Longleaf Partners Funds

Quarterly Summary Report

For the Quarter Ended
March 31, 2021

Longleaf Partners Funds

LLP001184

Longleaf Partners Fund

Longleaf Partners Funds

Summary – March 31, 2021

1Q21
Longleaf Partners Fund

(800) 445-9469 / southeasternasset.com

Fund Profile

Investment Style	US mid-large cap value
Ticker	LLPFX
Inception Date	April 8, 1987
Net Assets	$1.9 billion
Expense Ratio (Gross)	1.00%
Expense Ratio (Net)	0.79%
Turnover (5 yr avg)	23%
Weighted Average Market Cap	$37.9 billion

Holdings (16)

	Activity*	Weight
Lumen		10.0%
Mattel	-	6.0
Affiliated Managers Group	-	5.8
CNH Industrial	-	5.4
CNX Resources	-	5.4
Fairfax Financial		5.2
Douglas Emmett		4.7
LafargeHolcim		4.7
MGM Resorts	-	4.6
CK Hutchison		4.6
Comcast		4.4
General Electric	-	4.4
FedEx		4.1
Hyatt	-	4.0
Undisclosed	NEW	3.7
Williams	-	3.7
Cash		19.3
Total		100.0%

*Full eliminations include the following positions: DuPont

Holdings are subject to change and discussion of holdings are not a recommendation to buy or sell any security. Holdings are subject to risk. Funds distributed by ALPS Distributors, Inc.

Effective August 12, 2019, 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, 2021 and may not be terminated before that date without Board approval.

LLP001171 expires July 31, 2021

Longleaf Partners Funds

Long-Term / Concentrated / Engaged / Value

Founded in 1975, Southeastern Asset Management is an independent, global investment firm managing $11.5 billion. Partnership is core to all that we do, and Southeastern's employees and related entities are the largest investors across the Longleaf Partners Funds. Our 14-person global investment team are generalists, tasked with finding the best bottom-up opportunities across the globe.

The Fund seeks to own a concentrated portfolio of our best 18-22 ideas that meet our Business, People, Price investment criteria. We invest with a 3-5 year investment horizon and take advantage of short-term volatility to own high quality businesses, run by capable management teams, whose stock prices are trading temporarily at a discount. Our extensive, global network allows us to engage with our management partners to help drive long-term value creation.

Sector Composition

Industrials	18.5%
Consumer Discretionary	14.6
Communication Services	14.4
Financials	11.0
Energy	9.1
Materials	4.7
Real Estate	4.7
Health Care	3.7
Information Technology	--
Consumer Staples	--
Utilities	--
Cash	19.3

Performance Contribution

Top Three	Portfolio Contribution	Return
Lumen	3.33%	40%
Affiliated Managers Group	2.68	46
CNX Resources	1.86	36

Bottom Three	Portfolio Contribution	Return
Comcast	0.18%	4%
DuPont	0.34	9
Undisclosed	0.37	15

Performance at 3/31/2021

	Total Return (%)		Average Annual Return (%)				
	1Q	One Year	Five Year	Ten Year	15 Year	20 Year	Since Inception
Partners Fund	18.22	83.70	10.46	7.23	5.22	6.61	10.19
S&P 500	6.18	56.35	16.29	13.91	10.02	8.47	10.40

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S&P 500 Index – An index of 500 stocks are chosen for market size, liquidity and industry grouping, among other factors. The S&P is designed to be a leading indicating of U.S. equities and is meant to reflect the risk/return characteristics of the large cap universe. An index cannot be invested in directly.

April 2021

Longleaf Partners Fund Commentary

1Q21

Longleaf Partners Fund added 18.22% in the first quarter, nearly tripling the S&P 500's 6.18% return. Every company was positive in the quarter, with last year's largest COVID laggards rebounding to help drive strong absolute and relative results. The Fund's average 17% cash position was the only meaningful relative drag on returns, with stock selection (and strong stock-specific performance) within the Communications Services, Consumer Discretionary and Financials sectors driving outperformance. We did not own the banks and lower-quality companies that largely drove the large-cap value performance rally.

Since we are bottom-up business appraisers and long-term business owners, the most important driver of our long-term returns will always be stock selection. In a first quarter that saw a lot of macro focus on interest rates and retail stock mania, we saw strong stock-specific returns across the portfolio with no significant detractors. Lumen outperformed telecom peers as fears about its near-term cash flow recede with its steady business mix improvement, yet it still trades at less than half of its private market value. CNX performed well on its way to $2/share of relatively low risk free cash flow (FCF), and the market has still yet to recognize how much more of its earnings

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Average Annual Total Returns for the Longleaf Partners Fund (3/31/21): Since Inception (4/8/87): 10.19%, Ten Year: 7.23%, Five Year: 10.46%, One Year: 83.70%. Average Annual Total Returns for the S&P 500 (3/31/21): Since Inception (4/8/87): 10.40%, Ten Year: 13.91%, Five Year: 16.29%, One Year: 56.35%.

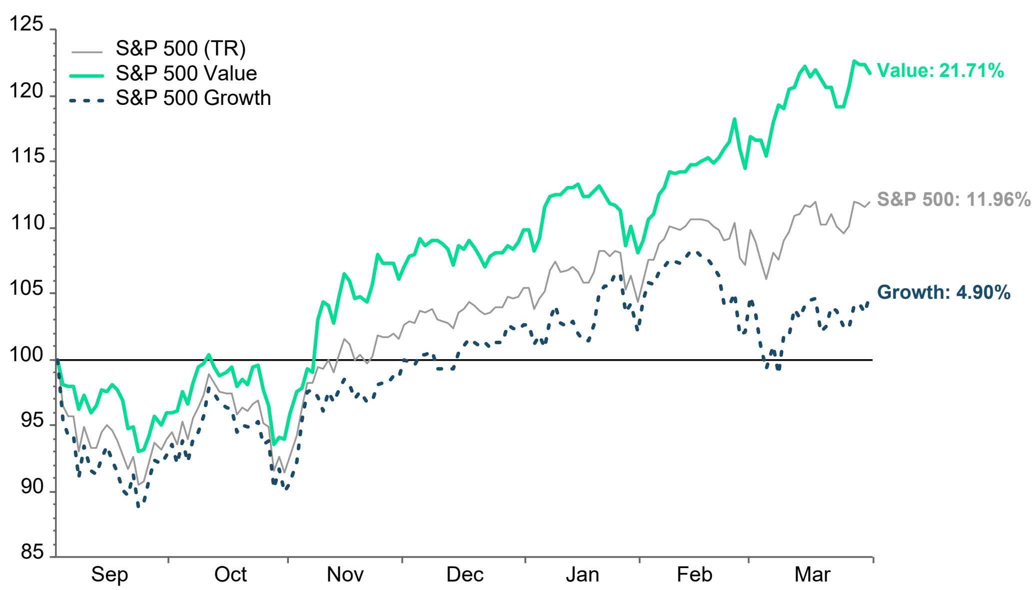
Returns reflect reinvested capital gains and dividends but not the deduction of taxes an investor would pay on distributions or share redemptions. Performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value of an investment 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%. Effective August 12, 2019, 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, 2021 and may not be terminated before that date without Board approval.

before interest, taxes, depreciation and amortization (EBITDA) turns into FCF than peers. Mattel has a path to $1.50/share of FCF in less than three years, before finally monetizing its trove of intellectual property (IP). CK Hutchison is turning into a more focused, higher-quality company and started repurchasing shares this quarter after the sale of their cell towers business began to close in stages. Newer holdings like MGM Resorts and Douglas Emmett have been quick contributors and we believe are set up well for future value growth.

We have written about value being out of favor and underperforming relative to growth extensively over the last decade. Last year, the relative gap between the two strategies reached historic levels, with value suffering its worst performance run in at least two centuries, as we wrote about last December in a paper titled Why We Believe Value Will Work Again (WWB). We wrote then that it was early days but that "the market might already be turning towards value." The chart below shows that value's relative strong outperformance has continued in the first quarter.

Performance Since Value vs Growth Bottom

9/2/2020 to 3/31/2021 (in USD)



Source: FactSet

While we believe that we are just at the beginning of a long-term rebound of fundamentals mattering again, we understand if some might ask: 1) if the "shift to value" has already played out or is yet another head fake; and 2) if our higher-than-average cash is evidence that the easy money has been made or we are not participating enough in this market rally. On 1), the relative multiple math for our portfolio vs. the market from the WWB piece still holds, as shown in the chart below, even after this quarter's strong performance.

Implied Returns Based on Various P/E Assumptions

	2022 P/E		P/E Change	Performance from P/E Change
	Current	Assumption		
S&P 500	20.35	16.70	(3.6)	-18%
S&P 500 Growth	26.39	20.00	(6.4)	-24%
S&P 500 Value	16.41	14.29	(2.1)	-13%
Longleaf Partners Fund	12.54	14.29	+1.7	+14%

Source: FactSet. Actual investment results and performance are not guaranteed

Our values and free cash flow per share estimates have grown. Despite this, there are days when various parts of the market move in lockstep so that it feels like all the ETF money sloshing from theme to theme is all that matters. We disagree. There is a big difference between our portfolio's actual valuation floor supported by both reasonable discounted cash flow models (DCFs) and strategic/financial buyers willing to pay at or above our appraisals vs. the higher-flying stocks in the market where that real-life bid for the full company doesn't exist. The depths of COVID took away that bidder safety net for a while given the lack of on-the-ground due diligence. As things get back to normal, there have been plenty of deal announcements in the market over the last few months. This bodes well for our portfolio, which has historically benefitted from buyouts.

On the other hand, the wild IPO and SPAC speculation that we discussed in our 2Q and 4Q 2020 letters has only intensified. Joining the party, we now have NFTs bringing the 1990s Beanie Baby energy, where falsely perceived scarcity creates thousands and then millions of dollars out of thin air, thus eventually also creating too much supply and sowing the seeds of a downfall. We take comfort knowing this short-term frenzy is a necessary step towards more rationality coming our way sooner rather than later, and we began to see cracks emerge in the SPAC world as the quarter drew to a close. Usually at a market turn, you see the weakest parts of the previous run-up get shaken out first, and that might already be happening for some SPAC participants. While short-term SPAC valuations are in silly territory, there is a great long-term benefit to so many companies and management teams coming back into the public realm, as it ultimately increases the investable universe of opportunities for long-term investors like us.

On 2), our cash is never a top-down market call, but rather the residual of the bottom-up opportunity set. We would of course prefer to be fully or close-to-fully invested at all times as a result of finding compelling bottom-up investment opportunities, but we remain disciplined in an overvalued market and have proven (with quarters like this one), that we can deliver solid absolute returns with less risk when we have a cash buffer. Our history has shown that our cash can turn into investments quickly. Simply adding to our portfolio holdings that are currently less than 5% would use an additional 5 to 10 percentage points of cash.

