Asia Pacific UCITS Fund Commentary

3Q23

Longleaf Partners Funds

For Professional Investors Only

Portfolio Returns on 30/9/23 – Net of Fees

Calendar Year Total Returns (%)

Past performance does not predict future returns.

	Class I (USD)	FTSE Asia Pacific (USD)	MSCI AC Asia Pacific (USD)	Class I (GBP)	FTSE Asia Pacific (GBP)	MSCI AC Asia Pacific (GBP)
2014*	-1.30	-1.34	-1.39	NA	NA	NA
2015	-2.74	-1.10	-1.96	NA	NA	NA
2016	12.29	5.32	4.89	NA	NA	NA
2017**	37.94	30.50	31.67	7.75	8.59	8.18
2018	-21.45	-13.76	-13.52	-16.94	-8.40	-8.14
2019	18.58	18.84	19.36	14.04	14.25	14.75
2020	10.97	19.77	19.71	7.50	16.07	16.01
2021	-14.70	-0.38	-1.46	-13.77	0.54	-0.55
2022	-8.24	-16.42	-17.22	2.70	-5.89	-6.80

* 2014 is a partial year, from inception of 2 December 2014

** 2017 is a partial year for Class I (GBP), from inception of 15 September 2017

Additional Performance Data (%)

Past performance does not predict future returns. The following performance is additional to, and should be read only in conjunction with, the performance data presented above.

	3Q23	YTD	1 Year	3 Year	5 Year	Since Inception 2/12/2014
APAC UCITS (Class I USD)	0.69	-3.41	13.81	-3.35	-2.63	1.71
FTSE Asia Pacific Index	-2.24	3.64	16.42	0.57	1.77	4.05
Relative Returns	+2.93	-7.05	-2.61	-3.92	-4.40	-2.34

Selected Indices	3Q23	YTD	1 Year	3 Year	5 Year
Hang Seng Index (HKD)	-4.31	-6.99	7.00	-5.98	-5.61
TOPIX Index (JPY)	2.36	25.58	29.63	15.38	7.61
TOPIX Index (USD)	-1.12	10.12	25.56	2.74	1.86
MSCI Emerging Market (USD)	-2.93	1.82	11.70	-1.73	0.55

Commentary

The Fund returned 0.69% in the third quarter, outperforming the benchmark by almost 3%. The outperformance was primarily due to our security selection in Hong Kong (HK)/China, including JS Global, which spun-off subsidiary SharkNinja on the NYSE in July, which helped the Fund's Hong Kong investments outperform the negative returns of the Hang Seng Index and the Chinese CSI 300 Index.

For the quarter, the weak performance of our Japanese investments was mainly driven by the performance of Oisix, the Japanese organic food delivery and e-commerce service, and, to a lesser extent, by the further depreciation of the Japanese yen. Oisix's growth in the June quarter was weaker than the company's full-year growth and operating margin targets, primarily due to lower-than-expected subscriber growth and higher subscriber churn. (See below for further commentary on Oisix)

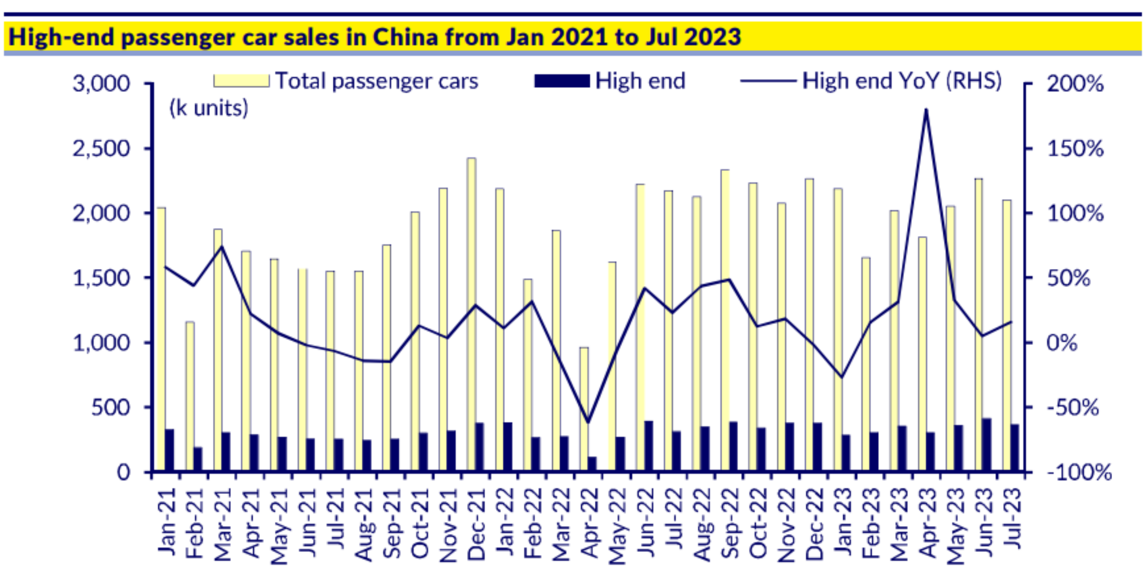
Bloomberg China Real Estate Owners and Developers Index

The Chinese capital markets weakened further in Q3, reflecting disappointment in weaker-than-expected consumption trends and further bad news in the real estate sector, which drove the gauge of Chinese real estate developers to levels even below the October 2022 lows. New home sales continued to weaken in the third quarter and are around 40-50% lower than 2019 levels. August shook market confidence further, with Country Garden, a major Chinese real estate developer, missing bond payments and the detention of the Chairman and executives of Evergrande, China's largest Chinese property developer.

In recent months, the Western press has portrayed China as melting down, and on the verge of economic collapse, which has been reflected in further weakness in the HK/Chinese capital markets. However, the reality we see through ongoing discussions with companies and tracking of macro indicators is very different and represents an opportunity. We were in HK and Macau in May, September, and again in October, for in-person meetings with management teams in addition to many Zoom meetings to triangulate, test, and confirm our assumptions as we re-underwrote our Chinese investments.

