September 2022

Longleaf Partners Fund Commentary

3Q22

Longleaf Partners Funds

Fund Characteristics

P/V Ratio	High-40s%
Cash	1.7%
# of Holdings	20

September 30, 2022			Annualized Total Return				
	3Q (%)	YTD (%)	1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)	Since Inception * (%)
Partners Fund	-15.88	-29.34	-24.98	1.72	-1.19	3.93	8.81
S&P 500	-4.88	-23.87	-15.47	8.16	9.24	11.70	9.69
Russell 1000 Value	-5.62	-17.75	-11.36	4.36	5.29	9.17	9.28

* Inception date 4/8/1987

Longleaf Partners Fund declined 15.88% in the third quarter, while the S&P 500 Index fell 4.88%. In a volatile year for markets globally, we have put the Fund's cash to work in high-quality businesses that we are confident will come out of the current environment stronger than before and that we believe are currently trading at incredible bargains. We do not own consensus defensive stocks – simplistically defined as American-listed, consumer staples, health care and utilities. All three of these sectors in the S&P 500 currently trade well above their 15-year average price-to-earnings (P/E) ratios and, in

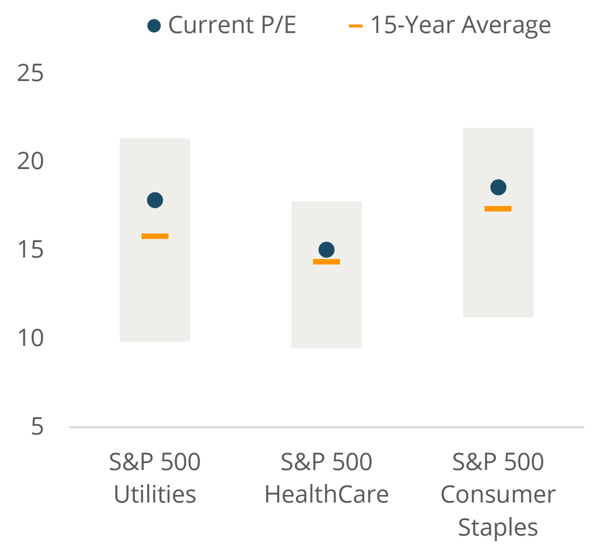
Returns reflect reinvested capital gains and dividends but not the deduction of taxes an investor would pay on distributions or share redemptions. Performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value of an investment 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 1.00%. Southeastern has contractually committed to limit operating expenses (excluding interest, taxes, brokerage commissions and extraordinary expenses) to 0.79% of average net assets per year. This agreement is in effect through at least April 30, 2023 and may not be terminated before that date without Board approval.

our view, are trading at 100% or higher of valuation. Warren Buffett's terms, the market is "paying a high price for a cheery consensus."

By comparison, the Fund is trading at a price-to-value (P/V) range in the high-40s%, a level only seen three times in our history – during the dotcom bubble in 2000, in the global financial crisis in 2008-09 and briefly during COVID in March 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.

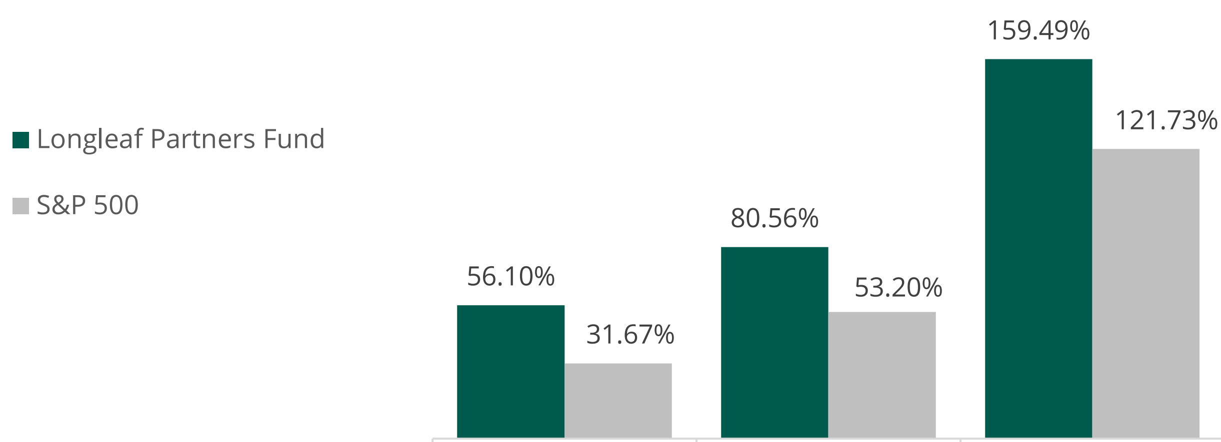
P/E Ratios for Defensive Sectors

Next Twelve-Month P/E (Monthly)