Contributors/Detractors

(Q1 Investment return; Q1 Fund contribution)

Lumen (40%, 3.33%), the global fiber company, was the top contributor. While COVID fallout still weighed on fourth quarter results, the company benefitted from positive business mix improvements. Early in the quarter, Lumen appreciated 38% in a few short days amidst the "Game Stop / Reddit" short cover phenomenon. After this short-term bounce, Lumen's stock price appreciated more steadily over the last six weeks of the quarter with improved results. Many of last year's worst-case fears have not materialized and the outlook is improving for the core business. We continue to believe that the company has multiple ways within its control to both grow and realize value per share, and we have a 13D filed to allow us to discuss these options with the company. Lumen's board, which includes Southeastern-nominated Chairman Mike Glenn from FedEx and Director Hal Jones from Graham Holdings, is doing good work to realize Lumen's hidden value and return the business to FCF/share growth. Despite its appreciation, the stock trades at less than half of our appraisal.

Affiliated Managers Group (46%, 2.68%), the diversified asset management holding company, was also a top contributor. Our appraised value increased nicely, driven by a 10% growth in AUM to $716 billion and a massive share repurchase (22% of shares outstanding annualized) to take advantage of the stock's depressed FCF multiple. The market fixated on AMG's net outflows last year, but 95% of flows came from quantitative strategies that only contribute around 3% of AMG's proportionate EBITDA due to their lower average fees and ownership interest. The other 97% of AMG is performing very well, particularly the company's private market strategies, wealth management and specialty fixed income. AMG also added two new opportunistic acquisitions with Boston Common Asset Management and Jackson Square Partners.

CNX Resources (36%, 1.86%), the Appalachian natural gas company, was another top contributor. The company earned $85 million FCF in the fourth quarter and used the profits to pay down debt and repurchase shares at a 7% annualized pace. 2021 and 2022 production is hedged at solid prices, and the company has guided to a growing $1.90 per share FCF coupon in the near term. The stock trades under 8x FCF before adjusting for farther off undeveloped acreage and the company's pipeline infrastructure. CNX is the lowest-cost producer in the region and its PDP decline rate continues to improve, meaning it can maintain or grow future production without spending heavily. Encouragingly, CNX announced meaningful progress in its ESG initiatives in the quarter, including its commitment to transparent reporting through its adoption of Climate-Related Financial Disclosure (TCFD) and the Sustainability Accounting Standards Board (SASB) disclosure standards. We have engaged with CNX leadership on this topic over the last several years and have encouraged them to commit to these leading industry standard disclosure frameworks. Additionally, the company formed a dedicated working group focused on future emissions reduction and approved a performance measure program that ties executive compensation to meeting targeted methane emissions reduction thresholds over a three-year period.

General Electric (GE) (22%, 1.50%), the revitalized Aviation, Healthcare and Power conglomerate, was a top contributor following on its strong 4Q 2020 performance. Fourth-quarter Healthcare results were excellent, with revenues up 6% year-over-year (YoY), operating margins up 3% to 20% and strong FCF conversion. The Power and Renewables segment improved margins due to strength from gas plant services. With flight traffic increasing, Aviation appears likely to begin a multi-year recovery in the second half of this year. GE also swapped its aircraft leasing operations to AerCap for a 46% stake in the combined company, intelligently wrapping up its previously troubled GE Capital financing operations and further decreasing overall leverage. We continue to be impressed by the turnaround work of CEO Larry Culp, and the stock remains discounted against the quality of the three core business segments.

MGM (21%, 1.44%), the casino and online gaming company, also contributed to the Fund's strong returns. MGM's Las Vegas properties performed particularly well during the fourth quarter, with October marking the best month since pre-COVID February, positive quarterly EBITDA and strong 2021 bookings. MGM's online gaming and sports-betting app, BetMGM, is one of the leaders in US online gaming, with a better market share in the more profitable iGaming than in the higher profile but lower margin sports gaming. MGM has demonstrated high conversion rates of its hotel guests and we believe that, with Barry Diller's help, they will build a competitive long-term advantage with lower customer acquisition costs. MGM's Macau subsidiary, MGM China, also appreciated as the Macau market partially reopened. We believe there is significant additional upside for the Macau business over the medium-to-long term.

Fairfax Financial (FFH) (31%, 1.44%), the insurance and investment conglomerate, was a top contributor in the quarter. The COVID pandemic has had a dramatic impact on the insurance industry. Pricing trends had already turned positive in 2019, yet the losses and uncertainty from a global pandemic pushed the positive pricing trend, a "hard market" in insurance industry speak, to another level. As a result, sentiment toward Fairfax continued to improve as fourth quarter results demonstrated profitable underwriting with a 95.5% combined ratio, and premiums written increased 16% with significant contributions from increased pricing, as the insurance market continues to harden. Fairfax also invests a significant portion of its investments in equity securities with a value orientation. As the overall stock market and value stocks appreciated strongly over the last five to six months, Fairfax's equity portfolio was a beneficiary. The company increased its book value per share 8% in 4Q, and we expect to see continued growth next quarter. With interest rates beginning to increase, Fairfax is also primed to reinvest in higher yielding debt. The company currently holds a significant portion of its fixed income portfolio in short-term instruments, putting the company in an opportunistic position to capitalize on higher rates. The stock still trades low on book value and normalized earnings multiples. CEO Prem Watsa repurchased over 5% of Fairfax shares through swaps to preserve capital for additional underwriting and also ended the costly market hedges that had stunted Fairfax's value growth over the last several years. The attractive price environment looks likely to continue, making this one of the best times in years for allocating capital into underwriting.

CNH Industrial (CNH) (23%, 1.19%), one of the world's largest agriculture machinery manufacturers, was another top contributor. CNH reported strong fourth quarter results, beating the consensus on every metric. The Agricultural Equipment (Ag) business, which represents the majority of our value, posted strong top-line growth of 19% YoY thanks to rising commodity prices, growing trade with China and the replacement of aging machinery fleets. Visibility for the first half of 2021 is strong, given solid Ag order growth across most key end markets, and we expect to see operational turnarounds in CNH's other businesses. The company is also guiding 8-12% industrial sales growth for 2021, which is better than our initial expectation. The most positive surprise for the quarter was the company's strong cash generation. CNH generated approximately $2.4bn FCF in the fourth quarter alone, driven by working capital release leading to a strong net cash position for the industrial segment. Due to the recent stock price appreciation, the price-to-value gap has narrowed, but we continue to have a positive view given a more favorable market outlook, the company's strong execution capability and management's continued commitments to value accretive transactions, including the planned splitting of the business and potentially other strategic asset sales.

Portfolio Activity

In the quarter, we sold DuPont, as its share price went to our appraised value. We have owned DuPont successfully three times now in the last decade and have great respect for CEO Ed Breen, who has delivered on creating value and focusing the company on its core businesses. We continue to view the business and leadership highly and hope to have the opportunity to partner with them again. We trimmed an additional eight holdings, taking advantage of price strength to manage position sizes at companies trading at a higher price-to-value.

We initiated a position in a cash-flow generative healthcare company with a strong balance sheet and aligned board and management team with a history of long-term value creation. It represents a relatively rare opportunity where we can find a compelling company whose value has the right mix of downside protection from established franchises and hard to quantify upside from a misunderstood pipeline, all at a price that meets our discount criteria.

Our team has been hard at work evaluating new businesses across multiple sectors, including healthcare, consumer products and infrastructure. Our on-deck list remains better than we would expect for a market at this aggregate level, as new companies have moved on, while others have moved off. There are not broad “themes” that are driving our new additions, but rather unique one-offs that come our way as we go down the list day by day. We can see multiple ways to have a similarly productive second quarter and rest of the year on new name generation. We also have several existing holdings closer to buys than sales at today’s portfolio weights.

Outlook

We are excited about the specific company opportunities in our portfolio and on our on deck list, but we would also highlight a few additional potential sources for tomorrow’s “value stocks,” which we are watching closely. While more money into index funds or thematic ETFs can lift all of those boats in the good times, there will inevitably be bad times when all these move down together, leading to some high-quality companies within this group becoming misunderstood, and then we will get a chance to own them. That statement might apply more to some of the higher-flying parts of the market, so we would also point to some of the more boring, consumer product parts of the market with hope. The thirst for perceived safety via low-volatility grew over the last several years in conjunction with lower interest rates / higher multiples, amplified by a one-time COVID bump that helped that group further. We have owned many high-quality consumer goods companies before, but we expect a tougher near-term outlook for these “places to hide.” We expect this will eventually translate into more opportunities for long-term value investors like us at better multiples.

The best way we can thank our clients for their long-term partnership is with good absolute returns, so we are glad to start the year off as we have. We do not believe this is a blip. Value has outperformed growth for 75%+ of rolling 10-year periods through recorded history. The data would support that we are more likely than not just getting started after a longer than usual rough period. We also like how our unique portfolio is positioned vs. an average active value manager or ETF. We do not own either extreme of 1) opaque, undifferentiated bank stocks or 2) “compounders” that are great qualitatively but just are not undervalued and therefore have minimal or no margin of safety. Our carefully selected portfolio has much more room to grow, and our cash holdings will provide a buffer vs. overvalued markets and then turn into our next great qualifiers.

See following page for important disclosures.

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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.

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.

An IPO is an initial public offering, referring to the process of offering shares of a private corporation to the public in a new stock issuance.

A SPAC is a special purpose acquisition company.

NFTs are non-fungible tokens. NFTs are cryptographic assets on blockchain with unique identification codes.

Environmental, social, and governance (ESG) criteria are a set of standards for a company's operations that socially conscious investors use to screen potential investments.

Climate Related Financial Disclosure (TCFD) is a reference to The Task Force on Climate-Related Financial Disclosures, an organization established with the goal of developing a set of voluntary climate-related financial risk disclosures which can be adopted by companies so that those companies can inform investors and the public about the risks they face related to climate change.

The Sustainability Accounting Standards Board (SASB) is an independent nonprofit organization that sets standards to guide the disclosure of financially material sustainability information by companies to their investors.

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

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.

Discounted cash flow (DCF) is a valuation method used to estimate the attractiveness of an investment opportunity. DCF analysis uses future free cash flow projections and discounts them to arrive at a present value estimate, which is used to evaluate the potential for investment.

A 13D filing is generally required for any beneficial owner of more than 5% of any class of registered equity securities, and who are not able to claim an exemption for more limited filings due to an intent to change or influence control of the issuer.