Our exposure to the weak Chinese real estate sector is small and is mainly through CK Asset (CKA), which has very low financial leverage and is well-positioned to take advantage of the opportunity ahead with a successful track record of buying distressed assets. The dislocation in HK/Chinese real estate markets is creating an opportunity for CKA to actively acquire attractively priced HK land bank as peers are busy dealing with debt refinancing issues or indigestion from too much inventory acquired at a high cost. CKA is also taking advantage of the weak sentiment in the HK stock market to repurchase its severely discounted shares. Reflecting its solid financial condition and confidence in its ability to achieve attractive returns, CKA is the fifth largest share repurchaser (October 10 YTD) in HK and the only HK-listed residential real estate developer repurchasing shares in significant size.

We have limited secondary exposure to the Chinese real estate market through Man Wah, the dominant maker of recliner sofas in China. However, Man Wah derives over 60% of its China revenue from replacement demand. In addition, Man Wah is also increasing its exposure in the international markets (US and EU). Founder Chairman Wong Man Li has bought over $10 million in shares in recent weeks, and the company has also repurchased shares in recent months, reflecting its strong balance sheet and undervaluation.



Source: CAAM, CLSA

In the auto sector, China MeiDong, the HK-listed Porsche and BMW dealer in China – a main detractor to returns in the quarter and year – is not seeing the kind of deterioration in its business that is reflected in its share price. While conditions became tougher beginning in May, the company is not seeing further deterioration, this is supported by China Passenger Car Association (CPCA) reporting retail passenger car sales numbers for

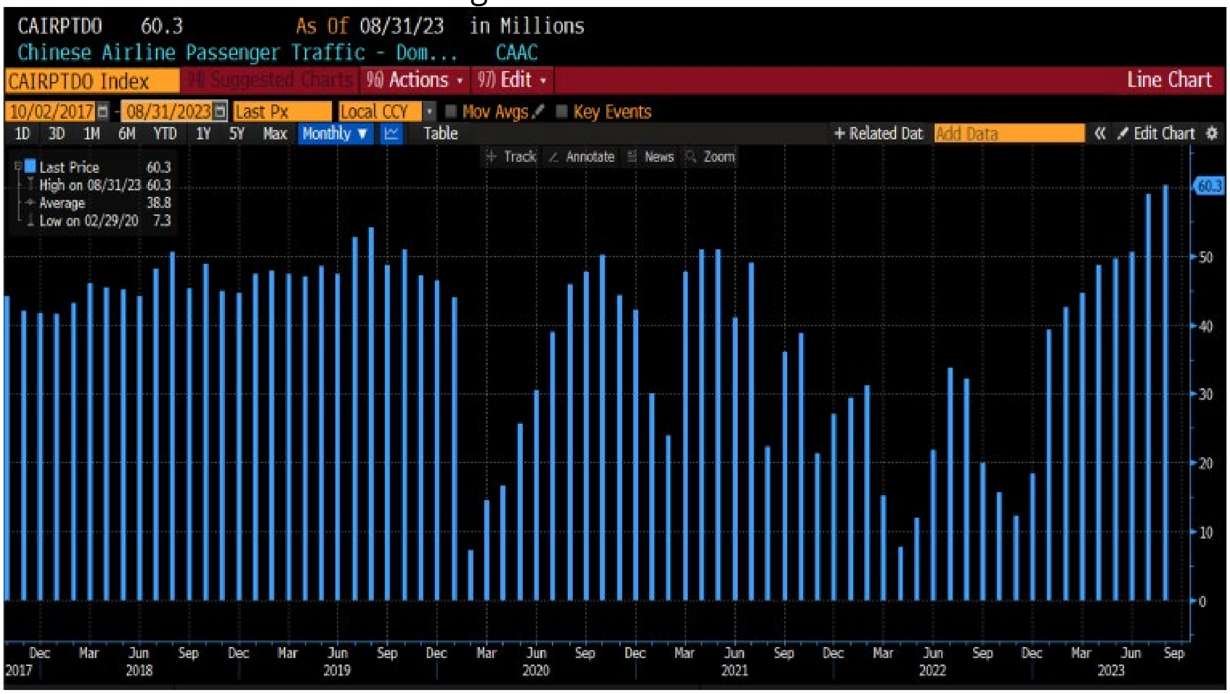
September 2023 to be up 5% YoY and 5% MoM. MeiDong's first-half revenue was down 2% YoY, with new car sales revenue down 5%, offset partially by after-sales service revenue up 19%. Industry passenger car unit sales have also remained stable. The market is concerned about MeiDong's convertible bond (which is deeply out of the money with a conversion price of HK$44.76), which provides investors a put option in January 2025. If the entire convertible bond is put back to MeiDong, they will have to repay about 2.7 billion RMB. MeiDong can comfortably meet its contingent put obligation as it already has 2.3 billion RMB in cash overseas, and it plans to transfer another 1 billion overseas in the next twelve months. MeiDong is focused solely on cash flow, with inventory running at around the 10-day level. The 1000 basis point credit spread implied in the 14.8% yield to put reflects extreme fears about China that have been magnified by the Western press in recent months, and the 18% yield of the Bloomberg Asia ex-Japan China High Yield index, which is skewed by the heavy weighting of distressed Chinese real estate issuers. MeiDong is very close to being net cash and should achieve net cash status in the next few quarters, as MeiDong generates free cash flow, even in these tough markets. We are confident that MeiDong will be able to repay its debt obligation in January 2025.

Bloomberg China HY Index (Yield to Maturity)

Our Chinese internet companies posted double-digit revenue gains – with June quarter revenues up 14% at Alibaba, 15% at Baidu, and 11% at Tencent. Our recent meetings with our travel and hotel investments – Tongcheng, H World Group, MGM China, and Melco International – confirmed the strong recovery momentum in their businesses. In Q2, online travel agency Tongcheng Travel Holding's domestic air ticket volume grew by 40% compared with Q2 2019, and domestic room nights sold grew by over 130% compared with Q2 2019.

Our newest investment – luggage maker Samsonite International – experienced strong revenue growth in China, with recovery accelerating in the summer months. While China revenue was negative 10% in Q1 vs 2019, it was positive 10% in Q2, and 18% in July. August sales were as strong as July.