Source: FactSet

Average Cumulative Returns Following P/V Less Than 50%



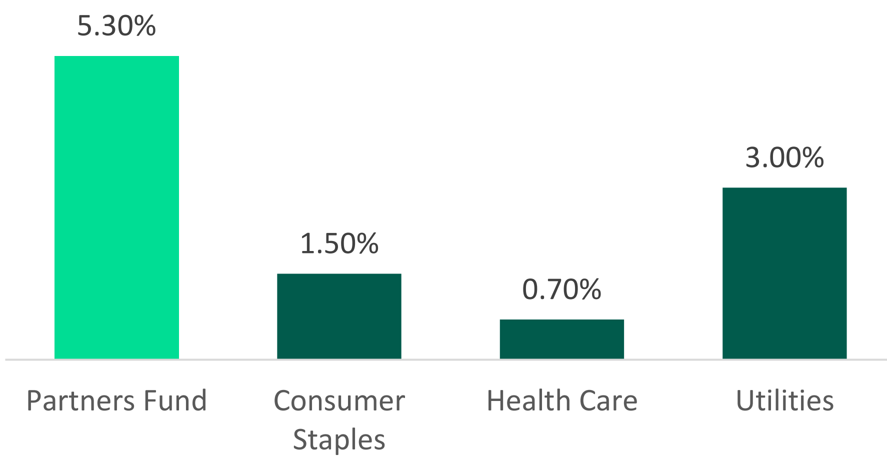
	1 Year	3 Year	5 Year
+/- Index	**24.43%**	**27.36%**	**37.76%**
# of Monthly Observations	9	8	8

Source: FactSet and Southeastern Asset Management

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

If our portfolio companies were privately owned, any objective view on progress made in the year and expected over the next twelve months – in book value per share, free cash flow per share and/or earnings per share growth – would be overwhelmingly positive. The table below highlights the free cash flow per share power growth expected in the next twelve months for our portfolio versus S&P 500 defensive sectors.

Free Cash Flow/Share Power Growth*



Source: FactSet and Southeastern Asset Management

* Free Cash Flow/Share Power Growth is next twelve-month EBITDA/share for both the Fund and Index, except for (% of Fund at 9/30/2022): Affiliated Managers Group (5.8%) and CNH Industrial (4.2%) where Earnings Per Share was used and Fairfax Financial (4.4%) where Book Value is used.

However, the positive developments in a challenging environment are not yet being reflected in public stock price performance. 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. The benefit of owning public equities is that we can take advantage of overblown price discounts in businesses whose management teams are actively taking steps to close the valuation gap in the coming months.

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

3Q Top Five

Company Name	Total Return (%)	Contribution to Return (%)	Portfolio Weight (%) (9/30/22)
Hyatt	10	0.31	6.0
Fiserv	5	0.12	5.1
MGM Resorts	3	0.01	5.7
Holcim	-4	-0.04	0.0
CNH Industrial	-3	-0.13	4.2

3Q Bottom Five

Company Name	Total Return (%)	Contribution to Return (%)	Portfolio Weight (%) (9/30/22)
Lumen	-32	-3.61	9.6
FedEx	-34	-2.23	5.2
Liberty Broadband	-36	-1.89	4.2
IAC	-27	-1.37	4.7
PVH	-22	-1.01	4.3

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

- Lumen – Global fiber company Lumen was the top detractor in the quarter. In September, the company announced a new CEO, Kate Johnson, would take over for Jeff Storey. Johnson has a strong track record of delivering organic revenue growth, the primary area where Lumen has struggled. Johnson held previous roles at GE and Microsoft, where she most recently served as head of Microsoft US and doubled her division's revenue in only four years. Multiple checks through our network vouch for her and suggest this leadership change is a positive upgrade that will bring the discipline and focus on sales that Lumen has been missing. The market reacted negatively with concern over the potential for another dividend cut or strategy change. We are confident the stock price reaction is highly overblown versus any impact that a potential dividend cut would have on value per share. The stock now trades at 4.5x EBITDA, and we believe the best value accretive capital allocation move today is share repurchase. Shortly after quarter end, Lumen closed on the sale of part of its consumer business to Apollo, further improving its balance sheet and business mix.