As of March 31, 2021, the top ten holdings for the Longleaf Partners Fund: Lumen, 10.0%; Mattel, 6.0%; Affiliated Managers Group, 5.8%; CNH Industrial, 5.4%; CNX Resources, 5.4%; Fairfax Financial, 5.2%; Douglas Emmett, 4.7%; LafargeHolcim, 4.7%; MGM Resorts, 4.6% and CK Hutchison, 4.6%. 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.

Longleaf Partners Small-Cap Fund

Longleaf / Partners Funds

Summary - March 31, 2021

1Q21
Longleaf Partners Small-Cap Fund

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Fund Profile

Investment Style	US small-cap value
Ticker	LLSCX
Inception Date	February 21, 1989
Net Assets	$2.0 billion
Expense Ratio (Net)	0.93%
Turnover (5 yr avg)	28%
Weighted Average Market Cap	$6.4 billion

Holdings (14)

	Activity*	Weight
Lumen	-	12.7%
Realogy		6.5
CNX Resources	-	6.4
Mattel	-	6.2
Empire State Realty	-	5.7
Lazard		4.6
Graham Holdings		4.6
Eastman Kodak	-	4.5
LANXESS		4.3
Hyatt	-	4.1
Everest Re		4.1
Undisclosed	NEW	3.9
Liberty Braves Group		3.5
Undisclosed	NEW	3.4
Cash		25.5
Total		100.0%

*Full eliminations include the following positions: Formula One and Potlach Deltic

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Sector Composition

Communication Services	16.2%
Consumer Discretionary	14.9
Real Estate	12.2
Financials	8.7
Energy	6.4
Information Technology	4.5
Materials	4.3
Consumer Staples	3.9
Health Care	3.4
Industrials	--
Utilities	--
Cash	25.5

Performance Contribution

Top Three	Portfolio Contribution	Return
Lumen	4.32%	40%
CNX Resources	2.54	36
Empire State Realty	1.23	19

Bottom Three	Portfolio Contribution	Return
LANXESS	-0.17%	-4%
Eastman Kodak	-0.11	-4
Undisclosed	-0.08	0

Performance at 3/31/2021

	Total Return (%)		Average Annual Return (%)				
	1Q	One Year	Five Year	Ten Year	15 Year	20 Year	Since Inception
Small-Cap Fund	11.74	81.62	10.32	10.40	8.91	10.24	10.76
Russell 2000	12.70	94.85	16.35	11.68	8.83	9.76	10.17

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The Russell 2000 Index measures the performance of the 2,000 smallest companies in the Russell 3,000 Index, which represents approximately 10% of the total market capitalization of the Russell 3000 Index. An index cannot be invested in directly.

April 2021

Longleaf Partners Small-Cap Fund Commentary

1Q21

Longleaf Partners Small Cap Fund added 11.74% in the quarter, which compared to the Russell 2000's 12.70% return. Almost every company in the portfolio was positive in the quarter, with no significant detractors. This quarter's top contributors were among last year's largest COVID laggards. Strong stock-specific performance drove positive returns, even as the Fund was underweight the banks and lower-quality companies that dominated the index's returns in a period when "traditional value" small-cap stocks rebounded in a meaningful way. Cash, which averaged 22% in the quarter (and is discussed in more detail below), more than accounted for the relative shortfall.

Since we are bottom-up business appraisers and long-term business owners, the most important driver of our long-term returns will always be stock selection. In a first quarter that saw a lot of macro focus on interest rates and retail stock trading mania, we saw strong stock-specific returns across the majority of the portfolio with no significant detractors. The Fund's five largest positions were the top performance drivers. Lumen outperformed telecom peers as fears about its near-term cash flow recede with its steady business mix improvement, yet it still trades at less than half of its private market value. CNX performed well on its way to $2/share of relatively low risk free cash flow (FCF), and the market has still yet to recognize how much more of its

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Average Annual Total Returns for the Longleaf Partners Small-Cap Fund (3/31/21): Since Inception (2/21/89): 10.76%, Ten Year: 10.40%, Five Year: 10.32%, One Year: 81.62%. Average Annual Total Returns for the Russell 2000 (3/31/21): Since Inception (2/21/89): 10.17%, Ten Year: 11.68%, Five Year: 16.35%, One Year: 94.85%.

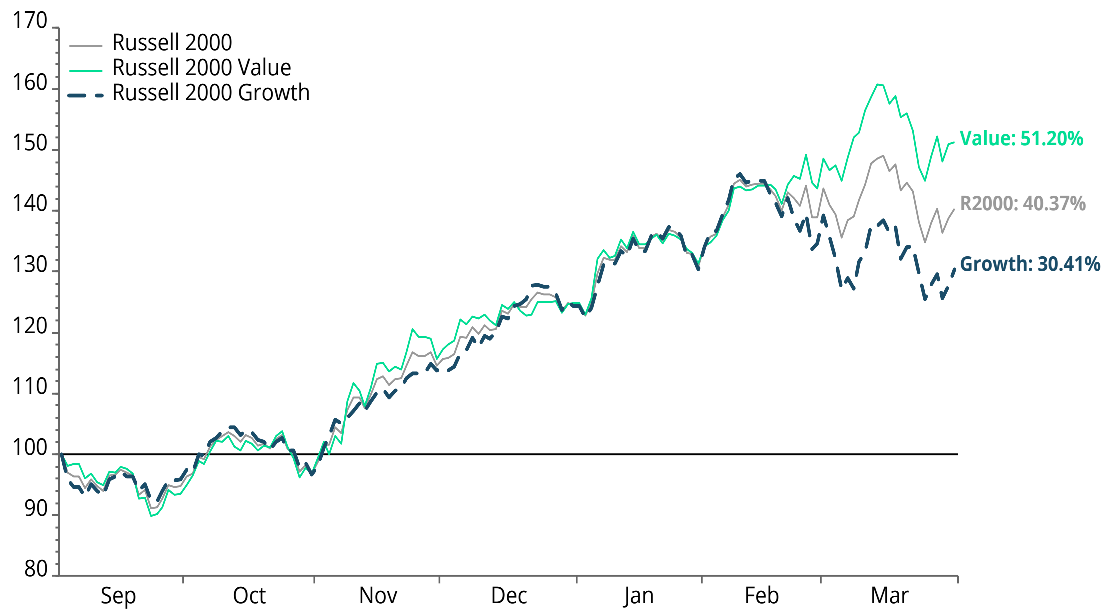
Returns reflect reinvested capital gains and dividends but not the deduction of taxes an investor would pay on distributions or share redemptions. Performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value of an investment 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. ***As reported in the Prospectus dated May 1, 2020, the total expense ratios for the Longleaf Partners Small-Cap Fund is 0.93%.***

earnings before interest, taxes, depreciation and amortization (EBITDA) turns into FCF than peers. Mattel has a path to $1.50/share of FCF in less than three years, before finally monetizing its trove of intellectual property (IP). Newer holdings like Liberty Braves and Everest Re have been quick contributors and we believe are set up well for future value growth.

We have written about value being out of favor and underperforming relative to growth extensively over the last decade. Last year, the relative gap between the two strategies reached historic levels, with value suffering its worst performance run in at least two centuries, as we wrote about last December in a paper titled Why We Believe Value Will Work Again. We wrote then that it was early days but that "the market might already be turning towards value." The chart below shows that value's relative strong outperformance has continued in the first quarter.

Performance Since Value vs Growth Bottom

9/2/2020 to 3/31/2021 (in USD)



Source: FactSet

While we believe that we are just at the beginning of a long-term rebound of fundamentals mattering again, we understand some might ask: 1) if the "shift to value" has already played out or is yet another head fake; and 2) if our higher-than-average cash is evidence that the easy money has been made or we are not participating enough in this market rally. On 1), the relative multiple math for our portfolio vs. the market from the WWB piece still holds, as shown in the chart below, even after this quarter's strong performance. We think it is especially important to point out that a lot of what is traditionally described as "value" is no longer as attractive as it once was, and the gap between what we own and the Russell 2000 Value is much wider than usual. As evidence, the non-Healthcare/Information Technology part of the Russell 2000 is now trading above a 21x multiple on the 12/31/19 2021 EPS estimates from before COVID, even though earnings power has since been impaired and this group usually averages a mid-high teens multiple.

Implied Returns Based on Various P/E Assumptions

	2022 P/E		P/E Change	Performance from P/E Change
	Current	Assumption		
Russell 2000	17.83	16.70	-1.1	-6%
Russell 2000 Growth	24.06	20.00	-4.1	-17%
Russell 2000 Value	14.84	14.29	-0.6	-4%
Longleaf Partners Small-Cap Fund	11.18	14.29	+3.1	+28%

Source: FactSet. Actual investment results and performance are not guaranteed

Our values and free cash flow per share estimates have grown. Despite this, there are days when various parts of the market move in lockstep so that it feels like all the ETF money sloshing from theme to theme is all that matters. We disagree. There is a big difference between our portfolio's actual valuation floor supported by both reasonable discounted cash flow models (DCFs) and strategic/financial buyers willing to pay at or above our appraisals vs. the higher-flying stocks in the market where that real-life bid for the full company doesn't exist. The depths of COVID took away that bidder safety net for a while given the lack of on-the-ground due diligence. As things get back to normal, there have been plenty of deal announcements in the market over the last few months. This bodes well for our portfolio, which has historically benefitted from buyouts.

On the other hand, the wild IPO and SPAC speculation that we discussed in our 2Q and 4Q 2020 letters has only intensified. Joining the party, we now have NFTs bringing the 1990s Beanie Baby energy, where falsely perceived scarcity creates thousands and then millions of dollars out of thin air, thus eventually also creating too much supply and sowing the seeds of a downfall. We take comfort knowing this short-term frenzy is a necessary step towards more rationality coming our way sooner rather than later, and we began to see cracks emerge in the SPAC world as the quarter drew to a close. Usually at a market turn, you see the weakest parts of the previous run-up get shaken out first, and that might already be happening for some SPAC participants. While short-term SPAC valuations are in silly territory, there is a great long-term benefit to so many companies and management teams coming back into the public realm, as it ultimately increases the investable universe of opportunities for long-term investors like us.

On 2), our cash is never a top-down market call, but rather the residual of the bottom-up opportunity set. We would of course prefer to be fully or close-to-fully invested at all times as a result of finding compelling investment opportunities, but we remain disciplined in an overvalued market and have proven (with quarters like this one), that we can deliver solid absolute returns with less risk when we have a cash buffer. Our history has shown that our cash can turn into investments quickly. Over the last 15 years, we initiated multiple new investments in 59% of all quarters immediately following a quarter of 20% or higher cash.

