HARRIS ASSOCIATES L.P.
Global Large Cap L.P.
September 2011

THE MARKET ENVIRONMENT

Currently, volatility and uncertainty in the market are drawing comparisons to what occurred in 2008-2009. Many pundits and observers are tripping over themselves to come up with the most fearful scenario. With this negative noise level steadily rising, it is understandable the global stocks are experiencing a period of weakness. Like 2008, today's concern surrounds debt. Back then, the problem was private indebtedness, whereas today's worry is public indebtedness. Broadly speaking, global political gridlock is spooking the markets, and more specifically, how to deal with Greece's acute debt problem. The worries that began in the peripheral countries of the eurozone have moved deeper into the heart of the continent. There are questions about whether Italy, Spain and even France have the ability to pay off their obligations, even as each of these countries have taken steps to sharply cut their deficits.

On the sunnier side we would argue, based on evidence we see today, that the market is again overreacting to the current situation. The market is behaving as if each indebted country—Italy, Spain, Ireland and France—is in the same dire condition as Greece. Even the U.S. experienced a debt downgrade by one rating agency. While a widespread default scenario is possible, it is EXTREMELY unlikely. As of this writing, the market has assigned roughly a 5% chance that Italy will default on its five-year bonds, which is borderline absurd. Though Italy does have too much debt and needs structural change, it is also a country of vast wealth. Household debt represents 65% of disposable income, compared to 98% for the eurozone as a whole and 148% for the U.S. The gross savings rate in Italy is 12.1%, more than double that of the U.S. Not only is Italy's budget projected to be balanced by 2013, the government still has a large pool of salable assets. And while the IMF has recently lowered its estimate of global economic growth, that growth is still expected to be a respectable 4% for 2011 and the same in 2012.

Despite all of the market turmoil and lack of confidence, the "real" global economy seems to be holding up quite well, due in large part to sustained growth in the large emerging nations. We have met with dozens of companies from all over the globe that sell their products to customers all over the globe, and none have yet to see a severe slowdown. Conditions in global equity markets are volatile and erratic, with changes in share prices reflecting short-term macro fears rather than long-term business fundamentals. This is often the case, and when it arises, it provides us with investment opportunity. Emotion in the market makes it difficult for businesses, but in general, they are still growing and earning acceptable returns. As such, we remain confident that by remaining disciplined and focused on the long term, we are well-positioned for future success.

THE PORTFOLIO

Top Performers: Due to the advantageous timing of our purchase of **BNP Paribas**' shares**,** the stock contributed for the period. While recent investor concerns over sovereign-debt issues in Greece have put downward pressure on BNP's stock price, our outlook for the company is substantially positive. BNP has a diversified revenue base, and it generates very high levels of profitability. The company is currently earning a double-digit return on capital, and it trades at about five times earnings and at a significant discount to its tangible book value. Investors are protected by a very strong balance sheet and are receiving a 6% dividend yield. **MasterCard**'s stock price rose significantly in June and continued to climb in the third quarter. The Federal Reserve issued its final debit interchange rules, as required by the Dodd-Frank act, and the market perceived the new rules to be more favorable than expected. Additionally, MasterCard released its second-quarter results that were better even than our "best case" forecasts. Fundamental operating performance was excellent, which resulted in a rise in net income and earnings per share of over 32% and 36%, respectively, compared to the same period last year. **Range Resources** reported solid quarterly earnings, driven by a boost in production and higher average realized prices. The company is benefitting from better-than-expected output from its horizontal Mississippian drilling play in northern Oklahoma and Marcellus in southwestern Pennsylvania.

Bottom Performers: **Adecco**'s stock price lagged during the quarter due to general macroeconomic weakness. The company's stock is currently trading at prices last seen in April 2009, though Adecco is trading at significantly lower multiples today, and its business is considerably better-positioned now than it was at that time. Despite a relatively lackluster recovery in employment across most of the developed world, Adecco's revenue has increased more than 20% organically since 2009, as employers are valuing the flexibility that temporary staff provides in today's more volatile world. Adecco has also been able to grow via mergers and acquisitions and has returned nearly €250 million to shareholders by way of dividends without increasing leverage. **Daimler**'s stock price, along with those of other auto manufacturers, was weak for most of the quarter. As is the case with other consumer-driven companies, the dismal outlook for economic growth in developed markets has had a negative impact. While Daimler's growth may slow in the short term, this is more cyclical than secular. For example, U.S. annual auto volumes are still only around 11-12 million units sold. This compares with past peak levels of over 17 million units and normal expected levels of above 15 million units. Additionally, the company released its second-quarter results that were better than predicted. Management raised its full fiscal 2011 unit sales and forecast for its Mercedes-Benz Cars segment amid strong growth potential in North America and China. **Credit Suisse**'s share price has declined in sympathy with other European financials. However, we believe it is the strength of the Swiss franc (and not debt-related charges) that is negatively impacting profits at the company. Credit Suisse has immaterial exposure to sovereign debt. The private bank continues to see strong net new money growth and we believe the company is well-positioned to withstand these short-term difficulties.

