January 2025

# Longleaf Partners International Fund 2024 Annual Commentary

Longleaf Partners Funds

All data as of December 31, 2024

## Fund Characteristics

| | |
|---|---|
| P/V Ratio | High-60s% |
| Cash | 3.7% |
| # of Holdings | 29 |

| | | | Annualized Total Return | | | |
|---|---|---|---|---|---|---|
| | 4Q (%) | 1 Year (%) | 3 Year (%) | 5 Year (%) | 10 Year (%) | Since Inception (%) |
| International Fund | -11.20 | -1.99 | -2.19 | -1.74 | 2.75 | 5.80 |
| FTSE Developed ex North America | -8.50 | 2.45 | 0.90 | 4.44 | 5.14 | 5.51 |
| FTSE Developed ex North America Value | -7.57 | 4.36 | 2.92 | 4.31 | -- | -- |

*Inception date 10/26/1998. The FTSE Developed ex North America Value Index began in September 2018. As such there is currently only a 5-year history for this index.

Longleaf Partners International Fund returned –11.20% in the fourth quarter and -1.99% for the year, trailing the relevant indexes. The final quarter of 2024 demonstrated the stark contrast in fortunes for indexes in the US compared to the rest of the world. It is an undoubtedly true observation that international equity markets are currently out of favor, certainly from an investment perspective. Index performance – FTSE Developed ex North America -8.50% in Q4 vs. S&P 500 up 2% – tells us as much, on top of our own anecdotal observations. The pertinent question to ask is 'Why?' The answer is multi-faceted, goes beyond the current quarter and is too complex to fully address in this letter. However, from a headline standpoint, the election of Donald Trump and his promise of a second wave of 'America-First' policy

*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 1.27%. 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 1.05% of average net assets per year. This agreement is in effect through at least April 30, 2025, and may not be terminated before that date without Board approval.*

priorities have been key drivers this quarter. The threat of trade tariffs impacted individual stocks perceived as having high exposure and broader market sentiment. It also drove a strengthening US dollar which accounted for over half of the Fund's negative performance in the quarter.

Simultaneously, many countries outside of the US have hardly helped themselves. In Europe, France is looking for its third government in six months after the technocratic regime installed after President Macron lost his majority in his July's snap-election fell at the first budgetary hurdle. Germany's coalition government also collapsed towards the end of 2024 after a minority party withdrew its support for Chancellor Scholtz. With the two powerhouse economies of Europe currently rudderless, the UK looked almost a paragon of political stability by contrast. Yet the Labour government's first budget was poorly received by companies, consumers and the markets, leaving the economy teetering on the brink of recession.

In Asia, Chinese equities initially rebounded strongly on the back of a policy pivot announced in late September but gave back a big portion of those gains in the fourth quarter as policy support measures announced so far lagged market expectations. As mentioned above, President Trump's election reignited geopolitical risk and tariffs concerns, particularly for Chinese equities. Japan had a change in Prime Minister after its ruling Liberal Democratic Party (LDP) lost its majority due to rising cost of living and corruption scandals. Meanwhile, South Korea grabbed headlines after President Yoon declared Martial Law for the first time in 40 years, which was quickly reversed and paved the way for his impeachment. His successor was also impeached within two weeks, leaving the country without a strong elected leader. Is it any wonder that internationally mobile capital is drawn to the more economically and capital-market friendly environment in the US and votes with its feet?

The flow of capital towards the US drains incremental liquidity from other markets, which in real terms means a lack of marginal buyers for international equities. This enables share prices to become more disconnected from true value than in more liquid circumstances. Furthermore, the condition outlined above both creates and is a function of particularly low investor confidence (US exceptionalism on steroids on one hand and political turmoil / lack of leadership in relevant regions ex-US on the other hand). There is a lot of nervousness among investors knowing that prices are getting dislocated from fundamentals, and they are not willing to hang around to see if they recover. This obviously adds further selling pressure. We have been surprised to see some wild share price reactions on results days when our valuations have gone up but share prices may suddenly be down significantly, due to a relatively insignificant comment or detail. This has a particularly extreme impact on stocks the market feels less confident about – and unfortunately that often describes many of the companies we own. We have discussed before, for us to own high quality businesses at discounted prices there must be a short-term factor or misunderstanding weighing on the current share price. It is often these temporarily out of favor companies that get hit hardest in periods of uncertainty and general market sell-off.

