July 2025

Longleaf Partners Global Fund 2Q25 Commentary

Longleaf Partners Funds

Fund Characteristics

P/V Ratio	High-50s%
Cash	8.8%
# of Holdings	22

All data as of June 30, 2025

				Annualized Total Return			
	2Q (%)	YTD (%)	1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)	Since Inception (%)
Global Fund	10.50	8.06	15.73	11.34	8.04	5.56	5.65
FTSE Developed	11.72	10.07	16.41	18.15	14.35	10.54	11.01
FTSE Developed Value	7.55	13.44	17.64	13.86	12.87	7.74	8.44

Inception date 12/27/2012. FTSE Developed Value Since Inception return is gross, as net return for that period is not available. All other performance figures above are net returns.

The last time we wrote to you, we were analyzing numerous opportunities in the wake of "Liberation Day." If there had been a week or so of continued market declines after that letter, the portfolio would have been much closer to fully invested. While we do not like slightly trailing the market as we were at June 30, doing so at a time like today could still prove prudent given the quality of what we own and the large discount at which it trades. We reinforced our confidence when we delivered relatively strong results during the more turbulent markets of mid-February through April.

Short-term stock returns are largely driven by the perception of near-term earnings per share. In our opinion, the overall market is not evenly distributing the widespread earnings uncertainty on a proper stock by stock basis. In our most recent Research

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 1.29%. The Global Fund's expense ratio is subject to a contractual fee waiver to the extent the Fund's normal operating expenses (excluding interest, taxes, brokerage commissions and extraordinary expenses) exceed 1.05% of average net assets per year. This agreement is in effect through at least April 30, 2026, and may not be terminated before that date without Board approval.

Perspectives note, we wrote about the intersection of indexing and "never let you down" stocks driving this phenomenon. As the quarter went on, we also saw a concerning amount of speculation in lower quality stocks. An early July headline in the Wall Street Journal said it well: "Meme Stocks and YOLO Bets Are Back and Fueling the Market's Rally." We continue to avoid popular favorites and tilt to where we believe near term emotions have led to mispricings in our favor. In a dislocated market like we have today, we can have an attractive price-to-value ratio (P/V) in the high-50s% and a price-to-free cash flow (P/FCF) multiple for the portfolio below 10x when the broader global market trades closer to 20x.

The securities we own all have stock-specific reasons they are undervalued, and some are also driven by a few themes worth calling out before we discuss individual holdings. First, we continue to own multiple securities with some kind of potential tariff impact. We have been encouraged to see Mattel, PVH and FedEx on offense with tangible actions such as share repurchases, insider buying and even a pending spin-off in the case of FedEx. Second, all things healthcare remain under a cloud with policy shifts from the new administration. While this industry still has many tailwinds as the population ages, "RFK-care" has given us another period of uncertainty like those around Obamacare and Hillarycare. Our holdings in Regeneron, Bio-Rad and Philips have management teams on offense that are growing the value in ways they can control via intelligent moves like share repurchase, when the industry (one not known for great capital allocation) is often going in the other direction. We also began purchasing another complementary healthcare holding after quarter-end. Third, energy stocks experienced significant volatility in the quarter, driven by both the war in Iran and various US government actions. We remain pleased with the value-creating actions that CNX and HF Sinclair are taking from their positions of strength.

Ultimately, the performance of our individual holdings will be the primary driver of portfolio returns. Below are some of the more notable contributors and detractors from the past quarter.

Notable Contributors & Detractors

Canal+ – French media company Canal+ was a top performer in the quarter. Canal+ is one of the entities Vivendi spun off last year. It had a difficult start as a standalone listing, as can happen sometimes with spin-offs. The company has since been finding its footing as the year has gone on, and it continues to be one of our most compelling ideas, which we detailed further in our May Research Perspectives note.

Glanbia – Irish sports nutrition company Glanbia was another solid contributor for the quarter. Glanbia reported results that were better than market expectations. While input costs remained high, they moved down from their peak levels, lending credibility to our belief that margins in the Performance Nutrition division should start to improve as the year goes on. The headwind on sales from the underperforming SlimFast and Body&Fit brands will also eventually abate as those businesses are going through a disposal/closure process. We are expecting further progress on strategic rationalization in H2. On July 1st, the Dairy Nutrition business began operating as a standalone unit, a precondition to launching a sale process for this division. Our valuation of this division accounts for almost 50% of Glanbia's current market cap, for a business the market largely ignores. In the meantime, Glanbia has plenty of balance sheet capacity for further buybacks to create value from an undervalued share price.

Louis Hachette – French publishing and retail company Louis Hachette (LH), which was another Vivendi spin-off, was a contributor for the quarter. The company delivered strong operational results and significant progress towards simplifying its structure with Lagardere, a separate company which LH effectively controls. The share price also responded favorably to insider transactions increasing the likelihood of a value-accretive transaction between the two entities. There could be additional steps coming to grow and unlock value, as both the publishing and the travel retail assets are not yet optimized and have multiple paths to value creation on their own.

