

FOREIGN TAX CREDIT FOREIGN INCOME AND TAXES PAID

You are entitled to claim a foreign tax *credit* or take an itemized *deduction* on your federal income tax return for your share of foreign taxes paid by the fund. To *deduct* foreign taxes, enter the total amount from Box 6 of your Form 1099-DIV as “Other taxes” (line 8) on Schedule A. To claim a *credit* for foreign taxes paid, subject to the conditions described below, enter the total amount from Box 6 as “Foreign tax credit” on your Form 1040.

A credit is generally more advantageous than a deduction. Most taxpayers can take a foreign tax credit on line 47 of Form 1040 without filing Form 1116.

Eligibility to Claim Credit Without Filing Form 1116

Most shareholders who are individuals may be eligible to claim a foreign tax credit on Form 1040 without filling out Form 1116. To qualify for this provision, you must meet all of the following conditions:

- >> All of your foreign-source income was from dividends and interest.
- >> All of the income and foreign taxes paid on the income was reported to you on a qualified-payee statement, such as Form 1099-DIV.

>> Your total creditable foreign taxes are not more than \$300 (\$600 if married filing jointly).

>> Additional criteria as described in the instructions for Form 1040. Additionally, you may not claim the foreign tax credit relating to dividends on The Oakmark Funds if you had not held your fund shares for at least 16 days within the 30-day period that began 15 days before the ex-dividend date, which was December 15, 2011. See the instructions for Form 1116 for more details.

Shareholders Who Must File Form 1116

If you do not qualify for the election outlined in the previous paragraph, you must fill out Form 1116 to claim your credit. Check the box marked “Passive category income” at the top of the Form.

You no longer need to report income passed through from a mutual fund on a country-by-country basis. Total all income passed through from the fund and enter this amount in a single column in Part I. Enter “RIC” (regulated investment company) on line g. Total all foreign taxes passed through and enter on a single line in Part II. For more details, see the Specific Instructions for Part I of Form 1116.