We would also note that we are markedly different from the benchmark in terms of both geography and sectors. Our off-benchmark allocation (Mexico and HK / China – countries Trump has been quite vocal about) has impacted our recent performance. However, as we saw a few times during 2024, these markets can come back into favour quickly (HK / China in September - October). Our companies, for the most part, are delivering good results, generating free cash flow (FCF) and pursuing smart capital allocation. Unfortunately, these company specific fundamentals have largely been overlooked when these markets are out of favour.

This is why we remain confident in our international strategy and have added to our personal investments. Unlike broad international indexes, we invest in a concentrated portfolio of carefully selected companies from around the world, which we believe provides strong long-term return opportunities. In the short term, the stock market is, famously, a voting machine to which our portfolio is not immune. Broader macroeconomic factors, geopolitical developments and capital flows have dictated recent equity returns rather than underlying company specific fundamentals or valuations. However, this short-term inefficiency creates opportunities to invest in high-quality companies, for the long term, at heavily discounted valuations. In this context, the fourth quarter of 2024 was a buyer’s market, with broad index weakness providing renewed opportunities and a healthy on-deck list. As we start 2025, many of our portfolio companies remain materially undervalued, offering what we believe to be attractive prospective returns. We continue to evaluate the opportunity set and will upgrade our portfolio as appropriate opportunities arise.

The number of holdings in the portfolio is currently temporarily inflated, as Vivendi completed its split into four separate listings in mid-December. We are currently rationalizing these holdings and expect our portfolio holdings to revert to a more normalized level in due course.

## Notable Contributors and Detractors

Premier Foods (PFD) – Leading UK food producer Premier Foods was a top contributor for the year with a strong operational performance combined with further strategic progress. The company's strong brands demonstrated their leadership, successfully offsetting underlying price deflation with strong volume growth and new product launches at higher price points. PFD has the strongest brands in the ambient food categories in which it plays, demonstrating further share gains and very successful brand/range expansions. With additional pension contributions now ceased, management has significantly more capital to deploy into growth initiatives and shareholder returns. International expansion continues strongly, albeit we believe the pace will accelerate in due course. Their category dominance and the consumer-staple nature of their products give PFD ample visibility to invest in automation and efficiency gains, where we see ample opportunity. Additionally, the bolt-on M&A executed so far has exceeded expectations, and we expect the Board to start looking at larger opportunities, potentially in the US. PFD's products are performing well in the US but need distribution scale to take the next step forward. With strong momentum and the benefits from increased cash investments still to come, we believe PFD remains a compelling investment trading at a significant discount to peers.

Accor - International hospitality group Accor was a top contributor in the fourth quarter and for the year - delivering some of the strongest share price performance and being the highest weighting in the portfolio. Operational performance continues to be strong, with further increases to company-issued guidance for fiscal year (FY) earnings before interest, taxes, depreciation and amortization (EBITDA) driving upgrades to both 2024 and 2025 expectations. This has fueled expectations for further buyback announcements come the FY results. Accor retains a 30% stake in the hotel property company AccorInvest. The value of this asset was perceived to have been impaired through COVID and the subsequent refinancing of its high debt load. However, the strong recovery in revenue per available room (RevPAR) across Accor's core geographies and ongoing demand for quality hotel assets has supported a value recovery. The extent of which became apparent in Q4 via a bond circular issued by AccorInvest, which revealed a listed gross asset value of €8.2 billion, back at pre-COVID levels despite €900 million of asset sales since then. The implied equity value for Accor's stake is €1.5 billion, well above the market's previous assumption and worth 13% of Accor's market capitalization. While Accor is locked-up on this stake until later in 2025, a sale in the second half of 2025 or early 2026 is now a distinct possibility, releasing further capital for shareholder returns. Accor is a collection of high-quality international hotel brands spanning the range of the demand and price spectrum. It is market leadership in high-growth travel geographies particularly Southeast Asia, the Middle East and Brazil, give it a growth profile that exceeds peers. The management team is focused on driving shareholder returns through the creation and crystallization of value.