Kraft Heinz – Global food and beverage producer Kraft Heinz was a detractor for the quarter. Despite a sluggish food and beverage industry, the company's performance is underpinned by a quality mix shift towards premium offerings like Heinz, Philadelphia and Ore-Ida, among other power brands, that we believe the market is overlooking. There is also speculation that large shareholder Berkshire Hathway is considering decreasing its position, although we believe this situation is more nuanced. Further upside could materialize from the outcome of an ongoing strategic alternatives exploration.

Regeneron – Healthcare company Regeneron detracted in the quarter. While we have followed the company for a long time, Regeneron is a newer holding. The company has a net cash balance sheet and great owner-partners. Unlike most others in its industry, it has sworn off large M&A, and it recently began a share repurchase program. This quarter's performance was disappointing to the market due to a significant focus on Eylea, a retinal disease medication which constitutes less than 20% of the company's valuation. Later in the quarter, the company also had a negative clinical trial outcome for a potential new product. We took the opportunity to increase our position on the share price weakness when the stock price decline far outpaced the value per share impacts of these items.

FedEx – Global logistics company FedEx was a detractor for the quarter. Despite macro headwinds like continued tariff threats and weak demand for higher value shipping, the company demonstrated resilience. The impending Express and Freight separation is expected to unlock value by providing greater flexibility and accountability, addressing the market's undervaluation of Freight vs. peers and increasing capital discipline at Express. We were deeply saddened by the passing of Founder and Chairman Fred Smith. A legendary figure, he built FedEx into an industry giant through visionary leadership and brilliant strategic decisions. Beyond his immense business success, his quiet generosity and kindness, both globally and in our Memphis community, truly set him apart.

Portfolio Activity

During the quarter, we initiated four new positions: global apparel brand PVH, medical equipment and consumer products company Philips, an undisclosed leader in building products and an undisclosed global media and entertainment company. We know each of these companies well, have successfully owned them before, and we look forward to sharing more details about these holdings in the future. We exited four positions in the quarter: Angi (spin-off from IAC in the quarter); Affiliated Managers Group as markets hit highs and our case changed over the years; Reckitt Benckiser and Eurofins to fund other opportunities with a higher margin of safety. Since the quarter ended, we added new holdings to the portfolio as well. We are actively seeking more opportunities to further enhance the portfolio's quality and margin of safety. Our pipeline of potential investments is expanding, and we plan to deploy our cash balance in a measured way.

Outlook

We are optimistic about the future. The companies in our portfolio are making solid operational strides and are well-positioned for growth, despite new challenges and uncertainties caused by geopolitical tensions. While the market continues to reach new all-time highs and doesn't strike us as particularly attractive, the Fund's price-to-value ratio is in the high-50s%, a compelling opportunity with considerable margin of safety embedded. We are on track for solid returns and are pleased with our start to 3Q. Thank you for your continued partnership.

See following page for important disclosures.

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://connect.rightprospectus.com/Longleaf/TVT/543069504/P. Please read the Prospectus and Summary Prospectus carefully before investing.

RISKS
The Longleaf Partners Global 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. Investing in non-US securities may entail risk due to non-US economic and political developments, exposure to non-US currencies, and different accounting and financial standards. These risks may be higher when investing in emerging markets.

The FTSE Developed Index is a market-capitalization weighted index representing the performance of large and mid-cap companies in Developed markets. The index is derived from the FTSE Global Equity Index Series (GEIS) which covers 98% of the world's investable market capitalization. The FTSE Developed Value Index measures the performance of the investable securities in the developed large and mid-cap value segment of the market, which includes companies that are considered more value oriented relative to the overall market. 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. Indexes are unmanaged, do not reflect the deduction of fees or expenses and cannot be invested in directly.

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 holding 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.

"Margin of Safety" is a reference to the difference between a stock's market price and Southeastern's calculated appraisal value. It is not a guarantee of investment performance or returns.

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.

Price / Earnings (P/E) is the ratio of a company's share price compared to its earnings per share.

EBITDA is a company's earnings before interest, taxes, depreciation and amortization.

Net Asset Value (NAV) is a statement of the value of a company's assets minus the value of its liabilities.

A Basis Point is one hundredth of one percent.

As of June 30, 2025, the top ten holdings for the Longleaf Partners Global Fund: Canal+, 6.1%; IAC, 6.1%; EXOR, 5.8%: CNX Resources, 5.8%; Mattel, 5.6%; Glanbia, 4.8%; Kraft Heinz, 4.6%; PVH, 4.4%; Louis Hachette, 4.3%

and FedEx, 4.1%. 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.