

SHAREHOLDER INFORMATION GUIDE

2011 TAX YEAR



ADDITIONAL TAX INFORMATION FOR THE OAKMARK FUNDS

TO BE USED WITH FORMS 1099-DIV AND 1099-B

	Oakmark Fund	Oakmark Select Fund	Oakmark Equity & Income Fund	Oakmark Global Fund	Oakmark Global Select Fund	Oakmark International Fund	Oakmark International Small Cap Fund
To assist you with federal income tax returns: Income from tax-exempt securities	None	None	None	None	None	None	None
For corporate shareholders: Percent of ordinary dividends eligible for the dividends received deduction	100%	100%	61.1%	0%	0%	0%	0%
Note: Qualified Dividend Income is reported in box 1b on your Form 1099-DIV. For your information, the percentages are:	100%	100%	90.6%	0%	0%	100%	100%
Percent of ordinary dividends that are foreign source	0%	0%	0%	0%	0%	100%	100%
To assist you with state income tax returns: Percent of ordinary dividends from U.S. Government Obligations	0%	0%	14.0%	0%	0%	0%	0%
Percent of long-term capital gains attributable to gains on U.S. Government Obligations	n/a	n/a	6.5%	n/a	n/a	n/a	n/a

Oakmark Units Financial Square Federal Fund (Money Market Fund)

Percent of ordinary dividends from U.S. Government Obligations: 95.9%

The following information may be helpful to you for reporting transactions in your mutual funds on your tax return. The tax forms we send to you include details that are being reported to the IRS. This brochure describes how to use these forms when you file your tax return.

As always, please consult your accountant, tax advisor or tax professional for detailed information applicable to your unique situation. You may also find IRS Publication 550, "Investment Income and Expenses," helpful in your tax planning. It can be found at www.irs.gov.

FORM 1099-DIV QUESTIONS AND ANSWERS

IRS Tax Form 1099-DIV reports taxable dividends and short-term and long-term capital gains distributed by each mutual fund you own. Short-term capital gains distributions, when paid, are reported as ordinary dividends on this Form. Form 1099-DIV may also include federal income tax withheld and foreign taxes paid. More information about foreign taxes is included on page 4.

What information is reported on Form 1099-DIV?

Form 1099-DIV reports ordinary dividends and capital gains distributions of \$10 or more (unless there was backup withholding). The form includes:

- >> The names of funds that paid dividend or capital gains distributions
- >> The funds' federal identification numbers
- >> Total ordinary dividends
- >> Qualified dividends
- >> Total capital gains distributions
- >> Nontaxable distributions
- >> Federal income tax withheld
- >> Foreign tax paid

Transactions and/or distributions for each specific mutual fund, not simply "The Oakmark Funds," must be reported on Form 1040, Schedules B and D. This applies to both Forms 1099-DIV and 1099-B.

If I reinvest distributions to purchase more shares of my fund, do I owe taxes on those distributions?

Yes. You must pay taxes on mutual fund distributions regardless of whether you receive them in cash or reinvest them in additional shares of your fund. Reinvested distributions are included on Form 1099-DIV.

Why aren't short- and long-term capital gains distributions listed separately on the 1099-DIV?

Short-term capital gains are required to be reported to shareholders as ordinary income. Short-term capital gains distributions, along with ordinary dividends, are reported in Box 1a. Long-term capital gains distributions are reported in Box 2a.

What are Qualified Dividends?

Mutual fund distributions that are attributable to dividends received on qualified stock (therefore "qualified dividends") are taxed at a maximum rate of 15% instead of the higher ordinary income tax rates. Qualified Dividend Income paid to taxpayers in tax brackets below 25% is taxed at a 0% rate. Box 1b on Form 1099-DIV shows the portion of the amount in Box 1a that qualifies for the reduced rate. Please refer to the instructions in your IRS Form 1040 for information about reporting qualified dividends, including holding period requirements. Enter the total qualified dividends from all your investments on Line 9b of Form 1040.

What is Foreign Tax Paid?

When dividends include income from non-U.S. securities, the fund may pass the foreign tax paid on these investments through to its shareholders in Box 6 on Form 1099-DIV. Shareholders may either claim a foreign tax credit on their returns or take an itemized deduction. This amount has been added to your ordinary dividends. More information about Foreign Tax Paid can be found on page 4.

FORM 1099-B QUESTIONS AND ANSWERS

IRS Tax Form 1099-B reports all sales and/or exchanges of mutual fund shares. If you realize capital gains or losses from the sale (including an exchange of mutual fund shares), you must report them on your tax return.

What information is reported on Form 1099-B?

Form 1099-B reports the gross proceeds of sales (redemptions) of mutual fund shares, excluding retirement accounts. In addition, 1099-B reports exchanges between funds and transfers from non-retirement accounts to retirement accounts. The form includes the name of the fund sold, a description of the sale (such as exchange between funds), date of the sale, share price, number of shares sold, gross proceeds and any federal income taxes withheld.