While the Small Cap Fund has delivered absolute returns of 39% since 12/31/18, it might not have felt like it along the way, with COVID pain in the first half of 2020, bookended by higher-than-average cash weighing down relative returns in a strong up market pre-and post-March 2020. In the second half of last year, we had both an unusually high number of pre-qualified on-deck companies (six new qualifiers, plus in-process additions to underweight holdings like Empire State Realty Trust) and an unusually low number of those that we were able to fully execute on, with only partial new positions in Everest Re and Liberty Braves. While one extreme of March 2020 (when we were buying) made it feel hard to own ANY small cap stocks, the extreme of March 2021 after a historic run in the Russell 2000 over the last five months makes it feel bold NOT to own ALL the stocks. Now is the time to remain patient and stick to our investment discipline of reducing portfolio risk by selling fully-valued securities and waiting until new opportunities with an adequate margin of safety qualify, even if it means temporarily holding higher cash while we wait.

We have considered re-closing the Small Cap Fund given its elevated quarter end cash level, but for the moment we are choosing not to for multiple reasons: 1) our overall price to value (P/V) level is below 70%; 2) the portfolio's 2022 P/FCF multiple remains attractive in both absolute and relative terms, as detailed above; 3) our on-deck list remains solid and probably even better than this time last quarter, as we will detail below, and we still have not finished buying two new positions initiated this quarter; 4) we think that market conditions can change quickly and that we can quickly put the current cash balance to work. At $2 billion of assets under management to end the quarter, we are comfortably below the $2.5 billion limit we mentioned when we re-opened last year, and that $2.5 billion is itself a materially lower percentage of the Russell 2000 than it was then. Any new incremental cash received in the portfolio would likely go to sizing up current underweighted positions and ultimately to funding our next new qualifiers. We remain committed to doing what is right for existing, long-term holders of Longleaf Partners Small-Cap Fund, and we will update you if our thinking changes.

Contributors/Detractors

(Q1 Investment return; Q1 Fund contribution)

Lumen (40%, 3.33%), the global fiber company, was the top contributor. While COVID fallout still weighed on fourth quarter results, the company benefitted from positive business mix improvements. Early in the quarter, Lumen appreciated 38% in a few short days amidst the "Game Stop / Reddit" short cover phenomenon, and we trimmed the position on the price strength. After this short-term bounce, Lumen's stock price appreciated more steadily over the last six weeks of the quarter with improved results. Many of last year's worst-case fears have not materialized, and the outlook is improving for the core business. We continue to believe that the company has multiple ways within its control to both grow and realize value per share, and we have a 13D filed to allow us to discuss these options with the company. Lumen's board, which includes Southeastern-nominated Chairman Mike Glenn from FedEx and Director Hal Jones from Graham Holdings, is doing good work to realize Lumen's hidden value and return the business to FCF/share growth. Despite its appreciation, the stock trades at less than half of our appraisal.

CNX Resources (36%, 2.54%), the Appalachian natural gas company, was another top contributor. The company earned $85 million FCF in the fourth quarter and used the profits to pay down debt and repurchase shares at a 7% annualized pace. 2021 and 2022 production is hedged at solid prices, and the company has guided to a growing $1.90 per share FCF coupon in the near term. The stock trades under 8x FCF before adjusting for farther off undeveloped acreage and the company's pipeline infrastructure. CNX is the lowest-cost producer in the region and its PDP decline rate continues to improve, meaning it can maintain or grow future production without spending heavily. Encouragingly, CNX announced meaningful progress in its ESG initiatives in the quarter, including its commitment to transparent reporting through its adoption of Climate-Related Financial Disclosure (TCFD) and the Sustainability Accounting Standards Board (SASB) disclosure standards. We have engaged with CNX leadership on this topic over the last several years and have encouraged them to commit to these leading industry standard disclosure frameworks. Additionally, the company formed a dedicated working group focused on future emissions reduction and approved a performance measure program that ties executive compensation to meeting targeted methane emissions reduction thresholds over a three-year period.

Empire State Realty Trust (19%, 1.23%), the New York City property owner, also contributed to strong performance. Quarterly results were resilient, with occupancy remaining in the high-80s% in a challenging environment and Empire State Building observatory volumes slowly improving while gaining share from competing attractions. The company repurchased discounted shares at a 5% annualized pace. The stock still trades at a low multiple of earnings power and a 30%+ discount to our appraisal. CEO Tony Malkin shared his expectation that the depressed New York City market will recover in occupancy and pricing from 2022.

Realogy (15%, 1.03%), the residential real-estate brokerage franchisor, was also a strong contributor. Franchise fees increased 36% year-over-year (YOY). The company generated $2.22 of FCF in the fourth quarter alone, less than 7x the stock's price. The national single-family housing market remains very strong with big price increases helping to grow Realogy's fees. Realogy also grew its market share, a welcome reversal from 2020 losses. Realogy's title and mortgage sales have also increased substantially in recent months. While the company might trade in the short term with interest rate fluctuations, we believe its long-term outlook remains bright with value growth coming from FCF allocated by great management that is aligned with shareholders, and by long-term home price appreciation combined with future increasing millennial home ownership. The end of the quarter also saw Realogy's competitor Compass come public in a somewhat disappointing IPO that still valued it at multiples of any comparable metric on which Realogy trades. We think some public company discipline for Compass leading to any attempted focus on FCF instead of revenue growth at all costs could be a good thing for Realogy.

Mattel (14%, 0.87%), the global toy company, also contributed to the Fund's positive returns. Fourth quarter sales grew 10%, with Barbie once again leading with an impressive 18% growth, American Girl up 9% due to direct-to-consumer strength, Hot Wheels up 12% and Infant/Toddler growing 7%. Margins also improved to increase EBITDA 53% year-over-year (YoY) during the company's all-important seasonal peak. CEO Ynon Kreiz's outlook for 2021-23 includes achievable targets of mid-single-digit revenue growth and continuously improving margins. Mattel's strategically important IP monetization has also developed well with no fewer than 25 media projects in the works. We expect significant contributions from these high-margin IP revenues over the next several years and do not think the market yet gives the company credit for the scale of this opportunity.

Portfolio Activity

We exited two businesses in the period: PotlatchDeltic and Formula One. In both cases, share price went above our appraised value, even though we continue to view the businesses and management teams highly and hope to have the opportunity to partner with them again. We have owned the assets at PotlatchDeltic successfully four times now in the last two decades and have great respect for the management team. Although Formula One was a new business for us, we have partnered with John Malone and Greg Maffei across multiple Liberty Media businesses and remain partnered with them at Liberty Braves. We trimmed an additional six holdings, taking advantage of price strength to manage position sizes at companies trading at a higher price-to-value.

We bought two new businesses, both of which remain undisclosed as we are still filling out the positions. One is a company that we know well and own in other portfolios and recently became cheap enough to become a new buy again. The second is a healthcare company that is new to us, but where we have an aligned management team with a superior history of long-term value creation.

Our team has been hard at work evaluating new businesses across multiple sectors, including healthcare, consumer products and infrastructure. Our on-deck list remains better than we would expect for a market at this aggregate level, as new companies have moved on but some have moved off. There are not broad "themes" that are driving our new additions, but rather unique one-offs that come our way as we go down the list day by day. For example, we are working on two misunderstood internet/software companies that are being temporarily punished due to a combination of industry cyclicality and short-term, company-specific overhangs; we have found two real estate services companies that trade at discounts to potentially inferior peers; we are watching closely a media/entertainment company that we have previously owned. We can see multiple ways to have a similarly productive second quarter and rest of the year on new name generation. We also have several existing holdings closer to buys than sales at today's portfolio weights.

Outlook

We are excited about the specific company opportunities in our portfolio and on our on deck list, but we would also highlight a few additional potential sources for tomorrow's "value stocks." While more money into index funds or thematic ETFs can lift a lot of boats in good times, there will inevitably be bad times when all these move down together, leading to some high-quality companies within this group becoming misunderstood, and then we will get a chance to own them. That statement might apply more to some of the higher-flying parts of the market, so we would also point to some of the more boring, consumer product parts of the market with hope. The thirst for perceived safety via low-volatility grew over the last several years in conjunction with lower interest rates / higher multiples, amplified by a one-time COVID bump that helped that group further. We have owned many high-quality consumer goods companies before, but we expect a tougher near-term outlook for these "places to hide." We expect this will eventually translate into more opportunities for long-term value investors like us at better multiples.

The best way we can thank our clients for their long-term partnership is with good absolute returns, so we are glad to start the year off as we have. We do not believe this is a blip. Value has outperformed growth for 85%+ of rolling 10-year periods through recorded history. The data would support that we are more likely than not just getting started after a longer than usual rough period. We also like how our unique portfolio is positioned vs. an average active value manager or ETF. We do not own either extreme of 1) opaque, undifferentiated bank stocks or 2) “compounders” that are great qualitatively but just are not undervalued and therefore have minimal or no margin of safety. Our carefully selected portfolio has much more room to grow, and our cash holdings will provide a buffer vs. overvalued markets and then turn into our next great qualifiers.

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 Small-Cap 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. Smaller company stocks may be more volatile with less financial resources than those of larger companies.

The Russell 2000 Index measures the performance of the 2,000 smallest companies in the Russell 3,000 Index, which represents approximately 10% of the total market capitalization of the Russell 3000 Index. The Russell 2000 Value index is drawn from the constituents of the Russell 2000 based on book-to-price (B/P) ratio. An index cannot be invested in directly.

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

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.

The price-to-free cash flow ratio (P/FCF) is a valuation method used to compare a company's current share price to its per-share free cash flow.

An IPO is an initial public offering, referring to the process of offering shares of a private corporation to the public in a new stock issuance.

Environmental, social, and governance (ESG) criteria are a set of standards for a company's operations that socially conscious investors use to screen potential investments.

Climate Related Financial Disclosure (TCFD) is a reference to The Task Force on Climate-Related Financial Disclosures, an organization established with the goal of developing a set of voluntary climate-related financial risk disclosures which can be adopted by companies so that those companies can inform investors and the public about the risks they face related to climate change.

The Sustainability Accounting Standards Board (SASB) is an independent nonprofit organization that sets standards to guide the disclosure of financially material sustainability information by companies to their investors.

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.

A SPAC is a special purpose acquisition company.

NFTs are non-fungible tokens. NFTs are cryptographic assets on blockchain with unique identification codes.

A 13D filing is generally required for any beneficial owner of more than 5% of any class of registered equity securities, and who are not able to claim an exemption for more limited filings due to an intent to change or influence control of the issuer.

Discounted cash flow (DCF) is a valuation method used to estimate the attractiveness of an investment opportunity. DCF analysis uses future free cash flow projections and discounts them to arrive at a present value estimate, which is used to evaluate the potential for investment.

