



Longleaf Partners

Global UCITS Fund Commentary

Longleaf Partners Global UCITS Fund's -1.91% return in the quarter brought the year-to-date return to -2.39%. These results fell below the MSCI World Index's returns of 0.31% and 2.63% over the same periods. The Fund's disappointing results over the last year negatively impacted longer term relative performance, with an exception of its three year 14.39% annual return, which exceeded both our absolute goal of inflation plus 10% and the index.

In the second quarter, the majority of our companies made positive business progress, as our management partners took smart actions to drive value growth. Double-digit returns at top performer CK Hutchison (formerly Cheung Kong) demonstrated how quickly share prices can respond to productive corporate activity. Although most of our investments were positive performers in the quarter, much of our partners' value-building efforts at the businesses we own is not being fully reflected in the fund's returns. Our energy and Asian gaming-related companies remained the largest absolute and relative detractors in the quarter.

During the quarter, the portfolio's largest contributor, CK Hutchison, merged with its 50% owned subsidiary, Hutchison Whampoa, and spun off their combined real estate businesses into Cheung Kong Property. With the stock's move from HK\$125 prior to the restructuring announcement in January to HK\$196 for the combined pieces after the spin in June, this corporate restructuring succeeded in reducing two persistent discounts the market applied to CK Hutchison. First, the complexity of the corporate structure and diversified set of businesses within two layers of holding companies made valuing the company difficult. Second, market concerns related to property exposure in Hong Kong and China has weighed heavily on the stock. CK Hutchison was the largest constituent of the Hang Seng Property Index, yet many property investors could not own the stock given its significant non-property businesses. The restructuring creates a pure play property company – Cheung Kong Property – and moves CK Hutchison from the Hang Seng Property Index to the Hang Seng Conglomerates Index.

French media company Vivendi returned 11% in the quarter after reporting top line revenue growth at underlying businesses Universal Music Group and Canal+. Vivendi received the initial payment for its 20% stake in SFR and completed its sale of Brazilian telecommunications company GVT for an enterprise value of €7.5 billion. Vivendi paid a €1 per share interim dividend in June, with another planned in February 2016. Chairman Vincent Bolloré increased his stake in Vivendi to over 14%. Effective March 2016, France will reward long-term owners by granting double voting rights on registered shares held for at least two years, and Mr. Bolloré received the rights at the recent annual general meeting. Given his track record of value creation, we support this increased voting influence. Mr. Bolloré has stated his plans to build Vivendi into a media powerhouse over time, reiterating the need to “pay the right, fair price, then create value.”¹

Another primary positive contributor was K. Wah, a real estate developer in Hong Kong and China and a 3.8% owner of Macau casino company Galaxy Entertainment (which represents around 50% of K. Wah's market cap). K. Wah returned 7% in the quarter, driven by strong Hong Kong property sales as the company is launching three significant new Hong Kong developments during 2015 into a market with high demand. K. Wah's recent Hong Kong residential apartment project, Corinthia by the Sea, was oversubscribed by 16x. Real estate strength offset weakness at Galaxy, which opened its new casino in May to softer-than-expected gaming activity. Macau remains challenged but is showing signs of stabilization. Chairman Lui Che-woo's family owns 60% of the company.

1 Financial Times, April 17, 2015

Average Annual Total Returns (30/6/15)

Class I - USD: Since Inception:(4/01/10) 6.13%, 5 Year: 9.12%, 3 Year: 14.39%, 1 Year: - 9.41%

Class I - Euro: Since Inception:(20/05/10) 10.39%, 5 Year: 11.05%, 3 Year: 19.25%, 1 Year: 11.13%

Class I - GBP: Since Inception:(13/11/13) 2.01%, 5 Year: na, 3 Year: na, 1 Year: -1.35%

This document is for informational purposes only and is not an offering of the Longleaf Partners Global UCITS Fund and does not constitute legal or investment advice. Any performance information is for illustrative purposes only. Current data may differ from data quoted.

No shares of the Longleaf Partners UCITS Funds may be offered or sold in jurisdictions where such offer or sale is prohibited. Investment in the UCITS Funds may not be suitable for all investors. Prospective investors should review the UCITS Funds' Prospectus, including the risk factors in the Prospectus, before making a decision to invest. Past performance is no guarantee of future performance, the value of investments, and the income from them, may fall or rise and investors may get back less than they invested. Any subscription may only be made on the terms of the Prospectus and subject to completion of a subscription agreement. Each index is unmanaged and the returns include the reinvestment of all dividends, but do not reflect the payment of transaction costs, fees or expenses that are associated with an investment in a fund. An index's performance is not illustrative of a fund's performance. You cannot invest in the index. Please note that the information herein represents the opinion of the portfolio managers and these opinions may change at any time from time to time.