Prosus - Global consumer internet group Prosus was a contributor for the year. As we noted in our Q3 letter, Tencent, which represents close to 80% of net asset value (NAV) for Prosus, delivered strong results, particularly in gaming and advertising segments, with profits growing faster than revenue due to a mix shift towards higher-margin revenue streams. Tencent continued to repurchase its discounted shares and was on track to complete its HK$100 billion buyback program for the year. Prosus continued to rationalize its portfolio, fully divesting its stake in Trip.com (largest online travel agency (OTA) in China) and is gradually reducing its Tencent ownership, with proceeds used to repurchase discounted Prosus shares. New CEO Fabricio Bloisi's purchase of a significant number of shares in the open market and his compensation structure, linked to doubling Prosus' market cap in four years, align his interests with long-term shareholder value creation.

Millicom – Latin American telecommunications operator Millicom was a standout performer in 2024. Its share price experienced significant appreciation driven by a combination of strategic initiatives and operational improvements led by a renewed management team, supported by Atlas Investments. Atlas is part of French telecommunications company Iliad Group, which has increased its stake in Millicom to 40% of the outstanding shares as of year-end. A renewed strategic drive from management coupled with solid execution has forced the market to pay attention to the wide value gap we had long identified. Operational efficiency improvements exceeded expectations, delivering over $250 million in annual savings and boosting profitability. This led to a positive FCF inflection, with Millicom raising its equity FCF target for 2024 twice during the year. The company now expects $650 million of FCF, which is attractive relative to an approximate $4 billion market valuation. The company's improved financial outlook resulted in multiple guidance upgrades and accelerated deleveraging, reaching its 2025 steady-state leverage target of 2.5x by Q4 2024. This company also announced in December a restart to its dividend policy and implementing of a share repurchase program. In addition, the company will simplify its structure by rationalizing its listing to a single US ticker (TIGO) by Q1 2025.
Two key strategic actions during the year bolstered our confidence – the sale of Millicom's tower assets to SBA Communications for $975 million, and the proposed

Millicom acquisition of its minorities and Telefonica's operations in Colombia for $1 billion.

Millicom's attractive valuation today was further highlighted when its largest shareholder, Atlas, made an opportunistic takeover offer this summer (initially at $24 per share, then improved to $25.75), which the Board rejected as undervaluing the company. We very much agree with that assessment. Looking ahead to 2025, Millicom is well-positioned for continued outperformance, supported by increased accountability to a large shareholder, ongoing efficiency measures, and reduced competition fueling further FCF growth.

Delivery Hero (DHER) – Germany-listed online food delivery platform, DHER was a top detractor for the quarter, but a top contributor for the year. The company met an important milestone during the quarter, listing its Middle Eastern subsidiary talabat at a $10 billion valuation. DHER received $2 billion from talabat's IPO proceeds and retains 80% ownership in this fast growing, high margin, cash generative franchise. Notably, DHER's 80% stake in talabat (which accounts for less than 15% of DHER's Gross Merchandise Value (GMV)) is worth 90% of DHER's market capitalization today, highlighting the extreme undervaluation of its remaining portfolio in Asia, Europe and Latam. The weak stock price performance can be attributed to the following factors in our view:

- Taiwan's anti-trust regulatory authority blocked the sale of DHER's foodpanda business in Taiwan to Uber. This would have been a value accretive deal for DHER as they were selling 3% of group GMV for 8% of DHER's Enterprise Value. We await further details on whether this decision will be appealed (by Uber) or do we receive a hefty break fee.
- DHER announced plans to move to employment-based model in Spain which will have negative impact on its 2025 EBITDA as well as on contingent liabilities. Spain accounts for less than 5% of our DHER value but has had an outsized impact on its stock price due to litigation uncertainty and misleading communication from DHER's management.
- Korea (which accounts for ~45% for DHER's GMV) underwent a major transition during 2024 with the launch of its paid membership program. DHER's focus on improving affordability and increasing customer stickiness is the right long-term strategy but this comes at the expense of near-term EBITDA growth.