As of March 31, 2021, the top ten holdings for the Longleaf Partners Small-Cap Fund: Lumen, 12.7%; Realogy, 6.5%; CNX Resources, 6.4%; Mattel, 6.2%; Empire State Realty, 5.7%; Lazard, 4.6%; Graham Holdings, 4.6%.; Eastman Kodak, 4.5%, LANXESS 4.3% and Hyatt Hotels, 4.1%. Fund holdings are subject to change and holding discussions are not recommendations to buy or sell any security. Current and future holdings are subject to risk.

Funds distributed by ALPS Distributors, Inc.

LLP001180
Expires 7/31/2021

Longleaf Partners International Fund

Longleaf Partners Funds

Summary – March 31, 2021

1Q21

Longleaf Partners International Fund

(800) 445-9469 / southeasternasset.com

Longleaf Partners Funds

Long-Term / Concentrated / Engaged / Value

Founded in 1975, Southeastern Asset Management is an independent, global investment firm managing $11.5 billion. Partnership is core to all that we do, and Southeastern's employees and related entities are the largest investors across the Longleaf Partners Funds. Our 14-person global investment team are generalists, tasked with finding the best bottom-up opportunities across the globe.

The Fund seeks to own a concentrated portfolio of our best 18-22 ideas that meet our Business, People, Price investment criteria. We invest with a 3-5 year investment horizon and take advantage of short-term volatility to own high quality businesses, run by capable management teams, whose stock prices are trading temporarily at a discount. Our extensive, global network allows us to engage with our management partners to help drive long-term value creation.

Fund Profile

Investment Style	International Value
Ticker	LLINX
Inception Date	October 26, 1998
Net Assets	$1.4 billion
Expense Ratio (Gross)	1.17%
Expense Ratio (Net)	1.15%
Turnover (5 yr avg)	31%
Weighted Average Market Cap	$41.3 billion

Holdings (21)

	Activity*	Weight
EXOR		8.7%
Melco International	+	6.1
Prosus		5.6
Glanbia	+	5.5
Fairfax Financial		5.4
Domino's Pizza Group (UK)		5.1
CK Hutchison	+	4.8
Accor		4.8
GRUMA	+	4.7
Richemont		4.6
LafargeHolcim		4.3
Lazard		4.3
LANXESS		4.0
Millicom		3.9
CK Asset Holdings		3.4
Baidu	-,+	3.4
Applus Services		2.5
Great Eagle		2.4
Undisclosed	NEW	2.3
Jollibee		1.9
Becle	-	1.5
Cash		10.8
Total		100.0%

*Full eliminations include the following positions: MinebeaMitsumi

Holdings are subject to change and discussion of holdings are not a recommendation to buy or sell any security. Holdings are subject to risk. Funds distributed by ALPS Distributors, Inc.

The total expense ratio for the Longleaf Partners International Fund is 1.17% (Gross) and 1.15% (net). The International Fund's expense ratio is subject to a fee waiver to the extent the Fund's normal annual operating expenses exceed 1.15% of average annual net assets.

Sector Composition

Consumer Discretionary	30.4%
Financials	18.4
Consumer Staples	11.7
Materials	8.3
Industrials	7.3
Communication Services	7.3
Real Estate	5.8
Health Care	--
Information Technology	--
Utilities	--
Energy	--
Cash	10.8

Regional Composition

Europe Ex-UK	43.9%
Asia Ex-Japan	24.3
North America	15.9
UK	5.1
Cash	10.8

Performance Contribution

Top Three	Portfolio Contribution	Return
Fairfax Financial	1.51%	31%
Glanbia	0.94	19
Baidu	0.70	3

Bottom Three	Portfolio Contribution	Return
Jollibee	-0.26%	-10%
Becle	-0.20	-9
Applus Services	-0.18	-6

Performance at 3/31/2021

	Total Return (%)		Average Annual Return (%)				
	1Q	One Year	Five Year	Ten Year	15 Year	20 Year	Since Inception
International Fund	6.73	55.33	9.76	4.47	3.70	5.10	7.48
MSCI EAFE	3.48	44.57	8.85	5.52	4.10	5.45	5.44

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 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 longleafpartners.com.

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

RISKS - The Fund is subject to stock market risk, meaning stocks in the Fund may fluctuate in response to developments at individual companies or due to general market and economic conditions. Also, because the Fund generally invests in 15 to 25 companies, share value could fluctuate more than if a greater number of securities were held. Investing in non-U.S. securities may entail risk due to non-U.S. economic and political developments, exposure to non-U.S. currencies, and different accounting and financial standards. These risks may be higher when investing in emerging markets.

MSCI EAFE Index (Europe, Australasia, Far East) is a broad based, unmanaged equity market index designed to measure the equity market performance of 22 developed markets, excluding the US & Canada. An index cannot be invested in directly.

April 2021

Longleaf Partners International Fund Commentary

1Q21

Longleaf Partners International Fund reported a solid first quarter, returning 6.73% and outpacing the MSCI EAFE Index's 3.48%. Our Hong Kong-listed investments that were the largest absolute and relative detractors in 2020 began delivering on our expectations this year. These Hong Kong businesses benefitted from an improvement in sentiment related to the relaxation of COVID lockdown measures, the beginning of mass vaccination programs, and the rotation from growth to value. Hong Kong is a barbell-ed index with a heavy concentration of new economy digital companies and old economy heavy industry, real estate and finance. Our concentration in real assets, including property, gaming and infrastructure firms CK Hutchison, CK Asset, Great Eagle and Melco International, tend to benefit from inflation, helping returns in the quarter. Our four Hong Kong investments, which began the year trading at a single-digit average multiple of earnings power, were collectively the largest absolute and relative regional performance driver in the quarter.

Average Annual Total Returns (3/31/21) Longleaf Partners International Fund: Since Inception (10/26/98): 7.48%, Ten Year: 4.47%, Five Year: 9.76%, Three Year: 5.54%, One Year: 55.33%. MSCI EAFE Index: Since (10/26/98): 5.44%, Ten Year: 5.52%, Five Year: 8.85%, Three Year: 6.02%, One Year: 44.57%.

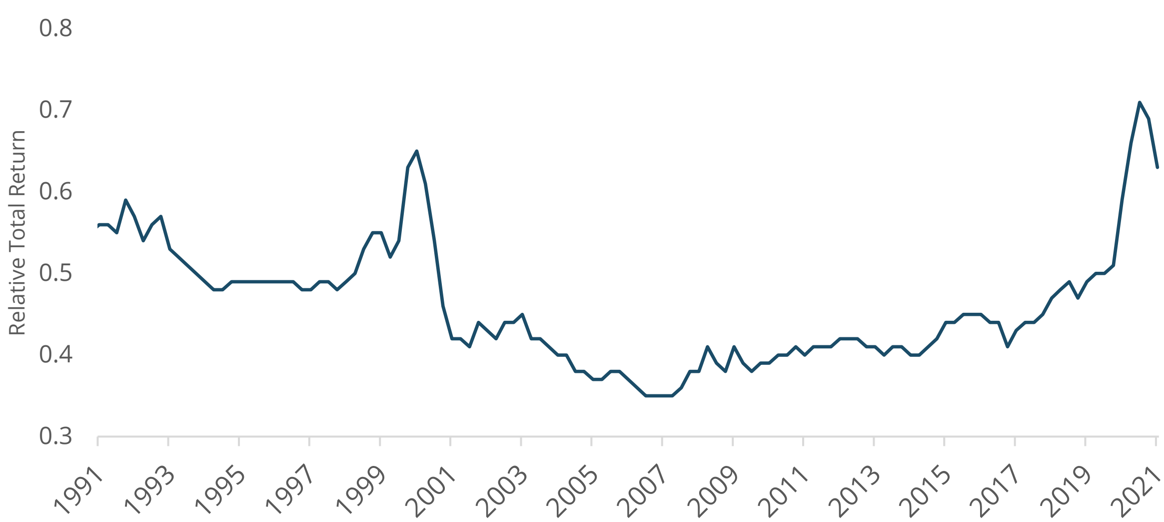
Returns reflect reinvested capital gains and dividends but not the deduction of taxes an investor would pay on distributions or share redemptions. Performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value of an investment 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. ***As reported in the prospectus, dated May 1, 2020, the total expense ratio for the Longleaf Partners International Fund is 1.17% (gross) and 1.15% (net). The expense ratio is subject to fee waiver to the extent normal annual operating expenses exceed 1.15% of average annual net assets.*** *Southeastern has contractually committed to limit operating expenses (excluding interest, taxes, brokerage commissions and extraordinary expenses) to 1.15% of average net assets per year.*

The Fund's performance was aided by the much publicized "rotation to value" of the last few months, with value outperforming growth for the second consecutive quarter. The outperformance of value was led by the finance, energy, and real estate sectors - the most beaten down, low multiple areas - substantially outperforming the Index. The Fund outperformed the MSCI EAFE index, despite having no exposure to energy or banks. Our overweight to Real Estate and strong stock-specific performance by Hong Kong Real Estate businesses CK Asset and Great Eagle were strong absolute and relative contributors. We saw strong stock-specific performance across the portfolio with no material detractors in the quarter.

Value has underperformed for over a decade. While value outperforming growth for two quarters may not firmly establish a trend, we have a long way to go for the value versus growth dynamic to revert to historical norms, as shown in the chart below, which bodes well for future returns of value-oriented strategies like ours.

MSCI World Growth Index vs MSCI World Value Index

4/1/1991 to 3/31/2021



FX was an absolute headwind, as the US dollar (USD) strengthened 4% in the quarter, costing the Fund approximately 240 bps of performance. The EAFE Index was impacted by FX translation even more in the period. After giving up some of its strength in 2020 (the DYX Index declined 7% in 2020, providing a tailwind for the Fund), the USD continued its years-long upward march again in the first quarter, driven by a successful vaccine roll out and rising interest rates on the long end of the yield curve rising. However, we believe that over the next five to seven years being short the USD (as you are in a USD fund investing entirely in non-US companies) is a prudent move. Ironically, the increase in longer government bond rates that has supported the USD could be a positive factor in the value rotation away from growth providing some natural hedge.

In our 2020 annual letter, we defined value as "an adequate margin of safety relative to our internal, conservatively calculated intrinsic value for a business." Another aspect of our style of value investing that is often misunderstood is business quality. A low multiples-based style of investing, or one that was shaped from the early, "cigar butt" years, may reflexively associate value with low quality. We have always disliked the growth/value distinction as classically defined. We believe "growth" today is more accurately defined as "high multiple reflecting an uncertain future and wide range of potential intrinsic values," whereas we look to own companies with a "generally lower multiple in industries where intrinsic value is reasonably estimable." Our long-term, bottom-up, fundamentals-driven approach allows us to look through short-term complexity and/or uncertainty for long-term opportunity.