We initiated a position in **BNP Paribas** and eliminated **ArcelorMittal, Transocean,** and **UBS** during the quarter.

The performance data given is past performance. **Past performance is no guarantee of future performance**. Investment return and principal value of an investment will fluctuate and may be worth more or less than an investor's cost.

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Harris Associates L.P.
Global Large Cap Value L.P. – September 30, 2011

PERFORMANCE

	QTR	YTD	1-YR	3-YR	Since Inception (06/07)
Harris Associates Global Large Cap L.P. [Net]	-18.1%	-15.7%	-6.8%	5.2%	-4.3%
MSCI World Index	-16.6%	-12.2%	-4.4%	-0.1%	-6.4%

PORTFOLIO

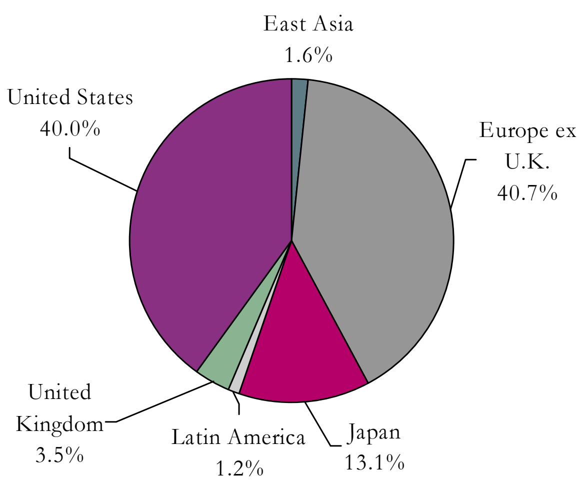
Quarter-to-date

Top 5 Performers	Contribution to Return	Bottom 5 Performers	Contribution to Return
BNP Paribas	0.20%	Adecco	-1.04%
MasterCard	0.08%	Daimler	-1.03%
Range Resources	0.05%	Credit Suisse Group	-0.97%
Visa Cl A	0.05%	Franklin Resources	-0.93%
Baxter International	-0.06%	Allianz	-0.84%

Year-to-date

Top 5 Performers	Contribution to Return	Bottom 5 Performers	Contribution to Return
MasterCard	0.44%	Carnival	-1.22%
Discover Financial	0.35%	Adecco	-1.03%
Visa Cl A	0.25%	Julius Baer Group	-0.97%
BNP Paribas	0.20%	Credit Suisse Group	-0.95%
Range Resources	0.18%	Daiwa Securities Group	-0.94%

REGIONAL ALLOCATION



REPRESENTATIVE PORTFOLIO HOLDINGS

Top 10 Holdings	% of Portfolio
Intel	5.9%
Applied Materials	3.5%
Daiwa Securities Group	3.5%
Toyota Motor	3.4%
BNP Paribas	3.2%
Julius Baer Group	3.1%
Carnival	3.1%
Wells Fargo	3.0%
Canon	3.0%
Daimler	2.9%

Past performance is no guarantee of future results. The specific securities identified and described in this report do not represent all of the securities purchased, sold, or recommended for advisory clients. There is no assurance that any securities discussed herein will remain in an account's portfolio at the time one receives this report or that securities sold have not been repurchased. It should not be assumed that any of the securities, transactions, or holdings discussed herein were or will prove to be profitable. The MSCI World Index[SM] (Net) is a free float-adjusted market capitalization weighted index that is designed to measure the global equity market performance of developed markets. This benchmark calculates reinvested dividends net of withholding taxes using Luxembourg tax rates. This index is unmanaged and investors cannot invest directly in this index.

Holdings are representative of Harris Associates L.P.'s Global Large Cap Value L.P. portfolio as of 9/30/11. The investment return and principal value of this portfolio and any particular holding may fluctuate. Portfolio holdings are subject to change without notice and are not intended as recommendations of individual stocks.

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