quality reliability. Supplementing manufactured offerings with third party FA components

and industrial supplies over a decade ago created a one-stop shop for FA and die set customers that we believe is unmatched today. We like that the company's scale and catalog of unique offerings should position it to continue to gain share from a long tail of small competitors. Underwhelming recent guidance and, in our view, exaggerated competitive concerns have weighed on Misumi Group's share price, but we believe the company's fundamentals remain attractive and were happy to purchase shares in a company with an improving outlook that is trading 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)*

Justin D. Hance, CFA (2010)

* Effective July 1, 2025 Michael Manelli will no longer be 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 OAKEX	11/01/1995	16.99	26.22	18.59	15.36	6.73	8.98	1.33
Advisor Class OAYEX	11/30/2016	17.04	26.44	18.77	15.54	6.86	9.02	1.17
Institutional Class OANEX	11/30/2016	17.04	26.52	18.86	15.65	6.93	9.05	1.08
R6 Class OAZEX	12/15/2020	17.04	26.56	18.90	15.67	6.94	9.05	1.06
MSCI World ex USA Small Cap Index		16.82	22.92	13.40	9.82	6.64	n/a	
MSCI World ex USA Small Cap Value Index		14.72	23.72	14.61	12.49	6.49	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 11/1/1995-11/30/2016. 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 11/1/1995-11/30/2016, 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 Small Cap Fund's total net assets as of 06/30/2025: Amplifon 1.8%, Atea 3.1%, Ayala Land 0.2%, Azelis Group 2.2%, Babcock International 0.0%, Bakkafrøst 0.2%, BNK Financial Group 2.9%, dormakaba Holding 0.0%, Elekta CI B 0.0%, Gerresheimer 0.8%, iM Financial Group 2.8%, International Workplace Group 0.0%, IONOS Group 0.0%, Jenoptik 1.0%, MISUMI Group 1.0%, TeamViewer 2.2% and Wickes Group 0.0%. **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 Small Cap 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.

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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 Small Cap Index (Net) is designed to measure performance of small-cap stocks across 22 of 23 Developed Markets (excluding the United States). The index covers approximately 14% of the free float-adjusted market capitalization in each country. This benchmark calculates re-invested dividends net of withholding taxes. This index is unmanaged and investors cannot invest directly in this index.

The MSCI World ex USA Small Cap Value Index (Net) captures small cap securities exhibiting overall value style characteristics across 22 of 23 Developed Markets countries (excluding the United States). The value investment style characteristics for index construction are defined using three variables: book value-to-price, 12-month forward earnings-to-price, and dividend yield. The Total Return Index (Net) includes re-invested dividends net of foreign withholding tax. This index is unmanaged and investors cannot invest directly in this index.

June 30, 2025

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 Oakmark International Small Cap 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.

The stocks of smaller companies often involve more risk than the stocks of larger companies. Stocks of small companies tend to be more volatile and have a smaller public market than stocks of larger companies. Small companies may have a shorter history of operations than larger companies, may not have as great an ability to raise additional capital and may have a less diversified product line, making them more susceptible to market pressure.

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).

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