Domestic Chinese Airline Passenger Traffic



Macau Visitor Arrivals

This recovery trend can also be observed in macro passenger indicators for China air traffic as well as visitor arrival data in Macau, which has shown very strong passenger arrival trends in August. More recently, during the 8-day Golden Week holiday in October, there were 932 thousand visitors to Macau, with the average daily visitor count rebounding to 89% of 2019's Golden Week visitor count, with the average hotel occupancy rate reaching 88%. Daily visitor arrivals to Macau during the October Golden Week were also 18.7% higher than the

Labor Day Holidays at the end of April. MGM China had an extremely strong October (7-day) Golden Week GGR (Gross Gaming Revenue) performance, which was more than 50% better than the May holidays this year and more than 80% better than its comparable October Golden Week in 2019. It's clear that player quality is very high, with the recovery being led by premium mass – high-end clientele spending large amounts of pent-up savings. In the second quarter, MGM China's adjusted EBITDA was already 20% higher than in 2019. We expect MGM China's third quarter to be even stronger than the second quarter, given the continuing strength in Macau visitation numbers in the third quarter.

Domestic flights during the October Golden Week were 115% of the 2019 average, while China international flights execution overseas recovered to 91% (source: JP Morgan), with Holiday Tourist Expenditure per Capita rising to 98% of 2019 levels, from 85% during the Labor Day Holiday. The National Immigration Administration reported 11.8m total cross-border traffic, which is 85% of the 2019 level.

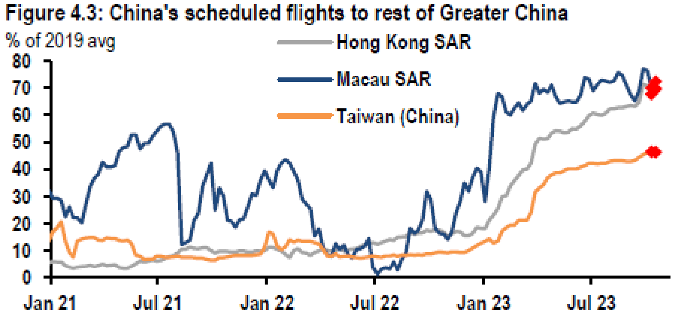
Figure 4.1: Mainland China domestic flights execution

Source: Wind, J.P. Morgan

Figure 4.2: Mainland China flights execution to overseas (int'l)

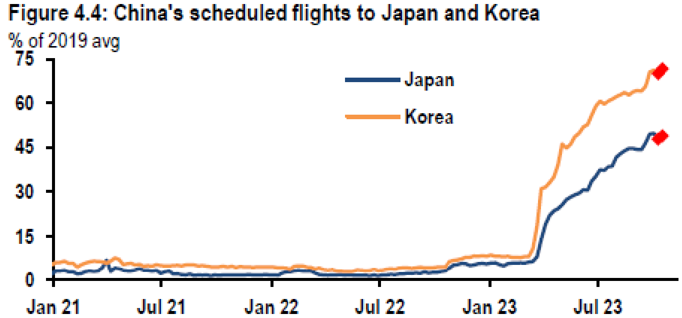
Source: Wind, J.P. Morgan

Figure 4.3: China's scheduled flights to rest of Greater China



Source: OAG Schedules Analyzer, J.P. Morgan Transportation team
Note: Red markers for coming 2 weeks as of October 17.

Figure 4.4: China's scheduled flights to Japan and Korea



Source: OAG Schedules Analyzer, J.P. Morgan Transportation team
Note: Red markers for coming 2 weeks as of October 17.

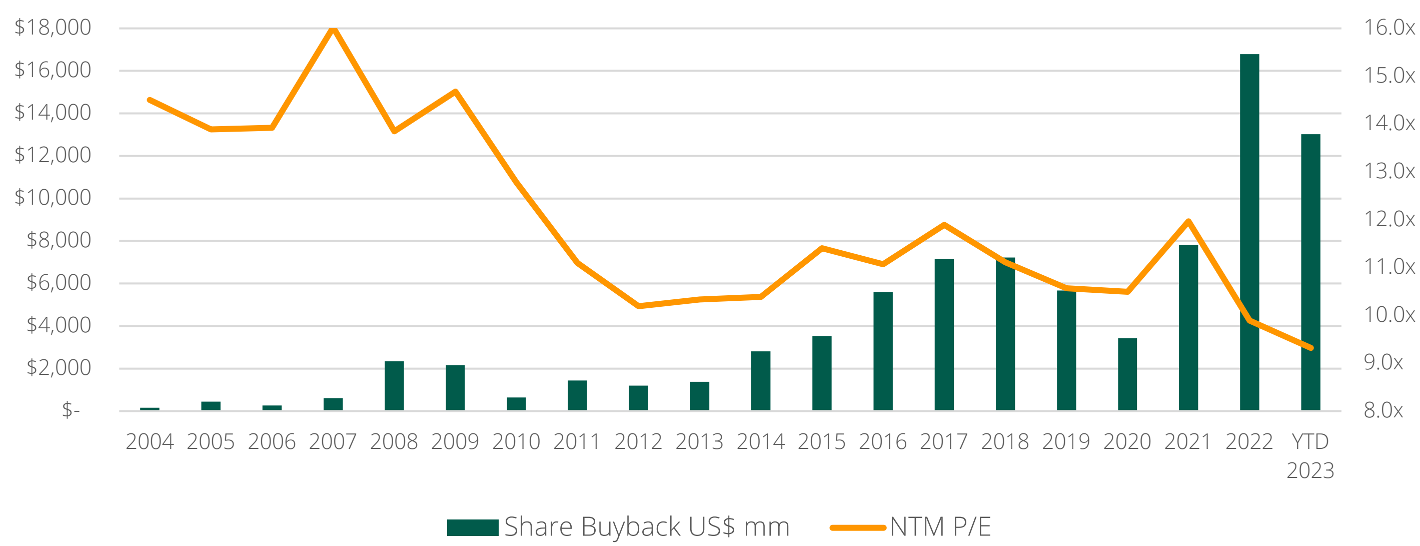
Meituan, the food delivery platform, announced that average daily consumer spending on its online platform during the holidays was up 153% vs 2019, and dine-in restaurant consumption was up 254% vs. 2019. This was the highest in five years. In addition, food orders from non-local consumers in remote areas were up 500%, with average miles traveled per capita on shared bikes up 100%.