We believe DHER owns some of the world's best food delivery assets (as exemplified by talabat IPO) and is highly undervalued today. But, given the financial leverage, long duration cash flow profile and ineffective market communication, the stock can be volatile. We used this volatility to our advantage, trimming when the stock was reflecting talabat IPO excitement and will look to add opportunistically.

Becle - Leading manufacturer of tequila and whiskeys, Becle was a detractor for the year and the quarter. The company delivered improving trends in North America on a constant currency basis in its results reported in October (growth on a 2-year basis in the US, large market share gains in a still-declining Mexican market) but was cautious when discussing the rest of the year. The spirits industry has continued to see disappointing trends, which weighed on the stock price this year. While Becle itself had better results than many peers, the company had multiple management changes and an accident at one of its plants. The return of President Trump has also pressured the peso (accounting for 40% of the negative impact of Becle) and the entire Mexican market. While it remains to be seen what Trump will do, Becle is trading dramatically below its private market value and below where it's traded before on all metrics as a public company, including the first time we successfully invested in the company when Trump was President. 2025 will be an important year for the company to demonstrate its path to growth and prudent capital allocation.

Naver - The leading search and e-commerce platform in South Korea, was a top contributor in the quarter but a top detractor for the year. The company reported better than expected 4Q results with accelerating growth in both search and e-commerce segments. The high-margin Search platform results stood out with search ads growth accelerating to 9.5% year-over-year (YoY) in the Q and display ads growth of 11% despite weak macro environment and ad market spending. Naver's strategy of increasing user engagement with better content and targeting is delivering results with higher ad inventory, ad prices and return on ad spend. On-platform e-commerce GMV accelerated to 10% YoY growth as Naver benefited from liquidity crisis and bankruptcy at some of its smaller e-commerce peers. Korea e-commerce market remains fragmented with around 50% of the share with small, marginal players. Naver is rightly focused on gaining market share and accelerating e-commerce growth by fortifying its membership benefits with faster fulfilment and content offerings. On the capital allocation front, we have been engaging with the company to pursue monetization of its Japan-listed LY Corporation (which accounts for 30% of Naver's market capitalization) and use the proceeds for shareholder returns. Naver delivered on this partially, trimming a small stake in LY and repurchasing 1.5% of its own discounted shares.

Eurofins - Q4 capped a volatile year for Eurofins, a global leader in laboratory testing services, ending as a detractor for the quarter and year. Like many international equities, limited buyers in the quarter had a disproportionate impact on the share price following Q3 results as bearish sentiment once again dominated despite limited incremental news. The reality is that following the Muddy Waters drama earlier in the year, the market remains skeptical and seems to be hunting for confirmatory evidence rather than rationally evaluating the business. Organic revenue growth slowed in Q3, to 4.4%, missing the company's mid-term target of 6.5%. This misses the obvious point that there will be quarterly variations in the organic growth rate, being dependent as it is on several factors. The company is managed based on long-term growth rather than the manipulation of quarterly results. In fact, the lower revenue growth was offset by higher margins, leaving EBITDA and FCF guidance for the year unchanged. Despite this, the shares fell over 15% in two days, reflecting a significant derating. The growth slowdown was driven primarily by biopharma revenues being flat, which itself was caused by the early termination of a single product trial. Management is already seeing their biopharma pipeline improving, with funding for early-stage biopharma research coming back after a period of uncertainty. Eurofins held an investor day in the quarter which reiterated the core attractions of the business, its structural growth opportunities and path to their transformation roadmap through 2027, when the lab network rollout and IT investments will be complete. Both of those projects have been highly capital intensive and mask the underlying strong FCF potential at Eurofins. At its completion, Eurofins will be an approximate €10 billion revenue business with strong margins producing €1.5 billion of cashflow, a material uplift from today's underappreciated valuation of the business.