The portfolio currently is invested in multiple companies that we rate in the very top category of quality. An example that we have not discussed in detail is Richemont, the luxury company whose underlying holdings include irreplaceable jewelry brands Cartier and Van Cleef & Arpels. Richemont is a great example of how a value-conscious approach demanding a margin of safety can lead to investments in top-quality companies. We have followed Richemont for years and long admired the track record of founder, CEO and owner-operator, Johan Rupert. Our work accelerated in late 2018-2019 as share price declined on the back of 1) a 2018-19 write off watch and jewelry inventory in the face of short-term concerns over China gross domestic product growth, the China luxury crack down and Hong Kong unrest, which resulted in consolidation of a one-time €500 million cost; 2) an investment in online platform Yoox-Net-a-Porter (YNAP), which resulted in consolidating €200 million of YNAP losses in 2019. To a casual observer, the shares appeared to trade on a price-to-earnings ratio (P/E) in the low 20x range, more or less in line with peers. Implicitly YNAP was being capitalized at a negative number of several billion, while peers were being bought and valued in the public markets at multiples of revenue. Adjusting for the YNAP potential and the exceptional charges resulted in a 30-40% discount to underlying value before even taking into account the significant long-term upside of the core brands. Simply adjusting for the one-time write offs and YNAP losses allowed us to invest in a collection of some of the best businesses in the world for less than 15x their adjusted earnings power and a significant margin of safety relative to underlying value. We initiated the position in 2019 and added to our holding in March 2020, as the share price sold off in the early days of COVID panic. While Richemont has been a solid performer in the last six months (and has benefitted from the Hong Kong rebound, given a large portion of its underlying sales come from Asia), we believe the company has significant upside from today's share price.

In our view, similar high-quality, financially strong businesses are well represented in the portfolio. We expect to see continued organic growth in these businesses, with management teams that are making sound strategic moves to grow value and to get those values recognized.

Contributors/Detractors

(Q1 Investment return; Q1 Fund contribution)

Fairfax Financial (31%, 1.51%), the insurance and investment conglomerate, was the top contributor in the quarter. The COVID pandemic has had a dramatic impact on the insurance industry. Pricing trends had already turned positive in 2019, yet the losses and uncertainty from a global pandemic pushed the positive pricing trend, a "hard market" in insurance industry speak, to another level. As a result, sentiment toward Fairfax continued to improve as fourth quarter results demonstrated profitable underwriting with a 95.5% combined ratio, and premiums written increased 16% with significant contributions from increased pricing, as the insurance market continues to harden. Fairfax also invests a significant portion of its investments in equity securities with a value orientation. As the overall stock market and value stocks appreciated strongly over the last five to six months, Fairfax's equity portfolio was a beneficiary. The company increased its book value per share 8% in 4Q, and we expect to see continued growth next quarter. With interest rates beginning to increase, Fairfax is also primed to reinvest in higher yielding debt. The company currently holds a significant portion of its fixed income portfolio in short-term instruments, putting the company in an opportunistic position to capitalize on higher rates. The stock still trades low on book value and normalized earnings multiples. CEO Prem Watsa repurchased over 5% of Fairfax shares through swaps to preserve capital for additional underwriting and also ended the costly market hedges that had stunted Fairfax's value growth over the last several years. The attractive price environment looks likely to continue, making this one of the best times in years for allocating capital into underwriting. Along with Fairfax, about 40% of our investment in EXOR is its wholly controlled reinsurance company, PartnerRe. We believe EXOR is also well placed to benefit from these trends, while also evaluating other opportunities in the insurance space.

Glanbia, (19%, 0.94%) the Irish-listed global nutrition group, was also a top performer. Coming into 2021, Glanbia was firmly in our "coiled spring" group of investments. The share price began its initial uncoiling with double-digit returns in the quarter. The valuation mismatch between the three pieces of Glanbia - Global Performance Nutrition (GPN), Nutritional Solutions (NS) and the Dairy and Cheese Joint Ventures - has been extraordinary versus any peer. We built our position over the course of 2020, as operational missteps combined with pandemic impact to create a steep discount versus the underlying business value. We applaud the moves taken by management over the last six months to help rectify these issues. The board of Glanbia has already been greatly improved by the appointment of the first independent Chairman in company history in Donard Gaynor. Mr. Gaynor is providing valuable oversight and leadership, which is translating into positive improvement in company operations. CFO Mark Garvey led the effort to gain approval from the Irish regulator and shareholders for the first share buyback program in company history. Glanbia has been actively repurchasing discounted shares, while maintaining its healthy dividend and strong balance sheet. Despite positive initial steps by the company and solid share price performance, we believe there is significant potential to unlock additional value at Glanbia. The GPN business is "COVID re-opening" leveraged, as gyms and specialty channels re-open and as consumers emerge from lock down (often with some extra pandemic pounds to shed) going into the summer and wedding season, when Glanbia's healthy eating products are most in demand. The shares remain undervalued with significant earnings growth potential and, ultimately, we believe various strategic options.

Baidu (3%, 0.70%), the dominant artificial intelligence (AI) company in China, was another top contributor for the quarter. Baidu reported fourth quarter results ahead of the market's expectation. The advertising business saw gradual recovery compared to the first half of the year. A key area of outperformance was the non-advertising revenue, which grew 52%y year-over-year (YoY) and now comprises 18% of Baidu Core. The total addressable market value of Baidu's non-advertising business (ex-autonomous driving) is 10x the size of online advertising, and the expected compound annual growth rate (CAGR) to 2025 for non-advertising is three times faster than that of online marketing. The recent YY Live acquisition should help to further boost the non-advertising mix. Baidu's cloud business grew 67% YoY in the quarter with an annualized run rate of US$2 billion. Baidu also made progress in Apollo, the company's autonomous driving platform. Apollo has been granted the first driverless testing permit and received the first qualifications for commercialized autonomous driving operations in China. Baidu has set up an EV joint venture with automotive maker Geely, which could accelerate Apollo's adoption in the industry. In March, Baidu completed a secondary listing in Hong Kong, hedging any potential risks from a forced delisting in the US. The significant investment and market leadership in Chinese autonomous vehicles and AI are material underappreciated sources of value for the company. Baidu issued 10-year bonds at 2.375% last October, which implies a cash flow multiple of 42x. Baidu currently trades at 21x earnings, but excluding cash, listed securities, and investments, and assigning zero value for their loss-making Cloud and A.I. businesses, Baidu trades at 13.4x free cash flow (FCF), equivalent to a FCF yield of 7.5%. In December, the company upsized its buyback program from $3 billion to $4.5 billion to take advantage of its severe undervaluation.

In one of the more dramatic price moves we have seen this year, Baidu's share price spiked by 57% in the first seven weeks through late-February, after adding 71% in 2020. Taking advantage of this February strength, we cut the Baidu position in half. However, towards the end of the quarter, Baidu's price plummeted as a result of forced liquidation sale of Archegos Capital Management's substantial holdings in Baidu by their lenders. On March 26th, banks liquidated their margin collateral in Baidu stock through a series of block trade transactions. A massive $23.7 billion and $12 billion worth of Baidu traded on March 26th and 29th. This huge margin call is completely unrelated to Baidu’s fundamentals and our investment thesis.

CK Hutchison (14%, 0.62%), a conglomerate of telecommunications, health & beauty, infrastructure, global ports and energy, was also a positive contributor for the quarter. CK Hutchison's operations across the globe were unavoidably impacted by COVID in 2020. Full year revenues were down 8% YoY and net profits were down 27% YoY. However, compared to the first half, there was a strong recovery in the second half of 2020. Retail divisions, helped by its Online plus Offline initiatives, delivered EBITDA growth of 12% YoY in the second half, as compared to an EBITDA decline of 43% in the first half. Telecom operations have also achieved a narrowing decline in EBITDA in the second half, despite the drop of roaming fees in 2020. The massive value-accretive tower sale, first announced in November 2020, is progressing according to plan. Close to 30% of the total deal proceeds have already been received, and the rest of the deal is expected to close in 2021. The merger between Husky and Cenovus Energy was completed in January, and CK Hutchison now owns around 17% of the combined company, which has a larger scale, lower production cost and more promising outlook. Although CK Hutchison's profits for 2020 were lower, the underlying FCF was up 29% YoY, primarily helped by the working capital improvement. Gearing went down from 25% in the middle of 2020 to 22% at the year end. We were encouraged to see the on-market share buyback right after the earnings release and expect more repurchase activities in 2021.

Portfolio Activity

During the quarter we exited our small remaining position in MinebeaMitsumi, the Japanese manufacturer of high precision equipment and components, at a small gain but with a disappointing opportunity cost over the full course of our investment. While we still admire its market-leading small ball bearings business, we were ultimately disappointed by the relatively low value growth and, as a result, flat share price performance. We have re-deployed capital into other more attractive opportunities. We also trimmed our investment in Becle further after strong price performance in the prior quarter, in addition to selling half our position in Baidu in February, as discussed above.

We initiated a new position in a Chinese company that we have previously owned indirectly through a holding company. Headlines and near-term issues finally provided the opportunity to buy it directly at a material discount. The company remains undisclosed, as we hope to fill out the position. We opportunistically added to our investments in Melco International, Glanbia and Gruma. Cash is temporarily higher than the low-single digits average of the last few years, as a result of positive investor inflows in the final week of March. The 11% cash at quarter-end is a point-in-time snapshot, and we are actively putting this capital to work.

Outlook

We believe the portfolio is well positioned to generate strong returns with a price-to-value ratio (P/V) below historic averages in the high 60s% and an attractive on-deck list of investment opportunities around the world. Multiple companies from the United Kingdom have jumped to the top of our watch list, in the wake of the completion of Brexit and ongoing COVID uncertainty. The journey back to pre-COVID conditions is likely to be uneven globally, producing winners and losers, as determined by the health of corporate balance sheets, the extent of accommodative policy measures, vaccine access and policy, and the different pace of re-opening of economies. We expect China to drive economic growth in Asia (and the world), and we have added opportunistically to companies that we expect to benefit from Chinese consumption growth at attractive valuations. The historically unprecedented run of US growth companies outperforming may be at an end. We believe our portfolio of undervalued, high-quality, Non-US businesses will continue to outperform, narrowing the historic dispersion between value and growth.

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

RISKS
The Longleaf Partners International Fund is subject to stock market risk, meaning stocks in the Fund may fluctuate in response to developments at individual companies or due to general market and economic conditions. Also, because the Fund generally invests in 15 to 25 companies, share value could fluctuate more than if a greater number of securities were held. Investing in non-U.S. securities may entail risk due to non-US economic and political developments, exposure to non-US currencies, and different accounting and financial standards. These risks may be higher when investing in emerging markets.