Important new cost basis regulations went into effect January 1, 2012. The first cost basis reporting to the IRS will be included on the 2012 Form 1099-B that will be mailed to you in February 2013. For more information, please visit www.oakmarkcostbasis.com.

Do I need to report a gain or loss if I simply exchange from one fund to another?

Yes. Because an exchange is the sale of one fund's shares and the purchase of another fund's shares, you will receive a Form 1099-B indicating the gross proceeds of the sale. You will not receive this Form when selling or exchanging shares in a retirement account, such as an IRA.

How can I determine if I have a short- or long-term gain or loss?

A sale of shares held for one year or less results in a short-term gain or loss. If you sold shares held for more than one year, a long-term capital gain or loss is generated.

What tax rates apply to short-term and long-term capital gains?

Short-term gains are generally taxed at ordinary income tax rates, which range from 10% to 35%, depending on your adjusted gross income. Long-term gains are generally taxed at a maximum rate of 15%. For investors in tax brackets below 25%, long-term gains are taxed at a 0% rate.

Can I calculate gains/losses using Form 1099-B alone?

No. This form does not provide sufficient information to calculate a gain or loss on the sale or exchange of shares. Account owners will need the original cost per share (cost basis) and date of each purchase to determine gain or loss information. You will find this information on your confirmation statements.

How do I calculate my cost basis when I sell or exchange shares?

When you sell or exchange shares from a mutual fund, you must calculate and report a gain or loss on Form 1040, Schedule D. In

general, your cost basis (the original cost of the investment plus all reinvested distributions) is subtracted from your sales proceeds to determine any capital gain or loss. There are several ways in which you can calculate your cost basis and, therefore, your potential tax liability:

- >> **Average Cost—Single-Category Method:** This calculation is used by The Oakmark Funds to report cost basis to shareholders and is simply the average cost per share of all the shares you bought prior to the sale. **Double-Category Method:** Separates your short-term and long-term shares into two groups before calculating an average cost per share for each group. Once you elect to use either average-cost method to calculate gain or losses for any fund, you must continue to use this method for the life of that fund investment.
- >> **First In, First Out (FIFO)**—Assumes you sold your oldest shares first. Using this method, if you sell your entire investment over time, your shares would be sold in the order in which they were bought. This method is relatively simple; however, if your fund's share price has risen substantially since your initial investment, you may realize a large gain. The IRS assumes FIFO has been applied to determine cost unless another method has been specified on your return.
- >> **Specific-Identification** —Under this method, you can specify which shares you want to sell at the time of the sale, and your cost basis is the original purchase price of those shares.

Don't forget to include reinvested distributions in your calculations, as these are purchases of additional shares and therefore part of your cost basis.

OTHER TAX FORMS YOU MAY RECEIVE REGARDING YOUR MUTUAL FUND INVESTMENTS

Form 1099-Q

IRS Form 1099-Q reports the gross distributions, including asset transfers, from Education Savings Accounts (ESAs). Please see IRS Publication 970, "Tax Benefits for Education," for information about how to calculate the earnings portion of the gross distribution.

Form 1099-R

IRS Form 1099-R reports all distributions from retirement accounts such as IRAs, 401(k) plans and annuities. It lists total distributions, taxable amounts and any federal taxes withheld.

Form 5498

IRS Form 5498 reports contribution information and fair-market values for Traditional IRAs, Roth IRAs, Education Savings Accounts (ESAs), Simplified Employee Pension (SEP) IRAs and Savings Incentive Match Plan for Employees (SIMPLE) IRAs. *This form will not be sent until May 2012, after the close of the April 17, 2012 contribution deadline for 2011 contributions. It is for your records only and does not need to be filed with your tax return.*

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.

View your tax forms online through our secure account access system. Visit oakmark.com, log into your account, and click "View Tax Forms" under the "My Account" tab to access, download, or print your tax forms. Visit the Mutual Fund Tax Center at oakmark.com for more information about your tax forms.

Make your tax preparation easier by downloading your 2011 Oakmark tax information directly into TurboTax® or H&R Block At Home™. It's easy to use, whether you prepare your taxes online or use tax preparation software.

Too much paper? Log in to your account to sign up for e-delivery and receive email notification when documents are available online.

Have you made your 2011 IRA Contribution? The deadline to contribute is April 17, 2012, and the annual contribution limit is \$5,000 (\$6,000 if age 50 or older). Go to oakmark.com or call 1-800-OAKMARK (1-800-625-6275) for more information.

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 call 1-800-OAKMARK (1-800-625-6275).

Investing in value stocks presents the risk that value stocks may fall out of favor with investors and underperform growth stocks during given periods.

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