April 2022

Longleaf Partners Fund Commentary

1Q22

Longleaf Partners Funds

Fund Characteristics

P/V Ratio	Mid-60s%
Cash	4.8%
# of Holdings	20

March 31, 2022	1Q (%)	1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)	Since Inception* (%)
			Annualized Total Return			
Partners Fund	-0.53	3.98	11.72	7.30	7.56	10.01
S&P 500	-4.60	15.65	18.92	15.99	14.64	10.55
Russell 1000 Value	-0.74	11.67	13.02	10.29	11.70	10.00

*Inception date 4/8/1987

Longleaf Partners Fund declined 0.53% in the first quarter, holding up better than the S&P 500, which fell 4.60%. In a volatile quarter for markets across the globe, our companies made solid progress across the board. Our investments in US natural gas company CNX Resources and US gas pipeline operator Williams were our strongest performers, up 51% and 30% respectively, as demand for domestic natural gas increased and energy prices skyrocketed due to Russia's invasion of Ukraine. We wrote more extensively on our views on the expected impact of the ongoing conflict here. In a time of uncertainty, we saw a complexity discount impact stock performance at some

Returns reflect reinvested capital gains and dividends but not the deduction of taxes an investor would pay on distributions or share redemptions. Performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by visiting southeasternasset.com. The prospectus expense ratio before waivers is 1.03%. The Partners Fund's expense ratio is subject to a fee waiver to the extent the Fund's normal operating expenses (excluding interest, taxes, brokerage commissions and extraordinary expenses) exceed 0.79% of average net assets per year.

of our holdings including top detractor, media and internet holding company IAC. However, our appraisal values grew nicely across most of our businesses thanks to our aligned management teams that are taking steps to create value for shareholders.

We encourage you to watch our video with Portfolio Managers Ross Glotzbach and Staley Cates for a more detailed review of the quarter.

Contribution To Return

Top Five

Company Name	Total Return (%)	Contribution to Return (%)	Portfolio Weight (%) (3/31/22)
CNX Resources	51	2.41	6.9
Williams	30	0.98	3.0
CK Hutchison	13	0.53	4.8
Fairfax Financial	10	0.44	4.7
Discovery	9	0.37	5.4

Bottom Five

Company Name	Total Return (%)	Contribution to Return (%)	Portfolio Weight (%) (3/31/22)
IAC	-23	-1.25	5.3
Affiliated Managers Group	-14	-0.80	5.0
Lumen	-8	-0.79	10.1
Liberty Broadband	-16	-0.70	4.5
FedEx	-10	-0.67	6.1

Holdings are subject to change. Past performance does not guarantee future results.

- CNX Resources – CNX appreciated as energy prices increased dramatically, and the critical nature of natural gas infrastructure and its ability to support Europe in limiting its dependence on Russia as an energy source was broadly recognized. CNX saw the benefits of its extensive share buyback program over the last year+ with free cash flow (FCF) nearing $3 per share. CNX increased the diversity and depth of experience of its board and executive management team in the quarter with the addition of Robert Agbede as a board director, Ravi Srivastava as President of New Technologies, and Hayley Scott as Chief Risk Officer.
- Williams – Williams similarly benefitted from the positive natural gas tailwinds in the quarter. We scaled back our position on the back of strong performance but remain confident in the business. Its infrastructure positions Williams to be an important part of the renewable energy transition in the US through joint projects with the likes of Orsted in wind and other alternative energy solutions.

- IAC – The conglomerate discount on this digital holding company grew wider in the quarter amidst a period of broad uncertainty and continued technology stock declines. Unlike most of its tech peers, IAC began the year already uniquely discounted and today trades at less than half of our appraisal value and less than 10x estimated free FCF per share power. Underlying holding Angi (previously Angie's List) reported a disappointing quarter. Angi represents only 25% of value but swings the market perception and stock price since it is also publicly traded. The market is not yet giving credit to the Dotdash Meredith deal creating a digital publishing leader, given the lack of near-term reporting clarity since the deal just closed and 2022 is a transition year. Additionally, IAC's underlying holdings in carsharing company Turo and casino and online gaming company MGM remain not properly recognized by the market. CEO Joey Levin and Chairman Barry Diller have a history of creating value-accretive catalysts to close the price to value gap.
- AMG – In one of the bigger disconnects between stock price performance and appraisal value growth, AMG declined in line with a generic US money manager, correlating to the S&P 500. AMG's reality is much more compelling, given its managers are a diversified mix of US and Global public equities, private equity, wealth management, and fund-of-funds. Our appraisal grew strongly in the quarter as private equity affiliate Baring Asia sold for 30xEBITDA (earnings before interest, taxes, depreciation and amortization) or mid-teens expected 2023 earnings (more than double where AMG is valued today) for a combination of cash and EQT AB shares.
- Lumen – Lumen reported weak organic revenue growth and guided more weakness for 2022. We expect revenue growth to kick back in towards the end of 2022, and the huge FCF coupon helped offset value decline from the weaker guidance. The other factor weighing on the stock price was largest shareholder Temasek's partial sale of its 10% position in the quarter, creating uncertainty and a share price overhang. We have a 13D filed and continue to urge the company to take steps to address the significant price-to-value gap, including continued share buybacks.
- Liberty Broadband – A new position in 4Q 2021, holding company Liberty Broadband also suffered from a widening of a market-imposed holdco discount in an uncertain quarter. Liberty's stakes in Charter and Alaskan cable company GCI also faced near-term concerns over slowing industry broadband additions, but these businesses have over a decade of pricing power history and are well