A total of 826 million domestic passenger trips were made in China during the eight-day Mid-Autumn Festival and National Day holidays, a YoY increase of 71% and up 4% from 2019. Holiday tourism generated 753.43

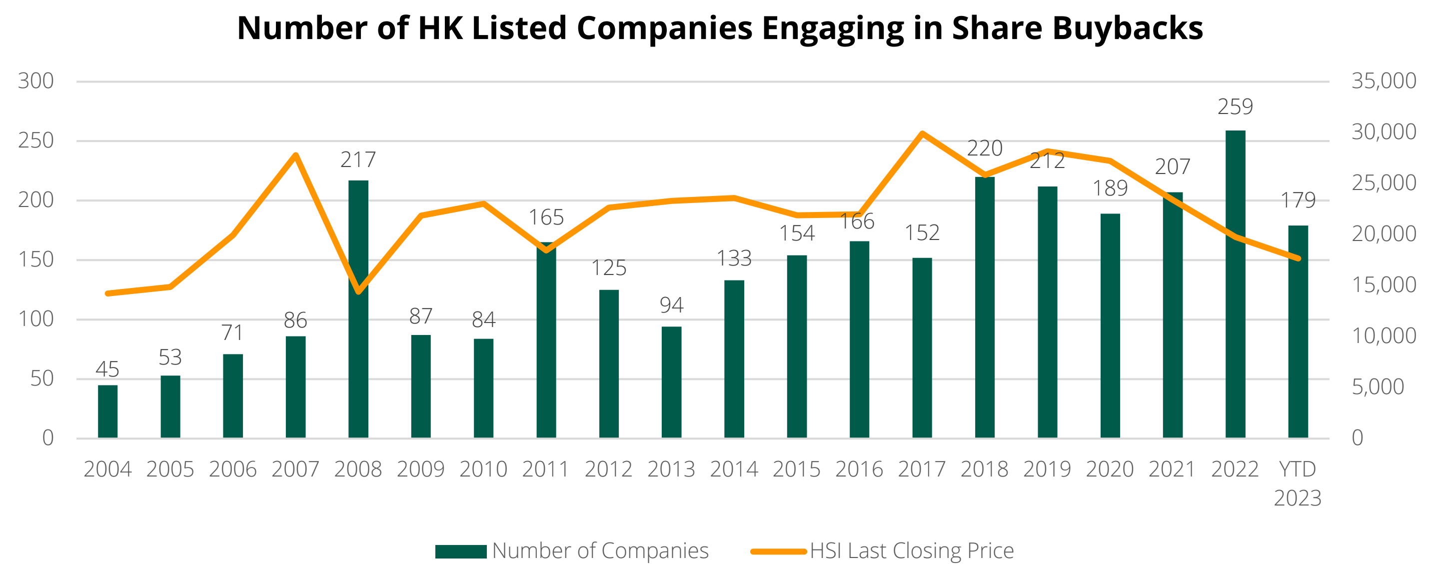
billion yuan ($104.68 billion), up 129.5% YoY and a 1.5% increase from 2019 (on a per-day basis), according to official data from the Ministry of Culture and Tourism. While the recovery has been patchy in certain sectors, our high exposure to the cashed-up Chinese consumer through our investments in the travel, hotel, leisure, and internet sectors has worked, as they are experiencing strong recovery momentum. China MeiDong, the Porsche and BMW dealer, is facing more headwinds, as cars are big-ticket consumer discretionary items.

The Hang Seng Index is 37% lower than at the end of 2019, yet many of our HK-listed companies are recovering strongly and/or exceeding 2019 levels of revenues. HK listed Samsonite's second quarter adjusted revenues were up 14.6% vs. 2019, and adjusted net income was up 28% vs. 2019, helped by EBITDA margins that are 540 basis points higher than pre-Covid. Yet, it trades at 8x forward EBITDA, lower than the 9.2x that it traded in 2019, but with structurally higher margins and a much higher growth trajectory, as the travel recovery tailwind will continue to benefit Samsonite. HK-listed MGM China trades at 8.5x forward EBITDA – at the low end of its historical trading range – even though they've increased market share from 9% pre-Covid to mid-teens share and are generating at least 20% higher EBITDA than pre-Covid and will benefit from the industry recovery tailwind. This HK discount has grown larger as the Hang Seng Index is experiencing an unprecedented fourth consecutive year of negative returns. As the HK discount gets larger, management teams are taking advantage of the situation to increase share repurchase volumes, and company insiders are meaningfully stepping up insider buying.