As noted, our energy-related holdings were the primary performance detractors. Over the last year we have adjusted our valuations for the more austere conditions following dramatic oil, gas, and coal declines. However, our asset quality and capable leadership teams make us confident that these companies should be meaningful contributors to strong returns. Any bounce back in commodity prices will be additional upside. The lower commodity prices have served as a catalyst to sharpen our management partners' focus on how best to optimize the returns on their valuable assets. Our discussions with them have been ongoing and productive over the last few years, and have contributed to adding board members, monetizing assets, selling all or portions of reserves, and separating disparate segments. In spite of significant progress, the work is ongoing. Stock prices have yet to reflect past improvements or significant ones our managements are currently pursuing. We expect to see additional value accretive activity in the remainder of the year, and we believe that our energy stocks could rise appreciably as they reflect these initiatives.

Chesapeake Energy, one of the largest producers of natural gas, natural gas liquids and oil in the U.S., declined 20% in the quarter. The company reported results in line with our expectations, but the stock was punished when Chesapeake failed to close the gap between operating cash flow (OCF) and capital expenditures (capex) as much as investors wanted. Full year expectations for 45% capex reductions versus 2014 remain intact, and the OCF gap is expected to close by year-end. The company maintains strong liquidity, irrespective of low commodity prices, with \$2.9 billion in cash and a \$4 billion untapped credit facility. The company's valuable assets support our appraisal, which held steady in the quarter as oil and gas prices stabilized somewhat. CEO Doug Lawler has proven that he is willing and able to monetize assets at attractive prices, and we have a heavily vested board that is fully engaged to build and recognize value per share.

CONSOL Energy fell 22% in the quarter despite reporting OCF above Wall Street expectations and buying in shares at a 4% annualized pace. Positive gas basis differentials versus NYMEX and good cost control at the Buchanan metallurgical coal mine contributed to the solid results but could not overcome the continued pressure on coal prices. In adjusting to the current commodity price environment, the company announced several cost-cutting measures, including a move to zero-based budgeting. As expected, CONSOL monetized non-core thermal coal assets in the Bailey Mine Complex by offering shares in the master limited partnership (MLP) CNX Coal, which generated \$200 million in proceeds. The price was below earlier expectations because of lower coal prices. Management is pursuing additional monetization opportunities where proceeds can be reinvested in higher return alternatives, including CONSOL's deeply discounted shares.

With continued pressure on the Macau gaming industry, Melco International declined. We see early signs of revenue stabilization. In spite of industry challenges, Melco gained market share during the recently reported quarter and was

quicker than peers in reducing costs. The new, mass market-oriented Studio City casino is on track to open by October and advances the government's efforts to broaden tourism beyond gaming. CEO Lawrence Ho is a large owner and is building value by buying back deeply discounted shares, investing in high-return projects to increase visitor traffic, further shifting their mix towards higher margin mass and premium mass business, diversifying into non-gaming revenue sources that the government supports, refinancing debt at attractive rates, securing long-term credit lines to increase financial flexibility, and exploring ways to maximize returns on a limited supply of baccarat tables. We believe growth in the higher margin mass market will drive a bright future for Macau gaming and Melco. New casinos with diverse non-gaming attractions and much-needed hotel room supply, as well as ongoing government investments in infrastructure, will facilitate more mass visitors. The reversal of the transit visa restriction announced on June 30 is the first sign of supportive regulatory policy to improve economic conditions in Macau. This should be positive for VIP and premium mass volumes.

We bought no new positions in the fund during the quarter. We sold our successful investment in Christian Dior. Additionally, global fertilizer and chemical producer OCI spun out its legacy construction business, Orascom Construction, in March, and we sold the Orascom shares, as they approached our appraisal.

We believe the Global UCITS Fund is well positioned to meet our absolute goal and deliver strong relative performance. The price-to-value ratio (P/V) is in the low-70s%. Global markets have little margin of safety, with mergers, acquisitions, initial public offerings (IPOs), and share buybacks near 2007 peak levels and at multiples well above our appraisals. We remain focused on owning discounted, strong businesses that can generate organic value growth and that have good managements who are pursuing opportunities to build and monetize value per share. We are engaged to varying degrees with our management partners and believe their near-term steps to close the gap in price will reward us.

See following page for important disclosures.

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.

