

Oakmark Fund

A high conviction, unconstrained, value-driven domestic equity allocation

Portfolio highlights

- Quality and price drive Harris Associates' high conviction, unconstrained investment process.
- The team adheres to a strict investment philosophy and process applied to every position they invest in.
- Managed by an experienced investment team, all research is conducted internally and securities are selected from the bottom up, resulting in a portfolio that strives to look different than the index.
- Positions are weighted based on potential upside and the portfolio is concentrated (30-60 stocks) so that every position can contribute meaningfully to returns.
- The portfolio managers follow a strict buy-and-sell discipline that is designed to take advantage of market volatility. Purchases are made based on estimates of intrinsic value. As the gap between business value and stock price narrows, the team sells down the position and moves on to a better opportunity.
- Primarily a large-cap US equity strategy that invests in securities with market capitalizations greater than \$5 billion at time of purchase.

Portfolio applications

A high active share⁴ domestic equity fund that can be used as a core and/or alpha⁵ generation holding within an overall portfolio.

For investors seeking a consistently managed domestic equity fund with a disciplined investment approach that has demonstrated long-term results.

As a potential return-enhancing equity allocation in a risk-budgeted portfolio.

To pursue growth from a concentrated portfolio of US stocks.

As a complement to an index or passive strategy in the space.



ABOUT THE FUND

Objective

Seeks capital appreciation by investing in big businesses, both mid-and large-cap, based in the US.

Portfolio manager(s)¹

William C. Nygren, CFA®
Kevin Grant, CFA®

Inception date

08/05/1991

Share classes

Advisor Class OAYMX
Investor Class OAKMX
Institutional Class OANMX

Benchmark(s)²

S&P 500® Index

Expense ratios (gross/net)³

OAYMX	0.77%	0.73%
OAKMX	0.89%	0.85%
OANMX	0.74%	0.70%

¹ CFA® and Chartered Financial Analyst® are registered trademarks owned by the CFA Institute. ² The S&P 500 Index is a widely recognized measure of US stock market performance. It is an unmanaged index of 500 common stocks chosen for market size, liquidity, and industry group representation, among other factors. It also measures the performance of the large cap segment of the US equities market. ³ As of the most recent prospectus, the investment adviser has contractually agreed to waive fees and/or reimburse expenses (with certain exceptions) once the expense cap of the fund has been exceeded. This arrangement is set to expire on 1/27/20. When an expense cap has not been exceeded, the gross and net expense ratios may be the same. ⁴ Active share indicates the proportion of portfolio's holdings that are different than the benchmark. A higher active share indicates a larger difference between the benchmark and the portfolio. ⁵ A measure of the difference between a portfolio's actual returns and its expected performance, given its level of systematic market risk. A positive alpha indicates outperformance and negative alpha indicates underperformance relative to the portfolio's level of systematic risk.

Philosophy, process, and risk management

The team focuses on quality companies that they believe offer sustainable, growing free cash flow and rational capital allocation. They aim to purchase companies they believe are priced at a significant discount to their estimate of intrinsic value whose management teams think and act like owners. Portfolio managers build a concentrated portfolio (30-60 holdings) from an approved list of approximately 150 stocks vetted by the Stock Selection Group. The portfolio is concentrated to allow the best ideas to have a meaningful impact on fund performance.

Harris Associates defines risk as the permanent loss of shareholder capital, so risk measures, such as tracking error and volatility, do not factor into portfolio management decisions. Harris' unconstrained approach means that tracking error will typically be high. Volatility is viewed as an opportunity to purchase stocks that may be currently out of favor and thus trading at attractive prices. Combined with Harris' concentrated position weights, this means that the Fund may at times be significantly more volatile than the market.

Harris believes that purchasing companies they consider to be trading at a discount to their estimate of intrinsic value is an inherently risk-reducing long-term strategy. Through ongoing contact with corporate management teams, the Fund's managers are able to maintain a current target valuation on every company they own.

The process seeks to maximize shareholder returns over the long term.



RISKS: Equity securities are volatile and can decline significantly in response to broad market and economic conditions. **Value investing** carries the risk that a security can continue to be undervalued by the market for long periods of time. **Concentrated investments** in a particular region, sector, or industry may be more vulnerable to adverse changes in that industry or the market as a whole. **Foreign securities** may involve heightened risk due to currency fluctuations. Additionally, they may be subject to greater political, economic, environmental, credit, and information risks. Foreign securities may be subject to higher volatility than US securities, due to varying degrees of regulation and limited liquidity.

Before investing, consider the fund's investment objectives, risks, charges, and expenses. Visit im.natixis.com or call 800-225-5478 for a prospectus or a summary prospectus containing this and other information. Read it carefully.

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Harris Associates manages US, global, and international strategies. The firm employs an intensive, fundamental in-house research process to identify companies trading at a significant discount to managers' estimates of intrinsic business value. Harris Associates uses its experienced team, consistent and pervasive philosophy, repeatable and fundamental process, and long-term investment horizons as the foundation of steadfast conviction.

NATIXIS INVESTMENT MANAGERS

Natixis Investment Managers serves financial professionals with more insightful ways to construct portfolios. Powered by the expertise of 20 specialized investment managers globally, we apply Active ThinkingSM to deliver proactive solutions that help clients pursue better outcomes in all markets. Natixis ranks among the world's largest asset management firms¹ (\$960.3 billion AUM²).

1 Cerulli Quantitative Update: Global Markets 2018 ranked Natixis Investment Managers (formerly Natixis Global Asset Management) as the 16th largest asset manager in the world based on assets under management as of December 31, 2017.

2 Net asset value as of March 31, 2019. Assets under management ("AUM"), as reported, may include notional assets, assets serviced, gross assets and other types of regulatory AUM.

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