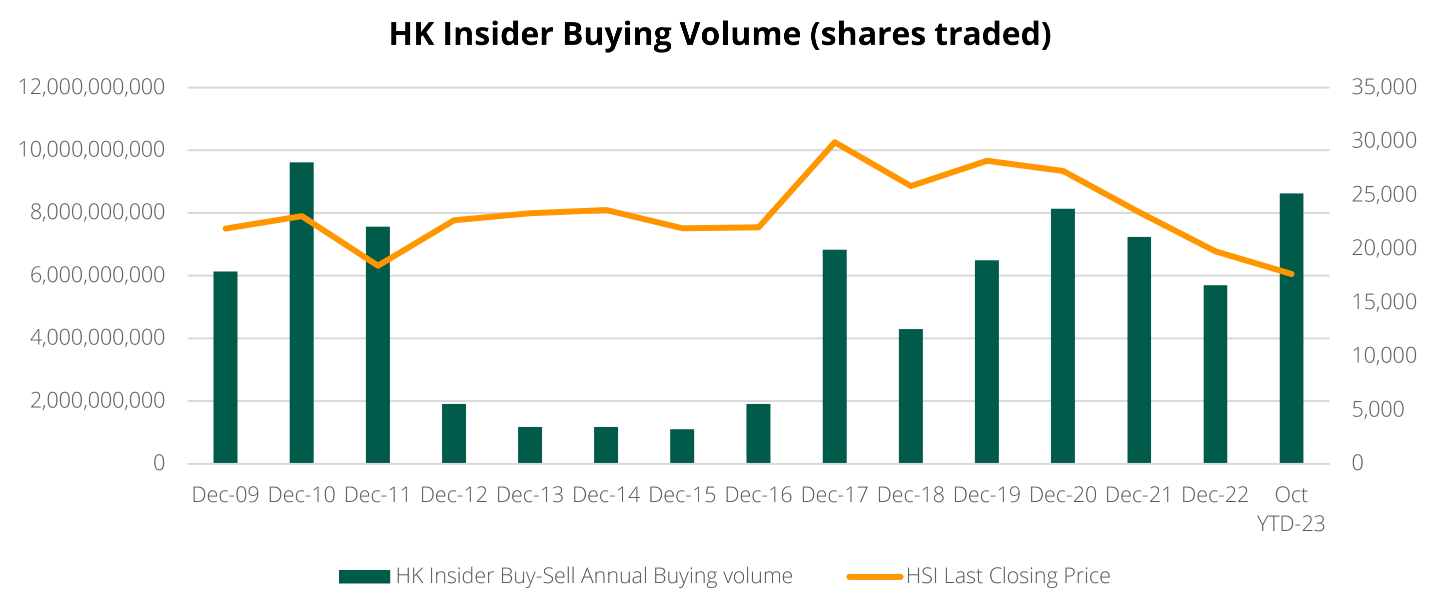
HSI Buybacks vs. Trading Multiples



Source: webb-site.com / Factset



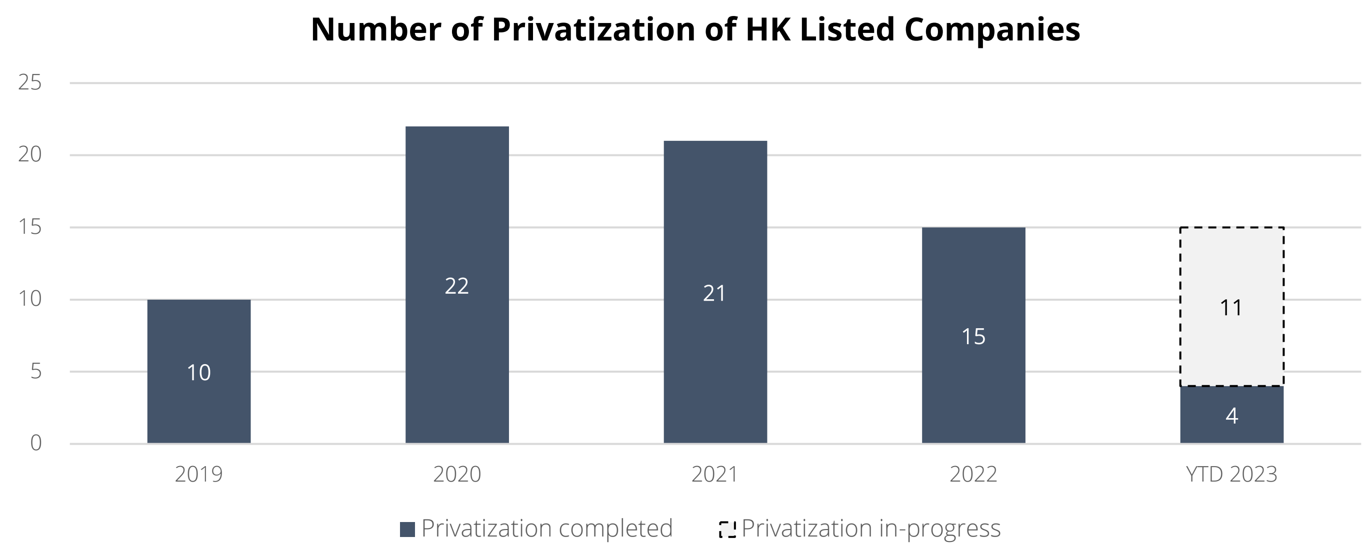
Source: webb-site.com



Source: 2iqresearch.com

Within our portfolio, we had two HK-listed companies – Alibaba and JS Global – announce or execute radical restructurings of their businesses to unlock shareholder value in the quarter. L'Occitane, another HK-listed holding, suspended trading for several days, as Reinold Geiger, the Chairman and controlling shareholder, contemplated making a bid to privatize the company. Prosus continued its open-ended buyback program, repurchasing 27% of its free float in the last 15 months and unwound its crossholding with Naspers. More management teams are taking decisive actions to enable their 'coiled springs' to uncoil and release significant amounts of shareholder value. The listing of SharkNinja (SN) on the NYSE and distribution to shareholders of

100% of SharkNinja is a good example of the uncoiling that can be achieved by motivated management teams in HK. The combined market value of SharkNinja and JS Global is more than double the market value of JS Global pre-spin.



Source: HKEX / SCMP

In recent years, owner-operators of HK-listed entities have become increasingly frustrated with their market valuations, resulting in an increasing number of companies being taken private. The number of privatizations doubled in 2020 and 2021 vs. 2019, when valuations collapsed and financing costs were low. While it might seem that privatization offers have been slowing down in 2022 and YTD 2023, we believe this could be attributable to the much higher interest rate environment; interest rates increased rapidly in the 2nd half of 2022. 3M HIBOR is up about 10x from 2020 levels at 5.2% – making privatization financing significantly more expensive this year than in previous years. We believe that significantly higher LBO financing costs were a major consideration in L'Occitane Chairman Reinold Geiger's decision not to proceed with a takeover offer.

We believe discussions on how to solve the valuation discount are considered more and more often at board meetings of our portfolio companies. The nature of our interactions with management teams has not changed, but as they grow more frustrated with their valuations, the content of our meetings has shifted to deeper discussions regarding the options available to them to unlock value.