Important information for Australian investors:
Southeastern Asset Management, Inc. (“Southeastern”) and Southeastern Asset Management, Inc. Australia Branch, ARBN 155383850, a US company (“Southeastern Australia Branch”), have authorised the issue of this material for use solely by wholesale clients (as defined in the Corporations Act 2001 (Cth)) of Southeastern or of any of its related bodies corporate. By accepting this material, a wholesale client agrees not to reproduce or distribute any part of the material, nor make it available to any retail client, without Southeastern’s prior written consent. Southeastern and Southeastern Australia Branch are exempt from the requirement to hold an Australian financial services licence (AFSL) under the Corporations Act 2001 (Cth) in respect of financial services, in reliance on ASIC Class Order 03/1100, a copy of which may be obtained at the web site of the Australian Securities and Investments Commission, <http://www.asic.gov.au>. The class order exempts bodies regulated by the US Securities and Exchange Commission (SEC) from the requirement to hold an AFSL where they provide financial services to wholesale clients in Australia on certain conditions. Financial services provided by Southeastern are regulated by the SEC, which are different from the laws applying in Australia.

Important information for Hong Kong investors:
No person may offer or sell in Hong Kong, by means of any document, any Shares other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance. No person may issue, or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Shares, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance. **WARNING:** The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about the contents of this document, you should obtain independent professional advice.

Important information for New Zealand investors:
No shares are offered to the public. Accordingly, the shares may not, directly or indirectly, be offered, sold or delivered in New Zealand, nor may any offering document or advertisement in relation to any offer of the shares be distributed in New Zealand, other than: (A) to persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money or who in all circumstances can be properly regarded as having been selected otherwise than as members of the public; or (B) in other circumstances where there is no contravention of the Securities Act 1978 of New Zealand.

Important information for South African investors:
This Document and any of its Supplement(s) are not intended to be and do not constitute a solicitation for investments from members of the public in terms of CISC and do not constitute an offer to the public as contemplated in section 99 of the Companies Act. The addressee acknowledges that it has received this Document and any of its Supplement(s) in the context of a reverse solicitation by it and that this Document and any of its Supplement(s) have not been registered with any South African regulatory body or authority. A potential investor will be capable of investing in only upon conclusion of the appropriate investment agreements. This document is provided to you for informational purposes only. For more information, including a prospectus and simplified prospectus, potential eligible investors should call Gwin Myerberg at 44 (0)20 7479 4212 or gmyerberg@SEasset.com. Potential eligible investors should read the prospectus and simplified prospectus carefully, considering the investment objectives, risks, charges, and expenses of the product, before making any investment decision. Past performance is no guarantee of future performance. The value of investments, and the income from them, may fall or rise and investors may get back less than they invested. Southeastern Asset Management is an authorized financial services provider with FSP No. 42725.

Important information for Belgian investors:
This document and the information contained herein are private and confidential and are for the use on a confidential basis only by the persons to whom such material is addressed. This document does not constitute and may not be construed as the provision of investment advice, an offer to sell, or an invitation to purchase, securities in any jurisdiction where such offer or invitation is unauthorized. The Longleaf Partners UCITS Fund has not been and will not be registered with the Belgian Financial Services and Markets Authority (Autoriteit voor financiële diensten en markten/Autorité des services et marchés

financiers) as a foreign collective investment undertaking under Article 127 of the Belgian Law of 20 July 2004 on certain forms of collective management of investment portfolios. The offer in Belgium has not been and will not be notified to the Financial Services and Markets Authority, nor has this document been nor will it be approved by the Belgian Financial Services and Markets Authority. The shares issued by the Fund shall, whether directly or indirectly, only be offered, sold, transferred or delivered in Belgium to individuals or legal entities who are Institutional or Professional Investors” in the sense of Article 533 of the Belgian Law of 20 July 2004 on certain forms of collective management of investment portfolios (as amended from time to time), acting for their own account and the offer requires a minimum consideration of €250,000 per investor and per offer. Prospective investors are urged to consult their own legal, financial and tax advisers as to the consequences that may arise from an investment in the Fund.