Domino's Pizza Group (DOM) - Leading UK pizza master-franchisee Domino's ended the year as a detractor despite, and because of, new CEO Andrew Rennie getting down to business. He has had a busy year, implementing initiatives we believe will underpin the long-term growth trajectory and leverage their growing market share leadership in the UK. However, it required some financial re-set in the near term to better incentivize franchisees, and to invest in the infrastructure (IT and logistics) needed to support their growth objectives. Unfortunately, the market tends to value short term downgrades far more immediately than long term upgrades, as was the case for DOM. However, the steps taken have strengthened the company's foundation. To an extent, the derating reflects a new CEO moving fast but failing to carry investors with him, partly due to his lack of capital markets experience (in contrast to his lifelong commitment to the Domino's global brand). We are engaged with the company to help improve the market narrative. His initiatives so far include:

- The purchase of the largest Irish franchisee, which allows them to accelerate organic growth and store openings in this important country. However, this required a small equity issuance, which the market took negatively.
- Rebasing the pricing architecture to drive consistent order count growth going forwards, rather than relying on pricing for organic growth, requiring a downgrade to 2024 guidance.
- Improving franchisee relations by absorbing temporary food cost inflation rather than passing through to franchisees.
- Signed a new 5-year franchisee agreement to underpin growth. Whilst positive for alignment on both store openings and organic growth, and therefore our confidence in the company's long-term momentum, it required additional investment in marketing, IT and logistics which saw additional near-term downgrades.

The initiatives above are already bearing fruit with order count returning to mid-single-digit growth in H2. Yet the market remains sceptical, especially as the CEO is pursuing a second brand. This move has a strong logic in their ability to leverage the outstanding logistics infrastructure and existing franchisee base. However, it will require proof of execution and price discipline for the market to believe it is not a value-destructive endeavour. Ultimately Domino's has a strong runway for growth with plenty of store opening opportunities, a strong management team and an aligned franchisee base. Much of the hard work has already been done. Now they need to execute to win-over a skeptical investor base.

Glanbia - International consumer good and ingredients business Glanbia was a detractor in Q3 and unfortunately is a detractor for this quarter. There were no significant developments to explain this continued weak performance. However, as noted in our opening remarks, when index capital flows are against you, it can be hard to find incremental buyers, at which point share prices can become substantially dislocated from valuations. That is certainly our take on Glanbia today. The underlying market concern, which began in Q3, has been the rising cost of whey, a key input for Glanbia's core performance nutrition brands (Optimum Nutrition and Isopure). Guidance for 2025 has prices locked-in via hedges for H1 but relies on securing lower prices for H2. While the timing of a whey price correction is uncertain, what is more certain is the additional whey processing capacity coming online in the second half of 2025 which should force prices back down. The underlying growth of the brands themselves and Glanbia's Nutritionals business (which is actually a significant beneficiary of higher whey prices) continues to be strong. In the meantime, management is delivering on strategic priorities. They have already exited the UK & EU dairy/cheese business, increased buybacks (€50 million top up in Q3) and are exploring steps to reduce complexity further. Most importantly they announced a change to the organizational structure, which is a necessary precursor to allow a sale of the US dairy/cheese division by creating a new Dairy & Protein (D&P) business. A future sale of the commodity D&P division would 1.) crystalise the significant hidden value of this large consumer-staple division, 2.) transform Glanbia's reported metrics and force the market to value the core Nutritional and Consumer Goods business more appropriately and 3.) release cash for further substantial buybacks. The potential for this radical simplification is not something the market is currently factoring into the share price.

At the end of the first half of 2024, we believed Glanbia was undervalued and misunderstood given the strength of its consumer brands and seeming lack of value being ascribed to the Nutritionals and Dairy protein businesses. The share price performance since then has no justification in terms of intrinsic value, which has continued to grow, leaving the company even more deeply undervalued. However, with management proactively taking steps to address the market's misunderstanding of the investment case and taking advantage of the value dislocation with smart capital allocation, our conviction in Glanbia's strong long-term prospects remains.

Vivendi and Its Spin-offs – French conglomerate Vivendi was a detractor this year, especially in the fourth quarter when it split into 4 parts: Canal+ (a leading French language media company), Louis Hachette (a travel retail and publishing company), Havas (a global ad agency) and legacy Vivendi (a collection of disparate assets led by a large position in Universal Music, the largest music company in the world). Vivendi pre-split was complex to start with, and the situation became extra baffling for the stock market at a late-in-the-year time when most market participants were not up for tough decisions. We believe this unique set of corporate actions is the right decision for long term value per share growth and realization. The split in December created multiple opportunities for us to upgrade our portfolio. We will limit our comments while we continue to adjust our positions and look forward to talking more about our moves next quarter.