Portfolio Review

3Q23	Contribution to Portfolio Return (%)	Total Return (%)
Top Five		
SharkNinja	+4.53	+112
L'Occitane	+0.90	+24
MGM China	+0.81	+12
Tongcheng	+0.23	+5
Alibaba	+0.22	+5
Bottom Five		
Oisix	-1.52	-37
China MeiDong	-1.33	-52
HDFC	-0.47	-10
Melco International	-0.46	-14
CK Hutchison	-0.45	-11

2023 YTD	Contribution to Portfolio Return (%)	Total Return (%)
Top Five		
SharkNinja	+4.53	+112
MGM China	+1.24	+19
Baidu	+1.05	+19
Hitachi	+0.92	+24
JS Global	+0.69	+10
Bottom Five		
China MeiDong	-3.19	-72
Oisix	-1.57	-36
Man Wah	-1.26	-28
Seria	-1.09	-31
Melco International	-1.09	-26

Samsonite International

We initiated a new position in **Samsonite** in the third quarter to capitalize on the global travel recovery post-Covid. Samsonite is the largest bag and luggage manufacturer globally, with a 16% market share. It operates key brands such as Tumi, Samsonite, and American Tourister. Samsonite currently trades at lower EBITDA multiples than it did in 2019. This is despite a structurally better business, along with higher margins, better brand positioning, and faster earnings growth as it benefits from Covid reopening in Asia, and the growth of Tumi, its high-margin business. During the pandemic, Samsonite restructured its business; it reduced store count by 23% by shutting down loss-making locations, cut 30% of SKUs, and reduced non-revenue producing overhead. While Chinese domestic travel has recovered nicely (exceeding 2019 levels), outbound travel is still lagging. Currently, Asia, its highest margin region, is still running below pre-pandemic levels due to visa and passport application processing bottlenecks, expensive airfares due to capacity shortages, and the inability of most airlines to fly through Russian airspace. As this key region recovers, we expect operating leverage from its cost savings to flow through, translating to higher margins, and the resumption of dividends by next year, which was canceled during Covid, and further debt reduction. Samsonite is targeting a 25% revenue CAGR for Tumi (low-70s GPM) from FY22 to FY27, with a focus on growing Tumi in Asia and Europe. Tumi's growth is margin accretive as its gross margins are about 12% better than the corporate average. Tumi's growth has been profitable, with Tumi stores in China achieving a payback period of 4-5 months, compared to 1.5 years for its US stores. Furthermore, in India, the current mix of American Tourister/Samsonite is 90%/10%—implying a significant runway for growth for Samsonite, with the company's gross margin being about 11 percentage points higher than American Tourister. While Samsonite is a Hong Kong-listed company, it only derives 8% of its revenue from China. Its geographical diversification helps insulate it from weakness in a particular region. Samsonite was listed on the HK Stock Exchange in 2011 to take advantage of the China premium at 18x earnings. Today, it suffers from a China discount, trading at 10.7x forward earnings, with consensus EPS projected to grow 16%, despite China only accounting for about 10% of sales. We are certain that Samsonite's valuation would be higher if it were listed in another geographic listing location.

We exited our investments in CK Hutchison and Gree Electric and are redeploying the cash into better uses of capital, such as Samsonite International.

SharkNinja, a leading small household appliance manufacturer, was a contributor for the quarter. SharkNinja was spun out of HK-listed JS Global Lifestyle and distributed to shareholders on July 31st. It continued to perform, achieving revenue growth of 7.6% YoY in North America, and 79.5% in Europe in the second quarter. In North America, retailers' inventory destocking issues have begun improving, with SharkNinja noting that sell-in to retail channels are now equivalent to sell-out. In addition, last year's headwind of higher shipping costs has now started to translate into a tailwind as shipping costs normalize, with GPM increasing 400bps YoY to 43.5%. We remain positive on SharkNinja's outlook as retailer inventory destocking ends, and retailers begin building inventory for the peak fourth quarter holiday season, and SharkNinja continues to grow in underpenetrated international markets.

L'Occitane, the natural and organic-based beauty products company, was a contributor for the quarter. L'Occitane reported its Q1/FY2024 results in late July, with overall revenue growth of 24% YoY. New brands such as Elemis and Sol de Janeiro grew 24% and 171% YoY, respectively. By region, APAC, Americas, and EMEA grew 11%, 57%, and 6% YoY in constant currency terms. This momentum is expected to continue, with management noting that July sales for China, the US, and Greater Europe are in line with Q1 results. The L'Occitane Group continues to penetrate new channels and regions, with Sol de Janeiro entering Southeast Asia with Sephora and Grown Alchemist launching in Sephora China. Sol de Janeiro is expected to enter the Chinese market in 2024, and Elemis is expected to enter the Sephora US channels in 2024.

Tongcheng Travel, a leading online travel agent in China, was a contributor during the quarter. Tongcheng posted a strong set of second-quarter results, generating record quarterly revenue and profits. Its GMV grew 146% YoY to RMB 59.7bn, accommodation revenue increased by 94% YoY (or 91% compared to pre-Covid), and transportation revenue increased by 141% YoY (up 60% compared to pre-Covid). Its adjusted net profit is up 4x YoY thanks to the strong revenue growth and high ROI sales and marketing investments. The strong momentum continued during the Golden Week holidays despite macro concerns. Its hotel room nights during the October Golden Week were 100% higher than in 2019, and air ticket volume and price were 30% and 16% above 2019 levels, respectively. Train ticket revenue was also up 90% compared to 2019, thanks to better monetization. We believe Tongcheng will continue to generate sustainable growth thanks to the reopening and the management's consistent superior execution, which has driven market share gains.

Alibaba, China's largest e-commerce operator and cloud services provider, was a contributor for the quarter. Alibaba reported better-than-expected June quarter results, with its revenue up 14% YoY, adjusted EBITA up 32% YoY, and free cashflow up 76% YoY. The company generated $5.4bn free cash flow and bought back

$3.1bn worth of shares in the quarter. Despite Alibaba losing share to new-age short-form video competitors like Douyin and Kuaishou and legacy players like PDD, Alibaba will continue to post resilient growth rather than shrinking as the 5x free cash flow multiple would imply. We are encouraged to see the management team taking aggressive actions, including buybacks and a radical reorganization to tackle its valuation discount.

MGM China, one of six Macau casino and resort operators, was a contributor for the quarter. MGM China reported its 1H23 results in early August, printing strong revenue growth of 331% YoY, and 86% QoQ as visitor arrivals continue to recover. During the Golden Week (Sept 29 – Oct 4), Macau inbound visitation continues to recover, reaching ~86% of 2019 pre-Covid levels. In late September, Macau's Secretary for Security announced that they would be considering the criminalization of unlicensed money changing, causing volatility in Macau gaming stocks. However, we note that this is not the first time authorities have reportedly considered tightening scrutiny on unauthorized money exchanges in Macau. MGM China has achieved outstanding results with market share gains, which has resulted in them achieving the greatest gains vs. 2019 performance among peers. MGM China is benefitting greatly from the high quality of their customers; the average bet size has increased significantly from 2019 levels.