Important information for Italian investors:
No offering of shares of the Longleaf Partners Unit Trust comprised of the Longleaf Partners US UCITS Fund, Longleaf Partners Global UCITS Fund, and the Longleaf Partners Asia Pacific UCITS Fund (the “Funds”) has been cleared by the relevant Italian supervisory authorities. Thus, no offering of the Funds can be carried out in the Republic of Italy and this marketing document shall not be circulated therein – not even solely to professional investors or under a private placement – unless the requirements of Italian law concerning the offering of securities have been complied with, including (i) the requirements set forth by Article 42 and Article 94 and seq. of Legislative Decree No 58 of 24 February 1998 and CONSOB Regulation No 11971 of 14 May 1999, and (ii) all other Italian securities tax and exchange controls and any other applicable laws and regulations, all as amended from time to time. We are sending you the attached material as a follow up to the specific request received by you. You are fully aware that the Funds have not been registered for offering in Italy pursuant to the Italian internal rules implementing the UCITS IV directive. Therefore, you are expressly fully aware that the Italian protections granted by the applicable legal framework would not apply and you would be exclusively responsible for the decision to invest in the Funds. Moreover, you represent that you would only invest directly or on behalf of third parties to the extent that this is fully lawful and you comply with any conduct of business rules applicable to you in connection with such investment. You agree to refrain from providing any document relating to the Funds to any party unless this is fully compliant with applicable law.

Important information for Jersey investors:
Financial services advertisement. This document relates to a private placement and does not constitute an offer to the public in Jersey to subscribe for the Shares offered hereby. No regulatory approval has been sought to the offer in Jersey and it must be distinctly understood that the Jersey Financial Services Commission does not accept any responsibility for the financial soundness of or any representations made in connection with the Fund. The offer of Shares is personal to the person to whom this document is being delivered by or on behalf of the Fund, and a subscription for the Shares will only be accepted from such person. This document may not be reproduced or used for any other purpose.

Important information for Swedish investors:
The following materials are intended only for qualified investors. This material shall not be reproduced or publicly distributed. The Longleaf Partners Unit Trust is not authorised under the Swedish Investment Funds Act. The shares of the Fund are being offered to a limited number of qualified investors and therefore this document has not been, and will not be, registered with the Swedish Financial Supervisory Authority under the Swedish Financial Instruments Trading Act. Accordingly, this document may not be made available, nor may the shares otherwise be marketed and offered for sale in Sweden, other than in circumstances which are deemed not to be an offer to the public in Sweden under the Financial Instruments Trading Act.

Important information for Swiss investors:
The jurisdiction of origin for the Global UCITS Fund is Ireland. The representative for Switzerland is ACOLIN Fund Services, Ltd., Stadelhoferstrasse 18, 8001 Zurich. The paying agent for Switzerland is NPB Neue Private Bank Ltd., Limmatquai 1, 8022 Zurich. The Prospectus, the Simplified Prospectuses in respect of the Global UCITS Fund, the trust deed, as well as the annual and semi-annual reports may be obtained free of charge from the representative in Switzerland.

Important information for UK investors:

The KIID and Full Prospectus (including any supplements) for this fund are available from Southeastern Asset Management International (UK) Limited which is authorized and regulated by the Financial Conduct Authority in the United Kingdom. In the United Kingdom, this document is being distributed only to and is directed at (a) persons who have professional experience in matters relating to investments falling within article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 (as amended) (the "Order") or (b) high net worth entities and other persons to whom it may be otherwise lawfully be communicated, falling within Article 49(2) of the Order (all such persons being referred to as "relevant persons"). This document must not be acted on or relied on by persons who are not relevant persons. Any investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

Important information for Danish investors:

These materials are provided solely for use in a private meeting and are intended for informational and discussion purposes only. The views expressed herein represent the opinions of Southeastern Asset Management, Inc., Inc. and are not intended as a forecast or guarantee of future results for any product or service. Southeastern Asset Management, Inc. has not been approved to provide investment management services by the Danish Financial Supervisory Authority

Important information for China investors:

No invitation to offer, or offer for, or sale of, the shares will be made to the People's Republic of China ("PRC") (which, for such purposes, does not include the Hong Kong or Macau Special Administrative Regions or Taiwan) or by any means that would be deemed public under the Laws of the PRC. The information relating to the shares contained in this memorandum has not been submitted to or approved by the China Securities Regulatory Commission or other relevant governmental authorities in the PRC. The shares may only be offered or sold to investors in the PRC that are expressly authorized under the laws and regulations of the PRC to buy and sell securities denominated in foreign exchange. This document is addressed solely to and is for the exclusive use of China Investment Corporation. Any offer or invitation in respect of the Fund is capable of acceptance only by the abovenamed entity and is not transferrable. This document may not be distributed or given to any person other than the abovenamed entity. This document should not be reproduced, in whole or in part. Potential investors resident in the PRC are responsible for obtaining all relevant approvals from the government authorities of the PRC, including but not limited to the State Administration of Foreign Exchange, before purchasing the shares. This document further does not constitute any securities or investment advice to citizens of the PRC, or nationals with permanent residence in the PRC, or to any corporation, partnership, or other entity incorporated or established in the PRC.