September 2022

Longleaf Partners International Fund Commentary 3Q22

Longleaf Partners Funds

Fund Characteristics

P/V Ratio	Low-50s%
Cash	2.8%
# of Holdings	23

September 30, 2022	Annualized Total Return						
	3Q (%)	YTD (%)	1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)	Since Inception * (%)
International Fund	-12.25	-31.33	-30.29	-9.08	-5.66	1.30	5.00
MSCI EAFE	-9.36	-27.09	-25.13	-1.83	-0.84	3.67	3.60
MSCI EAFE Value	-10.21	-21.08	-20.16	-2.79	-2.74	2.39	4.13

*Inception date 10/26/1998

Longleaf Partners International Fund declined 12.25% in the third quarter, while the MSCI EAFE Index fell 9.36%, as we saw a continuation of persistent macro headwinds in Europe and Asia. The ongoing war in Ukraine, soaring energy costs, currency weakness versus the US dollar, rising inflation and fears of a recession have weighed heavily and indiscriminately on UK and European-listed businesses. Similarly in Asia, a slump in the property sector driven by higher interest rates, Chinese consumer weakness and the ongoing pressure of China's zero-COVID policy weighed broadly on markets, with the Hang Seng Index (HSI) falling 20%, an even larger decline than the 16% drawdown experienced in 1Q 2020 when COVID broke out in China.

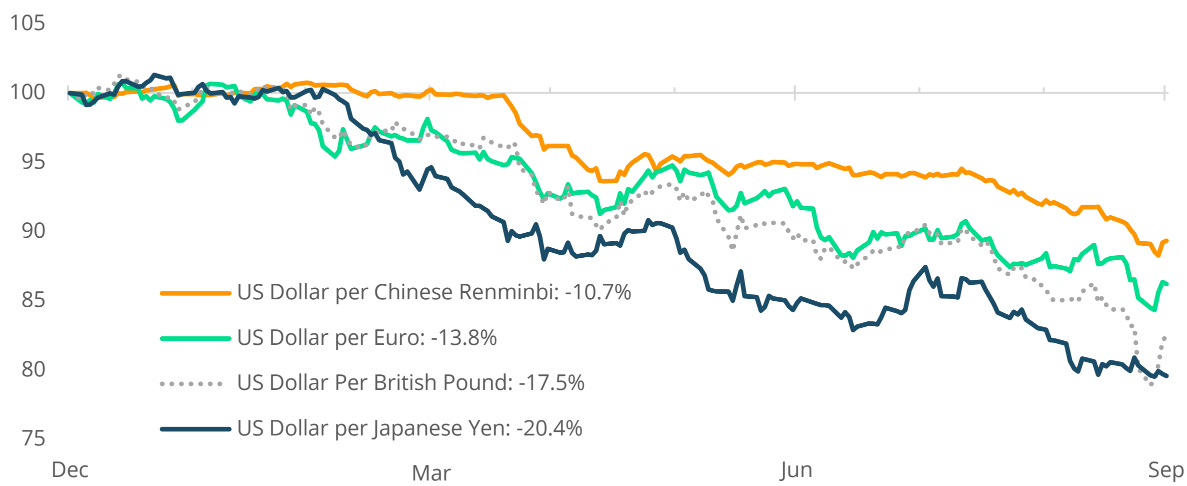
Returns reflect reinvested capital gains and dividends but not the deduction of taxes an investor would pay on distributions or share redemptions. Performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value of an investment 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 1.17%. The International 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 1.15% of average net assets per year.

Globally, investors were surprised by the hawkish stance of the European Central Bank with its 0.75% hike in September and a commitment to keep hiking rates aggressively to curb inflation. In the US, Chairman Powell's comment post the Federal Open Market Committee meeting about "taking forceful and rapid steps to moderate demand so that it comes into better alignment with supply" pushed treasury bond yields to decade highs.

As inflation continued to surprise on the upside, global markets weakened as the expectation of more interest rate hikes increased amidst talk of "demand destruction," higher unemployment, and slower growth. With the US rate hikes, the widening yield differentials between the US and foreign yield curves put further pressure on foreign exchange rates. The real yield spread between the US dollar and European and Asian currencies has increased significantly this year, as shown in the chart below:

Foreign Currency Weak vs. US Dollar

1/1/2022 to 9/30/2022

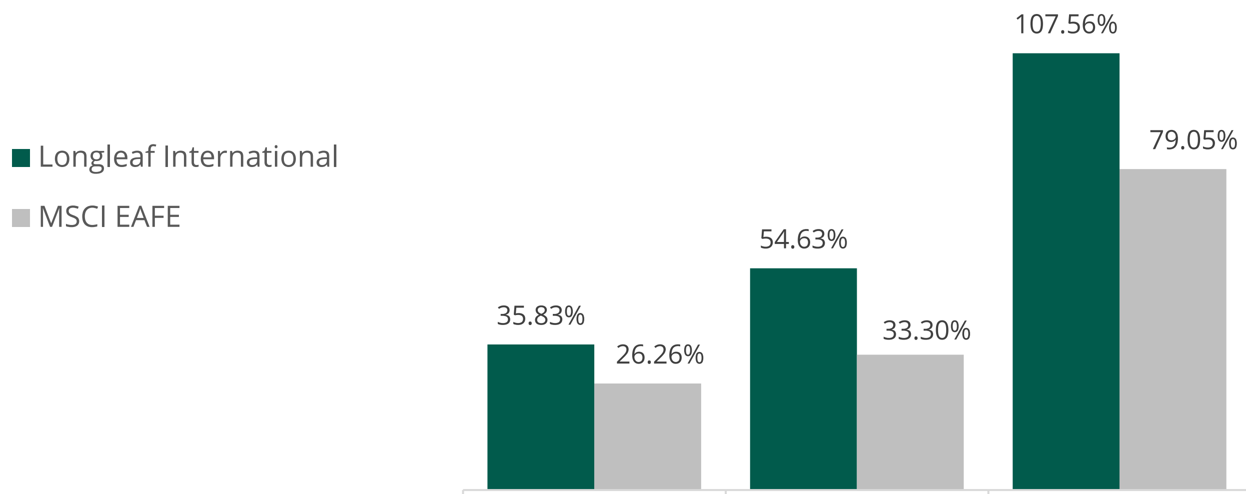


Source: FactSet

This disconnect is creating compelling investment opportunities. We believe the US dollar is extremely overvalued relative to global currencies and could provide a multi-year tailwind to Asian and European currencies if conditions reverse.

The International Fund is trading at a price-to-value (P/V) of 51%, a level only seen a handful of times in our history – during the Asian Financial Crisis and dotcom bubble in the late 90's – early 2000s (when the Fund was formed), in the global financial crisis in 2008-09 and briefly during COVID in early 2020. The performance rebound coming out of this historically low level has been significant and extended well beyond a one-year rebound as seen in the chart below.

Average Cumulative Returns Following P/V Less Than 51%



	1 Year	3 Year	5 Year
+/- Index	**9.57%**	**21.33%**	**28.52%**
# of Monthly Observations	20	20	20

Source: FactSet and Southeastern Asset Management

Past performance does not guarantee future results. Please see disclosure at end of document for exact time periods.

The current environment is yielding opportunities as compelling as we have seen in the history of the Fund. Our companies are in strong financial positions, and management teams are going on offense with self-help measures, such as spinning or selling assets, buying back heavily discounted shares and/or considering mergers and acquisitions for whole businesses. Additionally, insiders are investing personally at an elevated level, indicating a high level of management confidence.

We encourage you to watch our video with Portfolio Managers Josh Shores and Ken Siazon for a more detailed review of the quarter.

Contribution To Return

3Q Top Five

Company Name	Total Return (%)	Contribution to Return (%)	Portfolio Weight (%) (9/30/22)
Glanbia	7	0.34	6.8
EXOR	3	0.21	8.1
Melco International	4	0.19	4.5
Jollibee	5	0.13	4.3
HDFC	1	-0.01	2.7

3Q Bottom Five

Company Name	Total Return (%)	Contribution to Return (%)	Portfolio Weight (%) (9/30/22)
Alibaba	-29	-1.13	4.7
Accor	-23	-1.06	4.2
Domino's Pizza Group	-26	-1.02	3.4
Premier Foods	-23	-0.97	3.9
Prosus	-19	-0.94	4.6

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

- Alibaba - Alibaba, the largest e-commerce and cloud services provider in China, was the top detractor for the quarter in the face of China and Hong Kong macro concerns. The biggest value driver for Alibaba is domestic consumption, which has been softening in recent months in the face of property sector weaknesses, continuing pressure from the government's zero-COVID policy and a significant spike in youth unemployment rates (reaching almost 20% in the quarter). We have begun to see some progress, with policies announced to make more financing available to developers to finish uncompleted units. Additionally, COVID containment measures are beginning to ease with Hong Kong recently announcing an end to all quarantine requirements for international arrivals. While we recognize that top-line growth may be constrained in the near term, we believe Alibaba is still well positioned to grow its bottom line at a double-digit rate in coming quarters by reducing costs and reducing spend on strategic initiatives. Our management partners are going on offense through smart capital allocation and increased the buyback authorization in the quarter to $25 billion dollars.