Oisix, the leading online fresh food retailer in Japan, was a detractor for the quarter. Oisix posted weak June quarter results. The company posted 29.3bn revenue (+4.9% YoY) with 1.1bn operating profit (3.8% operating profit margin), which was well below the company's annual guidance of 9.8% revenue growth and 4.7% operating profit margin. Despite the company maintaining its annual revenue and operating profit guidance, the market is concerned about the deceleration in the topline coupled with weak operating profit growth. All three domestic B2C subscription businesses (Oisix, Daichi wo Mamorukai, Radish Boya) posted a decline in ARPU on a YoY basis because of the weak consumer confidence from inflation and a shift in spending towards services and activities. The subscriber churn rate was also higher than expected, offsetting gross new subscriber acquisitions. Oisix is testing various measures to find the optimal acquisition of new customers, and execution will be closely monitored. We expect profitability to improve with the food rescue center that converts food waste into value-added products and the improvement in the productivity of the new logistics facility.

China MeiDong, a luxury auto dealer, was a detractor during the quarter. MeiDong reported its 1H23 results in September 2023, with revenue up 11.3% YoY, but gross profit down 25.0% YoY. The weakness in gross profit was attributable to weak new car sales margins, which declined from 5.2% in 1H22 to 0.2% in 1H23. New car sales margins were greatly impacted by (1) the oversupply of Porsche cars as demand recovery reverted in May 2023, and (2) BMW pushing for increased EV penetration as it sought to establish its brand in the EV space. These issues have since translated to concerns regarding their upcoming convertible bond potentially coming due in January 2025. Despite these macroeconomic headwinds, MeiDong was able to generate about RMB 314 million in free cash flow in the first half and now has about RMB 2.3bn of cash overseas to repay the convertible bond. Management is in active discussions with the OEMs to figure out the optimal supply-and-demand mix. As OEMs re-adjust their product mix and supply, this should aid new car sales margins.

HDFC Bank, the largest private sector bank in India by assets, was a detractor for the quarter. The merger between HDFC Ltd and HDFC Bank was completed on July 1st. We are now shareholders of HDFC Bank, one of the best-managed banks in India, which grew its loan book at a 12-year CAGR of 21%, deposits at 20%, and net interest income at 19% while maintaining best-in-class credit quality. Return-on-Assets stands at about 2%, with Return-on-Equity in the high teens. The weakness in its share price is due to accounting (non-economic) related changes to reported book values and lower-than-expected net interest margin due to excess liquidity at the time of the merger. We expect this merger to be highly synergistic, driven by lower cost of funds, better cross-selling opportunities, and lower operating costs. There is a long runway for growth for HDFC Bank, with financial services penetration in India still low. Credit has historically grown at two times the real GDP growth rate.

Melco International, the Macau casino and resort operator, was a detractor for the quarter. Unlike MGM China, which posted a positive contribution to the quarter, Melco's weakness stems from concerns regarding its upcoming debt repayments, with $2.8bn in debt repayments due in 2025. Headwinds are now behind us. Melco Resorts recently opened the W Hotel at Studio City in September, in addition to the high-end Epic Hotel in April. In addition, management has noted that Epic has been seeing good occupancy, with visitors staying longer, along with July and August improving month-on-month. As Mass continues to recover with Macau's inbound visitation recovery, cost savings from its previous restructuring will start to flow through, resulting in operating leverage and increased free cash flow.

CK Hutchison, the HK-based conglomerate of telecommunications, health & beauty, infrastructure, and global ports, was a detractor for the quarter. In the first half, CKH's telecommunications business posted a declining EBITDA of 5% YoY due to continued weakness in the UK and Italy. Its underlying ports business EBITDA declined 20% YoY because of declining storage income and throughput and less contribution from a container shipping associate. CKH's retail business was the bright spot, posting 20% YoY EBITDA growth thanks to solid same-store sales growth in Asia and Europe and margin improvement in China. We expect near-term profitability to be weak because of the ongoing inflation negatively impacting its profitability. The lack of buybacks post the completion of the UK tower disposal last year is disappointing. We exited the position in the quarter.

See the following pages for important disclosures.

The Fund is actively managed. It uses the FTSE Asia Pacific Index (USD) (FactSet ID: 100658) as a 'comparator benchmark' to compare the performance of the Fund against, but which is not used to constrain portfolio composition or as a target for the performance of the Fund.

Risk/Reward Profile: As this Fund has such a broad selection of investment choices, there are many factors that could affect performance. These could include changes in the performance of different industrial sectors and individual securities. The performance of the Class I GBP Shares may also be affected by the exchange rate with US Dollars, the currency in which the Fund is denominated, as the Investment Manager will not purchase financial instruments to mitigate any such potential changes. Because the Fund generally invests in 20 to 25 companies, each holding could have a greater impact on the Fund's performance than if a greater number of securities were held. Because the Fund invests in companies located in the Asia Pacific Region, negative events related to the Asia Pacific Region could have a greater adverse impact on performance than in a more geographically diversified Fund. Investment in China and other emerging markets may expose the Fund to more social, political, regulatory, and currency risks than securities in developed markets. A party with whom the Fund contracts with regard to the Fund's assets may fail to meet its obligations or become bankrupt, which may expose the Fund to a financial loss. Derivatives may fluctuate in value rapidly and certain derivatives may introduce leverage which may result in losses that are greater than the original amount invested. Losses to the Fund may occur as a result of human error, system and/ or process failures, inadequate procedures or controls. The value of the shares may go down as well as up and investors may not get back the amount invested. For a more detailed explanation of these and other risks please refer to the Prospectus under the "Risk Factors and Special Considerations" section.

This is a marketing communication. Please refer to the link below for the Prospectus and other offering documentation before making any final investment decision. A Prospectus is available for the Fund and key investor information documents ("KIIDs") are available for each share class of the Fund. The Fund's Prospectus can be obtained from www.southeasternasset.comand is available in English. The KIIDs can be obtained from this website and are available in one of the official languages of each of the EU Member States into which each share class has been notified for marketing under the Directive 2009/65/EC (THE "UCITS Directive"). Full information on associated risks can be found in the Prospectus and KIIDs. In addition, a summary of investor rights is available on this website. The summary is available in English. The Fund is currently notified for marketing into a number of EU Member States under the UCITS Directive. KBA Consulting Management Limited ("KBA"), the management company, can terminate such notifications for any share class of the Fund at any time using the process contained in Article 93a of the UCITS Directive.