- FedEx – Global logistics company FedEx was another top detractor in the quarter after a large earnings miss, driven by its overseas express business. The decline in Asia was primarily macro driven, while the European miss was a combination of macro and service quality issues related to the TNT integration. Management is cutting costs and taking steps to address the service issues. To the positive, the US Ground and Freight businesses reported solid earnings growth. These domestic businesses alone are generating almost $15 per share in free cash flow power and are worth $240, significantly more than FedEx's share price today. In early October, the company announced an acceleration of its previously announced share repurchase program, a strong vote of confidence from management.

- Liberty Broadband – Cable and media holding company Liberty Broadband, which owns 26% of publicly traded Charter, was a detractor, as sentiment for its underlying, monthly-recurring revenue cable business swung from post-COVID winner highs to new lows. We have a long history of investing in the cable industry and partnering with the Liberty management team, who are taking steps to close the double valuation gap – at both the Charter and Liberty Broadband levels – through share repurchases and potentially other smart moves. We are paying a single-digit multiple of growing free cash flow per share for a business that has historically been recession resistant. This opportunity is a close parallel to our 2008 investment in Liberty Entertainment, which sold for half of the value of its underlying stake in DirectTV (which also sold for half of its value), and ultimately went on to be our top performer in 2009. Then, as now, we had Liberty management at the helm, who were laser focused on getting shareholders paid.

- IAC – Digital holding company IAC was also a detractor in the quarter. The company is viewed as a complex consumer internet company with a reliance on slowing advertising revenues. This reaction ignores IAC's strong balance sheet, as well as stability and growth at certain underlying holdings, such as MGM, which is benefitting from a strong COVID comeback. Additionally, privately held Turo, which is essentially an Airbnb for cars, has performed well and could be taken public when the time is right. Dotdash Meredith is a combination of online web brands, and the market is not giving credit for the potential merger synergies for the recently acquired Meredith business in this tougher environment. Angi, an online market for housing services, suffered as housing demand flipped dramatically in the year. While this is a long-term positive for the supply-demand dynamics of this platform, it has created uncertainty and price volatility in the short term. After quarter end, it was announced that IAC CEO Joey Levin has taken on the CEO role at Angi in what should be a positive move to accelerate its shift to profitability. The company also monetized yet another asset by merging its Bluecrew staffing business into a larger entity for stock and cash. Levin and Chairman Barry Diller have a history of creating value per year and are well positioned to go on offense in the current environment.

Portfolio Activity

Market volatility has expanded our universe of compelling opportunities. We purchased one new company that we have followed for years through ownership of its direct competitors. We had a rare opportunity to buy this high-quality business that has historically traded above our appraisal value at a temporary discount. We are still building the position and look forward to discussing in more detail. We added to two heavily discounted holdings in the quarter, trimmed several companies that held up relatively better and exited our small remaining position in Holcim in the quarter.

Outlook

The Partners Fund is fully invested with less than 2% cash, and our on-deck list is growing longer and broader amid market volatility. The portfolio ended the quarter at a near-all-time low P/V ratio in the high-40s%, 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 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 S&P 500 Utilities comprises those companies included in the S&P 500 Index that are classified as members of the GICS utilities sector.

The S&P 500 Health Care comprises those companies included in the S&P 500 Index that are classified as members of the GICS Health Care sector.

The S&P 500 Consumer Staples comprises those companies included in the S&P 500 Index that are classified as members of the GICS Consumer Staples sector.

Average Cumulative Returns Following P/V Less than 50%: Month ends since February 2000 were identified where the Longleaf Partners Fund's "price-to-value ratio" (P/V) was less than 50%. These month ends were 2/29/2000, 10/31/2008, 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 S&P 500 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.

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

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

Book value per share compares a company's per-share total assets less total liabilities to the total number of outstanding shares.

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.

Free cash flow per share is a measure of a company's financial flexibility that is determined by dividing free cash flow by the total number of shares outstanding.

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

As of September 30, 2022, the top ten holdings for the Longleaf Partners Fund: Lumen, 9.6%; General Electric, 6.1%; Mattel, 6.1%; Hyatt, 6%; Affiliated Managers Group, 5.8%; MGM Resorts, 5.7%; CNX Resources, 5.4%; FedEx, 5.2%; Fiserv, 5.1% and Warner Bros Discovery, 4.9%. 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.