Melco - Macau casino and hotel operator Melco was a detractor for the year. Visitations to Macau continued to recover in 2024 with Q4 visitation approaching 98% of pre-COVID levels (up from 79% in Q2 and 93% in Q3). Gaming revenue per visit is increasing, resulting in higher margin mass gaming revenue reaching 110% of pre-COVID levels. Melco is a beneficiary of this industry recovery, but results have trailed expectations so far. During COVID years, Melco's net debt position worsened due to negative operating cash flow and growth investments. The company rightfully cut back on marketing and promotions to reduce cash burn in 2020-2022. However, it was slow to adapt its cost focused strategy coming out of COVID. As a result, it lost market share and its operating metrics trailed peers. In response, the company refreshed its management team and has started reinvesting in customer promotions, loyalty programs and smart gaming tables over the last two quarters to regain its position in the premium mass segment. We have not seen meaningful market share recovery yet. These front-loaded investments take time to bear fruit. During the year, we switched from HK-listed Melco International to US listed Melco Resorts, maintaining the same underlying exposure while improving the liquidity profile of our investment. Given the financial and operating leverage, the stock can be very volatile, and we used this volatility to trim opportunistically.

## Portfolio Activity

During the quarter we purchased two new positions in the portfolio. The first is a French global digital services platform and the other is a Japanese contact lens manufacturer. We also received three spin-off positions in Canal+, Havas and Louis Hachette Group from our holding in Vivendi. We subsequently exited our position in Vivendi after the corporate action late in the quarter.

For the year we purchased several new holdings: Vivendi, H World, Entain, Samsonite, Katitas, Allfunds and the two undisclosed holdings noted for the quarter. We exited multiple holdings as well: WH Group, Fairfax Financial, Juventus, Alibaba, Kering and Vivendi.

## Outlook

We are excited about the opportunities in 2025 and beyond. The businesses we own made solid progress this quarter and year. With the Fund's price-to-value ratio in the high-60s%, we believe there is substantial opportunity in the portfolio today. We have multiple investments on-deck as we constantly look to improve our margin of safety. As mentioned above, recent market dynamics have been influenced by macroeconomic shifts and geopolitical events. These short-term inefficiencies have created opportunities to invest in exceptional companies at deeply discounted valuations. The fourth quarter of 2024 was a buyer's market, and as we enter 2025, many of our portfolio companies remain attractively priced, providing what we believe to be robust growth prospects.

Staley Cates completed his retirement from Southeastern in the fourth quarter, as we wrote about in our last quarterly letter. We wish him the best and are grateful for his civic work. He has stayed a part of our network and has already heard from us on a stock-specific question or two where he could help. We recently posted a new Data Analyst role that will work with multiple departments at Southeastern.

While we are excited to look ahead, 2025 will also be a year of looking back. Southeastern turns 50 in August. Our strong constitution has gotten us this far, and we are ready to go farther. All constitutions need amendments, and we have been through more change than usual over the last two-plus years. We think our next 10 years will be more like our first 30-35 years. We would expect less change going forward, with the caveat that we will always look to do what is best in the spirit of partnership with you. We look forward to talking with you as the year progresses and remain grateful for your long-term 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://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-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 ex North America Index comprises Large and Mid-cap stocks providing coverage of Developed markets, excluding the US and Canada. 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 ex North America Value Index measures the performance of the investable securities in the developed large and mid-cap value segment of the market, excluding the US and Canada, and includes companies that are considered more value oriented relative to the overall market. Net returns for the FTSE Developed ex North America Index are not available for calendar years 1998 – 2003; therefore the since inception Index return is a gross return. All other periods presented for this index are net returns. 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 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.*

*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.*

*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.*
*Gross Merchandise Value (GMV) is the total amount of sales a company makes over a specified period of time.*

*As of December 31, 2024, the top ten holdings for the Longleaf Partners International Fund: Accor, 6.3%; Premier Foods, 5.4%; Prosus, 5.2%; Jollibee, 4.9%; Millicom, 4.7%; HDFC Bank, 4.7%; Glanbia, 4.6%; Eurofins, 4.5%; Domino's Pizza Group (UK), 4.2% and EXOR, 3.7%. 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.*

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