Any subscription may only be made on the terms of the Prospectus and subject to completion of a subscription agreement.

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.

"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.

Important information for Australian investors:
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Southeastern is 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 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 Global UCITS Fund and Longleaf Partners Asia Pacific UCITS Fund have 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 July 20 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 Funds 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 5§3 of the Belgian Law of July 20 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 Brazilian investors:
THE PRODUCTS MENTIONED HEREUNDER HAVE NOT BEEN AND WILL NOT BE REGISTERED WITH ANY SECURITIES EXCHANGE COMMISSION OR OTHER SIMILAR AUTHORITY IN BRAZIL, INCLUDING THE BRAZILIAN SECURITIES AND EXCHANGE COMMISSION (COMISSÃO DE VALORES MOBILIÁRIOS - "CVM"). SUCH PRODUCTS WILL NOT BE DIRECTLY OR INDIRECTLY OFFERED OR SOLD WITHIN BRAZIL THROUGH ANY PUBLIC OFFERING, AS DETERMINED BY BRAZILIAN LAW AND BY THE RULES ISSUED BY CVM, INCLUDING LAW NO. 6,385 (DECEMBER 7TH, 1976) AND CVM RULE NO. 400 (DECEMBER 29TH, 2003), AS AMENDED FROM TIME TO TIME, OR ANY OTHER LAW OR RULES THAT MAY REPLACE THEM IN THE FUTURE.
ACTS INVOLVING A PUBLIC OFFERING IN BRAZIL, AS DEFINED UNDER BRAZILIAN LAWS AND REGULATIONS AND BY THE RULES ISSUED BY THE CVM, INCLUDING LAW NO. 6,385 (DECEMBER 7TH, 1976) AND CVM RULE NO. 400 (DECEMBER 29TH, 2003), AS AMENDED FROM TIME TO TIME, OR ANY OTHER LAW OR RULES THAT MAY REPLACE THEM IN THE FUTURE, MUST NOT BE PERFORMED WITHOUT SUCH PRIOR REGISTRATION. PERSONS WISHING TO ACQUIRE THE PRODUCTS OFFERED HEREUNDER IN BRAZIL SHOULD CONSULT WITH THEIR OWN COUNSEL AS TO THE APPLICABILITY OF THESE REGISTRATION REQUIREMENTS OR ANY EXEMPTION THEREFROM. [WITHOUT PREJUDICE TO THE ABOVE, THE SALE AND SOLICITATION IS LIMITED TO QUALIFIED INVESTORS AS DEFINED BY CVM RULE NO. 409 (AUGUST 18TH, 2004), AS AMENDED FROM TIME TO TIME OR AS DEFINED BY ANY OTHER RULE THAT MY REPLACE IT IN THE FUTURE. THIS DOCUMENT IS CONFIDENTIAL AND INTENDED SOLELY FOR THE USE OF THE ADDRESSEE AND CANNOT BE DELIVERED OR DISCLOSED IN ANY MANNER WHATSOEVER TO ANY PERSON OR ENTITY OTHER THAN THE ADDRESSEE.

Important information for Danish investors:
Each Fund's prospectus has not been and will not be filed with or approved by the Danish Financial Supervisory Authority or any other regulatory authority in Denmark and the shares have not been and are not intended to be listed on a Danish stock exchange or a Danish authorized market place. Furthermore, the shares have not been and will not be offered to the public in Denmark. Consequently, these materials may not be made available nor may the shares otherwise be marketed or offered for sale directly or indirectly in Denmark.

Important information for Guernsey investors:
Neither the Guernsey Financial Services Commission nor the States of Guernsey Policy Council take any responsibility for the financial soundness of the Longleaf Partners UCITS Funds or for the correctness of any of the statements made or opinions expressed with regard to it. If you are in any doubt about the contents of this document you should consult your accountant, legal or professional adviser or financial adviser.

Southeastern Asset Management has taken all reasonable care to ensure that the facts stated in this document are true and accurate in all material respects, and that there are no other facts the omission of which would make misleading any statement in the document, whether of facts or of opinion. It should be remembered that the price of Fund shares and the income from them can go down as well as up.

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.

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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:
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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 Oman investors:
The Longleaf Partners APAC UCITS Fund has not been registered or approved by the Central Bank of Oman, the Oman Ministry of Commerce and Industry, the Oman Capital Market Authority or any other authority in the Sultanate of Oman. Southeastern Asset Management, Inc. has not been authorized or licensed by the Central Bank of Oman, the Oman Ministry of Commerce and Industry, the Oman Capital Market Authority or any other authority in the Sultanate of Oman, for discretionary investment management within the Sultanate of Oman. The shares in the Longleaf Partners APAC UCITS Fund have not and will not be listed on any stock exchange in the Sultanate of Oman. No marketing of any financial products or services has been or will be made from within the Sultanate of Oman and no subscription to any securities, products or financial services may or will be consummated within the Sultanate of Oman. Southeastern Asset Management, Inc. is not a licensed broker, dealer, financial advisor or investment advisor licensed under the laws applicable in the Sultanate of Oman, and, as such, does not advise individuals resident in the Sultanate of Oman as to the appropriateness of investing in or purchasing or selling securities or other financial products. Nothing contained in this document is intended to constitute investment, legal, tax, accounting or other professional advice in, or in respect of, the Sultanate of Oman. This document is confidential and for your information only and nothing is intended to endorse or recommend a particular course of action. You should consult with an appropriate professional for specific advice rendered on the basis of your situation.

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Important information for Swiss investors:
The jurisdiction of origin for the Fund is Ireland. The Representative for Units distributed in Switzerland is FundRock Switzerland SA., Route de Cité-Ouest 2, 1196 Gland, Switzerland. The Prospectus, the Simplified Prospectuses in respect of the Fund, the trust deed, as well as the annual and semi-annual reports may be obtained free of charge from the representative in Switzerland. The current document is intended for informational purposes only and shall not be used as an offer to buy and/or sell shares. The performance shown does not take account of any commissions and costs charged when subscribing to and redeeming shares. Past performance may not be a reliable guide to future performance.

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