MSCI EAFE Index (Europe, Australia, Far East) is a broad based, unmanaged equity market index designed to measure the equity market performance of 22 developed markets, excluding the US & Canada.

The MSCI World Growth Index captures large and mid cap securities exhibiting overall growth style characteristics across 23 developed markets countries. The growth investment style characteristics for index construction are defined using five variables: long-term forward EPS growth rate, short-term forward EPS growth rate, current internal growth rate and long-term historical EPS growth trend and long-term historical sales per share growth trend.

The MSCI World Value Index captures large and mid cap securities exhibiting overall value style characteristics across 23 developed markets countries. The value investment style characteristics for index construction are defined using three variables: book value to price, 12-month forward earnings to price and dividend yield.

The US Dollar Index (DYX Index) is used to measure the value of the dollar against a basket of six world currencies - Euro, Swiss Franc, Japanese Yen, Canadian dollar, British pound, and Swedish Krona.

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.

Brexit ("British exit") refers to the June 23, 2016 referendum by British voters to leave the European Union.

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

As of March 31, 2021, the top ten holdings for the Longleaf Partners International Fund: EXOR, 8.7%; Melco International, 6.1%; Prosus, 5.6%; Glanbia, 5.5%; Fairfax Financial, 5.4%; Domino's Pizza Group (UK), 5.1%; CK Hutchison, 4.8%; Accor, 4.8%; GRUMA, 4.7%; and Richemont, 4.6%. Fund holdings are subject to change and holding discussions are not recommendations to buy or sell any security. Current and future holdings are subject to risk.

Funds distributed by ALPS Distributors, Inc.

LLP001178
Expires 7/31/2021

Longleaf Partners Global Fund

Longleaf Partners Funds

Summary – March 31, 2021

1Q21

Longleaf Partners Global Fund

(800) 445-9469 / southeasternasset.com

Fund Profile

Investment Style	Global Value
Ticker	LLGLX
Inception Date	December 27, 2012
Net Assets	$0.4 billion
Expense Ratio (Gross)	1.32%
Expense Ratio (Net)	1.15%
Turnover (5 yr avg)	30%
Weighted Average Market Cap	$46.5 billion

Holdings (19)

	Activity*	Weight
EXOR		9.5%
Lumen		9.4
CK Hutchison	+	5.9
CNX Resources	-	5.4
Fairfax Financial		5.3
Millicom	+	4.6
Prosus		4.5
Melco International		4.5
Comcast		4.5
General Electric	-	4.4
LafargeHolcim		4.4
FedEx		4.1
Williams	-	3.6
MGM Resorts		3.5
Undisclosed	NEW	2.7
Hyatt		2.4
Accor		2.1
Undisclosed	NEW	1.3
Affiliated Managers Group		1.2
Cash		16.7
Total		100.0%

*Full eliminations include the following positions: DuPont, Minebea and CK Asset

Holdings are subject to change and discussion of holdings are not a recommendation to buy or sell any security. Holdings are subject to risk. Funds distributed by ALPS Distributors, Inc.

The total expense ratio for the Longleaf Partners Global Fund is 1.32% (Gross) and 1.15% (net). The Global Fund's expense ratio is subject to a fee waiver to the extent the Fund's normal annual operating expenses exceed 1.15% of average annual net assets.

LLP001172 expires July 31, 2021

Longleaf Partners Funds

Long-Term / Concentrated / Engaged / Value

Founded in 1975, Southeastern Asset Management is an independent, global investment firm managing $11.5 billion. Partnership is core to all that we do, and Southeastern's employees and related entities are the largest investors across the Longleaf Partners Funds. Our 14-person global investment team are generalists, tasked with finding the best bottom-up opportunities across the globe.

The Fund seeks to own a concentrated portfolio of our best 18-22 ideas that meet our Business, People, Price investment criteria. We invest with a 3-5 year investment horizon and take advantage of short-term volatility to own high quality businesses, run by capable management teams, whose stock prices are trading temporarily at a discount. Our extensive, global network allows us to engage with our management partners to help drive long-term value creation.

Sector Composition

Communication Services	18.5%
Consumer Discretionary	17.0
Financials	16.0
Industrials	15.7
Energy	9.0
Materials	4.4
Health Care	2.7
Information Technology	--
Consumer Staples	--
Utilities	--
Real Estate	--
Cash	16.7

Regional Composition

North America	46.5%
Europe Ex-UK	26.4
Asia Ex-Japan	10.4
Cash	16.7

Performance Contribution

Top Three	Portfolio Contribution	Return
Lumen	3.06%	40%
CNX Resources	1.68	36
General Electric	1.50	22

Bottom Three	Portfolio Contribution	Return
Millicom	-0.09%	-2%
Minebea	0.08	11
Undisclosed	0.09	7

Performance at 3/31/2021

	Total Return (%)		Average Annual Return (%)				
	1Q	One Year	Five Year	Ten Year	15 Year	20 Year	Since Inception
Global Fund	13.20	65.74	12.19	--	--	--	7.90
MSCI World	4.92	54.03	13.36	--	--	--	11.53

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 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.

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

RISKS - The Fund is subject to stock market risk, meaning stocks in the Fund may fluctuate in response to developments at individual companies or due to general market and economic conditions. Also, because the Fund generally invests in 15 to 25 companies, share value could fluctuate more than if a greater number of securities were held. Investing in non-U.S. securities may entail risk due to non-U.S. economic and political developments, exposure to non-U.S. currencies, and different accounting and financial standards. These risks may be higher when investing in emerging markets.

MSCI World Index is a broad-based, unmanaged equity market index designed to measure the equity market performance of 24 developed markets, including the United States. An index cannot be invested in directly.

April 2021

Longleaf Partners Global Fund Commentary

1Q21

Longleaf Partners Global Fund added 13.20% in the first quarter, more than double the MSCI World's 4.92% return. Almost every company was positive in the quarter, with last year's largest COVID laggards rebounding to help drive strong absolute and relative results. The Fund's average 16% cash position was the only meaningful relative drag on returns, with stock selection (and strong stock-specific performance) within the Communications Services, Industrials and Consumer Discretionary sectors (plus our relative overweight to Energy) driving outperformance. We did not own the banks and lower-quality companies that largely drove the global value performance rally. Our Hong Kong-listed investments that were among the largest absolute and relative detractors in 2020 began paying off this year. These Hong Kong businesses benefitted from an improvement in sentiment related to the relaxation of COVID lockdown measures, the beginning of mass vaccination programs, and the rotation from growth to value.

Average Annual Total Returns (3/31/21): Longleaf Partners Global Fund: Since Inception (12/27/12): 7.90%, Ten Year: na, Five Year: 12.19%, One Year: 65.74%. MSCI World Returns (3/31/21) Since Inception: 11.53%, Ten Year: na, Five Year: 13.36%, One Year: 54.03%. MSCI World Value Returns (3/31/21): Since Inception: 8.31%, Ten Year: na, Five Year: 9.12%, One Year: 48.27%.

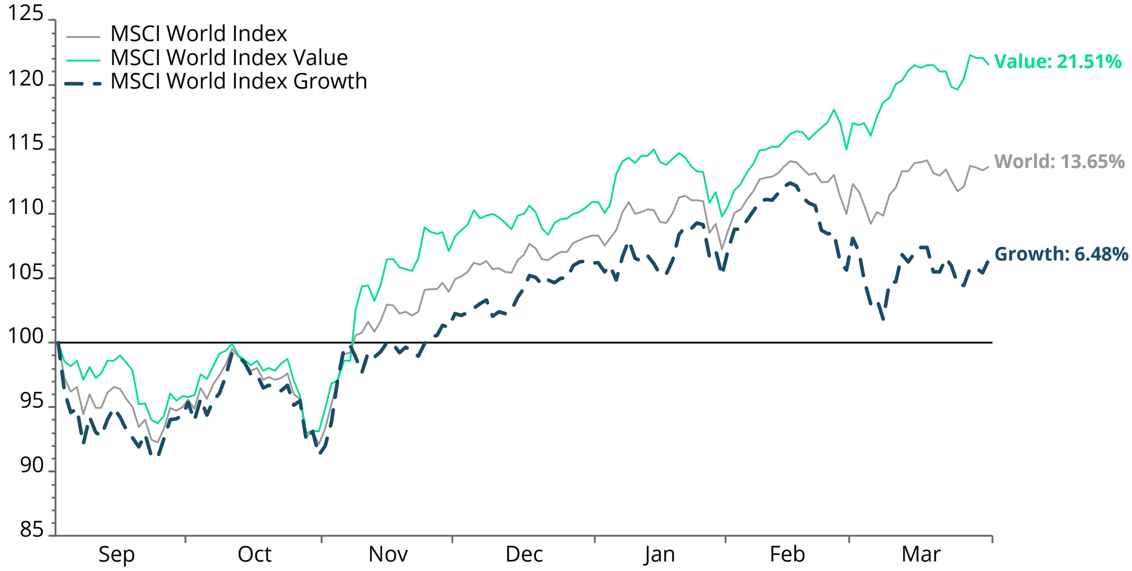
Returns reflect reinvested capital gains and dividends but not the deduction of taxes an investor would pay on distributions or share redemptions. Performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value of an investment 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. ***As reported in the Prospectus dated May 1, 2020, the total expense ratio for the Longleaf Partners Global Fund is 1.32% (gross) and 1.15% (net). The expense ratio is subject to fee waiver to the extent normal annual operating expenses exceed 1.15% of average annual net assets.*** *Southeastern has contractually committed to limit operating expenses (excluding interest, taxes, brokerage commissions and extraordinary expenses) to 1.15% of average net assets per year.*

Since we are bottom-up business appraisers and long-term business owners, the most important driver of our long-term returns will always be stock selection. In a first quarter that saw a lot of macro focus on interest rates and retail stock mania, we saw strong stock-specific returns across the portfolio with no significant detractors. Lumen outperformed telecom peers as fears about its near-term cash flow recede with its steady business mix improvement, yet it still trades at less than half of its private market value. EXOR closed on the previously announced merger of Fiat Chrysler Auto (FCA) with Peugeot, creating Stellantis and putting our great partner John Elkann more on offense than ever before with a great look-through balance sheet. CNX performed well on its way to $2/share of relatively low risk free cash flow (FCF), and the market has still yet to recognize how much more of its earnings before interest, taxes, depreciation and amortization (EBITDA) turns into FCF than peers. CK Hutchison is turning into a more focused, higher-quality company and started repurchasing shares this quarter after the sale of their cell towers business began to close in stages. Newer holdings like MGM Resorts and AMG have been quick contributors and we believe are set up well for future value growth.

