

QUARTERLY COMMENTARY

Oakmark Select Fund

June 30, 2025

SECOND QUARTER, 2025

- The Fund (Investor Share Class) underperformed the benchmark, the S&P 500 Index, for the quarter, but outperformed the benchmark since inception.
- At the sector level, the largest contributors to performance were financials and consumer discretionary, while health care and energy were the largest detractors.
- As our CIO-U.S., Bill Nygren, discusses in this quarter's commentary ("[Our bottom-up approach to a top-down crisis](#)"), we attempted to take advantage of the market's heightened volatility by repositioning the portfolio toward holdings with the most attractive risk-adjusted return profiles.

TOP CONTRIBUTOR | DETRACTOR

Top contributor

Alphabet CI A was the top contributor during the quarter. The U.S.-headquartered technology company's stock price rose relatively steadily throughout the period after it delivered solid first-quarter 2025 earnings and mega cap tech stocks trended higher. Despite concerns around incremental competition, Google Search revenue grew low-double digits and was slightly ahead of consensus forecasts. Operating income was also ahead of expectations, with Alphabet improving margins even as the company continues to make substantial investments in AI. We believe the potential payoff from these investments across each of Alphabet's business units remains underappreciated. After adjusting for the value of Google Cloud and Alphabet's Other Bets, we believe the Search, YouTube and Android businesses are being valued at a low-teens price-to-

Second-quarter highlights

Top contributors

- Alphabet CI A
- Capital One Financial
- Charles Schwab

Top detractors

- IQVIA Holdings
- ConocoPhillips
- Centene

New purchases

- Charles River Labs
- ICON PLC
- Salesforce

Final sales

- There were no final sales during the quarter.

earnings (P/E) multiple. We still see this as an attractive valuation.

Top detractor

IQVIA Holdings (IQV) was the top detractor during the quarter. The U.S.-headquartered provider of biopharma services saw its stock price decline amidst uncertainty related to possible price controls on drugs, concerns about potential pharma tariffs and government agency budget cuts. IQV's first-quarter results in its Contract Research Organization segment held up better than peers and its Technology and Analytic Solutions segment is performing well, but the overall outlook for the near-term is weak due to a slowdown in biopharma R&D spending. This pressure notwithstanding, we believe the company's intermediate and long-term prospects remain solid. With the shares trading close to an all-

time low multiple and management stepping up the level of repurchases, we believe that IQV is an attractive investment today.

PORTFOLIO ACTIVITY

During the early part of the quarter, the fear around tariffs created an opportunity to reposition the portfolio toward names that offered greater risk-adjusted return potential. We reduced our holdings in companies like Keurig Dr Pepper and Paycom Software, where stock prices had held up relatively well through the market turmoil, and added to companies like First Citizens Bank and Airbnb, where stock prices had declined far more than our view of intrinsic value. We believe this type of opportunistic portfolio management enhances the margin of safety and increases the potential returns for our clients.

New purchases

Charles River Labs is the world's leading provider of research models and other services for preclinical research and drug development. In our view, the company has a wide competitive moat which enables consistently high returns on capital. It also has a history of strong organic growth due to increases in biopharma R&D spending, market share gains and an ongoing trend toward outsourcing preclinical R&D. Near-term cyclical headwinds and concerns over research model alternatives have weighed on sentiment, providing us an opportunity to purchase shares at an unusually low multiple of current earnings. We believe the company is well-positioned to benefit when industry growth returns to normal, and has other opportunities to unlock shareholder value – particularly through their recently announced strategic review. We were happy to purchase shares well below our estimate of intrinsic value.

ICON PLC is the second-largest contract research organization (CRO) and the leading pure play company in the industry behind IQVIA Holdings. CROs provide clinical trial outsourcing and associated services to large biopharma companies. Stock prices in the sector have declined amidst uncertainty

related to government policy and drug pricing pressure, which have weighed on biopharma R&D spending. We believe biopharma R&D spending will ultimately recover and the historical trend toward outsourcing will continue, leading to a reacceleration in earnings growth at top CROs like ICON. We were pleased to purchase shares in ICON at roughly 11x earnings, near its lowest multiple in history.

Salesforce is a leading technology company that offers a collection of software products aimed at providing businesses with a full front office productivity suite. We believe Salesforce is a wonderful business going through a transformation into a profitable, shareholder-focused enterprise. Since management announced their renewed focus on operating discipline a couple years ago, Salesforce's margins have increased substantially. In our view, there is further room to improve as the company leverages its unique position to help businesses deploy AI and continues to restructure its sales organization. Since exiting our position in Salesforce in December, the stock price has declined by over 30% despite continuing to report fundamental results that are in line with our expectations. We were pleased to buy the stock, but we first established our position using a put writing strategy to lower our entry price. We believed the puts were overvalued as they implied that Salesforce was among the most volatile large companies, which was completely at odds with our assessment of its business value.

PORTFOLIO MANAGERS

(Year joined Harris | Oakmark)

William C. Nygren, CFA (1983)

Robert F. Bierig (2012)

Alex Fitch, CFA (2010)

AVERAGE ANNUALIZED TOTAL RETURNS (%)

	Inception date	QTD	1 yr	3 yrs	5 yrs	10 yrs	Since inception	Expense ratio
Investor Class OAKLX	11/01/1996	4.18	17.98	18.28	18.32	9.18	11.78	0.99
Advisor Class OAYLX	11/30/2016	4.21	18.10	18.42	18.46	9.30	11.82	0.87
Institutional Class OANLX	11/30/2016	4.23	18.24	18.54	18.58	9.37	11.85	0.76
R6 Class OAZLX	12/15/2020	4.24	18.27	18.59	18.61	9.38	11.85	0.73
S&P 500 Index		10.94	15.16	19.71	16.64	13.65	9.88	
Russell 1000 Value Index		3.79	13.70	12.76	13.93	9.19	8.77	

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 11/1/1996-11/30/2016. 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 11/1/1996-11/30/2016, 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 Select Fund's total net assets as of 06/30/2025: Airbnb CI A 5.9%, Alphabet CI A 4.8%, Capital One Financial 5.3%, Centene 1.9%, Charles River Labs 1.4%, Charles Schwab 4.8%, ConocoPhillips 4.1%, First Citizens Bcsbs CI A 6.6%, ICON PLC 1.4%, IQVIA Holdings 5.7%, Keurig Dr Pepper 4.3%, Paycom Software 3.3% and Salesforce 3.6%. **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 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.

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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 S&P 500 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 Russell 1000® Value Index measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000® companies with lower price-to-book ratios and lower expected growth values. This index is unmanaged and investors cannot invest directly in this index.

Because the Oakmark 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.

June 30, 2025

The stocks of medium-sized companies tend to be more volatile than those of large companies and have underperformed the stocks of small and large companies during some periods.

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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FCM-4490LX-10/25