- Accor – French hospitality company Accor was a top detractor in the quarter in the face of top-down macro worries in Europe. However, the company reported solid operating performance in the quarter with revenue per average room (RevPAR) and

EBITDA coming in ahead of expectations. CEO Sébastien Bazin is taking steps to monetize assets, including the recently announced sale of 10% of Accor's luxury and lifestyle business, as well as the sale of the company's Parisian headquarters at an impressive price. These transitions will bring over a half a billion of capital under the balance sheet, allowing management to go on offense in the current environment. We believe we have the right partners in place to navigate today's macro headwinds and to take advantage of the strategic opportunity in the company.

- Domino's Pizza Group – UK-listed Domino's Pizza Group (DPG) was one of the largest detractors in the quarter. DPG announced last quarter that CEO Dominic Paul was stepping down, driving a steep share price decline. This price weakness was further impacted in the third quarter by concerns over the UK consumer in the face of double-digit inflation and a weak pound for this business whose underlying ingredients are priced in dollars. Historically, fast food pizza has been very recession resistant. Although DPG is coming off COVID work from home highs, we believe the UK consumer concerns are more than priced in today. Additionally, in the quarter DPG announced that Elias Diaz will take over as Interim CEO. We helped place Elias on the board in 2019 and were also involved in the decision to appoint him interim CEO. He has extensive experience in the industry, understands capital allocation, has a great long-term track record of cost cutting and managing QSR brands and is an owner operator. The company is trading at 12x earnings power, has a robust balance sheet and has been buying back stock aggressively in the face of share price weakness.

Portfolio Activity

Market volatility has expanded our universe of compelling opportunities, but we currently have more ideas than cash. We added to three heavily discounted holdings in the quarter, trimmed two companies on the back of relative share price strength and exited our small position in adidas when it was announced that Kasper Rorsted would step down as CEO in 2022. We still regard the business highly but expect it could be a longer process and had more immediate highest and best use of capital in the portfolio.

Outlook

The International Fund is fully invested with less than 3% cash, and our on-deck list is growing longer and broader amid market volatility. The portfolio ended the quarter at a rare P/V ratio of 51%, a level from which the Fund has historically rebounded in a meaningful and sustained fashion. Our businesses have pricing power in the face of inflation, strong balance sheets with the ability to put cash to work in a distressed environment and clear paths to organic growth. Our management partners are actively pursuing catalysts that could drive significant performance payoffs.

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://southeasternasset.com/account-resources. Please read the Prospectus and Summary Prospectus carefully before investing.

RISKS
The Longleaf Partners International 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-U.S. 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.

MSCI EAFE Index (Europe, Australia, Far East) is a broad based, unmanaged equity market index designed to measure the equity market performance of 22 developed markets, excluding the US & Canada. The MSCI EAFE Value Index captures large and mid-cap securities exhibiting overall value style characteristics across developed markets countries.

The Hang Seng Index (HSI) records and monitors the daily changes in stock prices of the 50 largest Hong Kong stock market companies.

Average Cumulative Returns Following P/V Less than 51%: Month ends since October 1998 were identified where the Longleaf Partners International Fund's "price-to-value ratio" (P/V) was less than 51%. These month ends were 10/31/1998, 11/30/1998, 12/31/1998, 1/31/1999, 2/28/1999, 3/31/1999, 2/28/2000, 3/31/2000, 5/31/2000, 8/31/2002, 9/30/2002, 10/31/2002, 2/28/2003, 3/31/2003, 4/30/2003, 9/30/2008, 11/30/2008, 12/31/2008, 1/31/2009, 2/28/2009, 3/31/2009, 4/30/2009, and 3/31/2020. From each month end identified, the 1,3, and 5 year cumulative returns for the Fund and the MSCI EAFE were calculated. Those returns were then averaged.

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.

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

Earnings power is a measure of a company's ability to generate profits over the long-term, assuming current conditions generally remain the same.

The Global Financial Crisis (GFC) is a reference to the financial crisis of 2007-2008.

The Asian Financial Crisis is a reference to the financial crisis in 1997-1998 that spread across East Asia and impacted other parts of the world.

As of September 30, 2022, the top ten holdings for the Longleaf Partners International Fund: EXOR, 8.1%; Glanbia, 6.8%; Lazard, 5.4%; GRUMA, 4.9%; WH Group, 4.7%; Alibaba, 4.7%; Applus Services, 4.7%; CK Hutchison, 4.7%; Prosus, 4.5% and Melco International, 4.5%. 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.*

Funds distributed by ALPS Distributors, Inc.
LLP001362
Expires 1/31/2023