positioned to weather an inflationary environment. We have a high degree of respect for our partners in John Malone and Greg Maffei, who are focused on growing value per share and are actively repurchasing discounted shares to help close the price-to-value gap.

Portfolio Activity

After adding five new positions in the second half of last year, we built out several of these newer holdings in the first quarter but did not buy any new businesses. We trimmed some of our stronger performers. We remain fully invested with just under 5% cash, and our on-deck list is growing longer amid market volatility. New investments have a high hurdle to qualify given our conviction in our current holdings and the steep discount of the portfolio, which trades at a price-to-value (P/V) in the Mid-60s%.

Outlook

In a challenging period of global uncertainty – amid fears of a potential world war, ongoing COVID concerns, rising interest rates/growing inflation and the potential for a pending recession – we were pleased with the solid progress made and value growth seen across our portfolio holdings. We own companies that have pricing power that can price through cost increases and grow their profitability as a result. Our companies come from a position of financial strength with aligned, proven management teams that can take proactive steps to manage through challenging market environments.

See following page for important disclosures.

Data and discussion as of March 31, 2022

Before investing in any Longleaf Partners Fund, you should carefully consider the Fund's investment objectives, risks, charges, and expenses. For a current Prospectus and Summary Prospectus, which contain this and other important information, visit *https://southeasternasset.com/account-resources* ***. Please read the Prospectus and Summary Prospectus carefully before investing.***

RISKS

The Longleaf Partners Fund is subject to stock market risk, meaning stocks in the Fund may fluctuate in response to developments at individual companies or due to general market and economic conditions. Also, because the Fund generally invests in 15 to 25 companies, share value could fluctuate more than if a greater number of securities were held. Mid-cap stocks held by the Fund may be more volatile than those of larger companies.

The S&P 500 Index is an index of 500 stocks chosen for market size, liquidity and industry grouping, among other factors. The S&P is designed to be a leading indicator of U.S. equities and is meant to reflect the risk/return characteristics of the large cap universe. S&P 500 Value Index constituents are drawn from the S&P 500 and are based on three factors: the ratios of book value, earnings, and sales to price. An index cannot be invested in directly.

The Russell 1000 Index measures the performance of the 1,000 largest companies in the Russell 3,000 Index. The Russell 1000 Value index is drawn from the constituents of the Russell 1000 based on book-to-price (B/P) ratio.

P/V ("price-to-value") is a calculation that compares the prices of the stocks in a portfolio to Southeastern's appraisal of their intrinsic values. The ratio represents a single data point about a Fund and should not be construed as something more. P/V does not guarantee future results, and we caution investors not to give this calculation undue weight.

Free Cash Flow (FCF) is a measure of a company's ability to generate the cash flow necessary to maintain operations. Generally, it is calculated as operating cash flow minus capital expenditures.

A 13D filing is generally required for any beneficial owner of more than 5% of any class of registered equity securities, and who are not able to claim an exemption for more limited filings due to an intent to change or influence control of the issuer.

As of March 31, 2022, the top ten holdings for the Longleaf Partners Fund: Lumen, 10.1%; CNX Resources, 6.9%; FedEx, 6.1%; Mattel, 5.5%; MGM Resorts, 5.5%; Discovery, 5.4%; IAC, 5.3%; Affiliated Managers Group, 5%; General Electric, 4.9% and CK Hutchison, 4.8%. Fund holdings *are subject to change and holdings discussions are not recommendations to buy or sell any security. Current and future holdings are subject to risk.*