We have written about value being out of favor and underperforming relative to growth extensively over the last decade. Last year, the relative gap between the two strategies reached historic levels, with value suffering its worst performance run in at least two centuries, as we wrote about last December in a paper titled Why We Believe Value Will Work Again We wrote then that it was early days but that "the market might already be turning towards value." The chart below shows that value's relative strong outperformance has continued in the first quarter.

Performance Since Value vs Growth Bottom

9/2/2020 to 3/31/2021 (in USD)



Source: FactSet

While we believe that we are just at the beginning of a long-term rebound of fundamentals mattering again, we understand if some might ask: 1) if the "shift to value" has already played out or is yet another head fake; and 2) if our higher-than-average cash is evidence that the easy money has been made or we are not participating enough in this market rally. On 1), the relative multiple math for our portfolio vs. the market from the WWB piece still holds, as shown in the chart below, even after this quarter's strong performance.

Implied Returns Based on Various P/E Assumptions

	2022 P/E Current	2022 P/E Assumption	P/E Change	Performance from P/E Change
MSCI World	18.52	16.70	(1.8)	-10%
MSCI World Growth	27.73	20.00	(7.7)	-28%
MSCI World Value	14.25	14.29	0.0	0%
Longleaf Partners Global Fund	13.11	14.29	+1.2	+9%

Source: FactSet. Actual investment results and performance are not guaranteed

Our values and free cash flow per share estimates have grown. Despite this, there are days when various parts of the market move in lockstep so that it feels like all the ETF money sloshing from theme to theme is all that matters. We disagree. There is a big difference between our portfolio's actual valuation floor supported by both reasonable discounted cash flow models (DCFs) and strategic/financial buyers willing to pay at or above our appraisals vs. the higher-flying stocks in the market where that real-life bid for the full company doesn't exist. The depths of COVID took away that bidder safety net for a while given the lack of on-the-ground due diligence. As things get back to normal, there have been plenty of deal announcements in the market over the last few months. This bodes well for our portfolio, which has historically benefitted from buyouts.

On the other hand, the wild IPO and SPAC speculation that we discussed in our 2Q and 4Q 2020 letters has only intensified. Joining the party, we now have NFTs bringing the 1990s Beanie Baby energy, where falsely perceived scarcity creates thousands and then millions of dollars out of thin air, thus eventually also creating too much supply and sowing the seeds of a downfall. We take comfort knowing this short-term frenzy is a necessary step towards more rationality coming our way sooner rather than later, and we began to see cracks emerge in the SPAC world as the quarter drew to a close. Usually at a market turn, you see the weakest parts of the previous run-up get shaken out first, and that might already be happening for some SPAC participants. While short-term SPAC valuations are in silly territory, there is a great long-term benefit to so many companies and management teams coming back into the public realm, as it ultimately increases the investable universe of opportunities for long-term investors like us.

On 2), our cash is never a top-down market call, but rather the residual of the bottom-up opportunity set. We would of course prefer to be fully or close-to-fully invested at all times as a result of finding compelling bottom-up investment opportunities, but we remain disciplined in an overvalued market and have proven (with quarters like this one), that we can deliver solid absolute returns with less risk when we have a cash buffer. Our history has shown that our cash can turn into investments quickly and it has typically been beneficial to have cash on hand to take advantage of market corrections. Simply adding to our portfolio holdings that are currently less than 5% would use all of our current cash.

Contributors/Detractors

(Q1 Investment return; Q1 Fund contribution)

Lumen (40%, 3.06%), the global fiber company, was the top contributor. While COVID fallout still weighed on fourth quarter results, the company benefitted from positive business mix improvements. Early in the quarter, Lumen appreciated 38% in a few short days amidst the "Game Stop / Reddit" short cover phenomenon. After this short-term bounce, Lumen's stock price appreciated more steadily over the last six weeks of the quarter with improved results. Many of last year's worst-case fears have not materialized and the outlook is improving for the core business. We continue to believe that the company has multiple ways within its control to both grow and realize value per share, and we have a 13D filed to allow us to discuss these options with the company. Lumen's board, which includes Southeastern-nominated Chairman Mike Glenn from FedEx and Director Hal Jones from Graham Holdings, is doing good work to realize Lumen's hidden value and return the business to FCF/share growth. Despite its appreciation, the stock trades at less than half of our appraisal.

CNX Resources (36%, 1.68%), the Appalachian natural gas company, was another top performer. The company earned $85 million FCF in the fourth quarter and used the profits to pay down debt and repurchase shares at a 7% annualized pace. 2021 and 2022 production is hedged at solid prices, and the company has guided to a growing $1.90 per share FCF coupon in the near term. The stock trades under 8x FCF before adjusting for farther off undeveloped acreage and the company's pipeline infrastructure. CNX is the lowest-cost producer in the region and its PDP decline rate continues to improve, meaning it can maintain or grow future production without spending heavily. Encouragingly, CNX announced meaningful progress in its ESG initiatives in the quarter, including its commitment to transparent reporting through its adoption of Climate-Related Financial Disclosure (TCFD) and the Sustainability Accounting Standards Board (SASB) disclosure standards. We have engaged with CNX leadership on this topic over the last several years and have encouraged them to commit to these leading industry standard disclosure frameworks. Additionally, the company formed a dedicated working group focused on future emissions reduction and approved a performance measure program that ties executive compensation to meeting targeted methane emissions reduction thresholds over a three-year period.

General Electric (GE) (22%, 1.50%), the revitalized Aviation, Healthcare and Power conglomerate, was a top contributor following on its strong 4Q 2020 performance. Fourth-quarter Healthcare results were excellent, with revenues up 6% year-over-year, operating margins up 3% to 20% and strong FCF conversion. The Power and Renewables segment improved margins due to strength from gas plant services. With flight traffic increasing, Aviation appears likely to begin a multi-year recovery in the second half of this year. GE also swapped its aircraft leasing operations to AerCap for a 46% stake in the combined company, intelligently wrapping up its previously troubled GE Capital financing operations and further decreasing overall leverage. We continue to be impressed by the turnaround work of CEO Larry Culp, and the stock remains discounted against the quality of the three core business segments.

Fairfax Financial (FFH) (31%, 1.43%), the insurance and investment conglomerate, was a top contributor in the quarter. The COVID pandemic has had a dramatic impact on the insurance industry. Pricing trends had already turned positive in 2019, yet the losses and uncertainty from a global pandemic pushed the positive pricing trend, a "hard market" in insurance industry speak, to another level. As a result, sentiment toward Fairfax continued to improve as fourth quarter results demonstrated profitable underwriting with a 95.5% combined ratio, and premiums written increased 16% with significant contributions from increased pricing, as the insurance market continues to harden. Fairfax also invests a significant portion of its investments in equity securities with a value orientation. As the overall stock market and value stocks appreciated strongly over the last five to six months, Fairfax's equity portfolio was a beneficiary. The company increased its book value per share 8% in 4Q, and we expect to see continued growth next quarter. With interest rates beginning to increase, Fairfax is also primed to reinvest in higher yielding debt. The company currently holds a significant portion of its fixed income portfolio in short-term instruments, putting the company in an opportunistic position to capitalize on higher rates. The stock still trades low on book value and normalized earnings multiples. CEO Prem Watsa repurchased over 5% of Fairfax shares through swaps to preserve capital for additional underwriting and also ended the costly market hedges that had stunted Fairfax's value growth over the last several years. The attractive price environment looks likely to continue, making this one of the best times in years for allocating capital into underwriting.

Portfolio Activity

We exited three businesses in the quarter: DuPont, Minebea and CK Asset. We sold DuPont, as its share price went to our appraisal value. We have owned DuPont successfully three times now in the last decade and have great respect for CEO Ed Breen, who has delivered on creating value and focusing the company on its core businesses. We continue to view the business and leadership highly and hope to have the opportunity to partner with them again. We sold our partial position in Minebea, as our outlook for the business and management's capital allocation plans deteriorated and our position in CK Asset to upgrade into opportunities with a larger margin of safety and potential upside. We trimmed an additional three holdings, taking advantage of price strength to manage position sizes at companies trading at a higher price-to-value.

We bought two new businesses, both of which remain undisclosed, as we are still filling out the positions. One is a company that we know well and have successfully owned in the Global Fund before. We are excited to have the opportunity to partner with the strong management team again. The second is a cash-flow generative healthcare company with a strong balance sheet and aligned board and management team with a history of long-term value creation. It represents a relatively rare opportunity where we can find a compelling company whose value has the right mix of downside protection from established franchises and hard to quantify upside from a misunderstood pipeline, all at a price that meets our discount criteria.

Our team has been hard at work evaluating new businesses across multiple sectors, including healthcare, consumer products and infrastructure. Our on-deck list remains better than we would expect for a market at this aggregate level, as new companies have moved on, while others have moved off. There are not broad "themes" that are driving our new additions, but rather unique one-offs that come our way as we go down the list day by day. We can see multiple ways to have a similarly productive second quarter and rest of the year on new name generation. We also have several existing holdings closer to buys than sales at today's portfolio weights.

Outlook

We are excited about the specific company opportunities in our portfolio and on our on deck list, but we would also highlight a few additional potential sources for tomorrow's "value stocks," which we are watching closely. While more money into index funds or thematic ETFs can lift all of those boats in the good times, there will inevitably be bad times when all these move down together, leading to some high-quality companies within this group becoming misunderstood, and then we will get a chance to own them. That statement might apply more to some of the higher-flying parts of the market, so we would also point to some of the more boring, consumer product parts of the market with hope. The thirst for perceived safety via low-volatility grew over the last several years in conjunction with lower interest rates / higher multiples, amplified by a one-time COVID bump that helped that group further. We have owned many high-quality consumer goods companies before, but we expect a tougher near-term outlook for these "places to hide." We expect this will eventually translate into more opportunities for long-term value investors like us at better multiples.

The best way we can thank our clients for their long-term partnership is with good absolute returns, so we are glad to start the year off as we have. We do not believe this is a blip. Value has outperformed for 70%+ of rolling 10-year periods throughout recorded history. The data would support that we are more likely than not just getting started after a longer than usual rough period. We also like how our unique portfolio is positioned vs. an average active value manager or ETF. We do not own either extreme of 1) opaque, undifferentiated bank stocks or 2) "compounders" that are great qualitatively but just are not undervalued and therefore have minimal or no margin of safety. Our carefully selected portfolio has much more room to grow, and our cash holdings will provide a buffer vs. overvalued markets and then turn into our next great qualifiers.

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 Global Fund is subject to stock market risk, meaning stocks in the Fund may fluctuate in response to developments at individual companies or due to general market and economic conditions. Also, because the Fund generally invests in 15 to 25 companies, share value could fluctuate more than if a greater number of securities were held. Investing in non-U.S. securities may entail risk due to non-US economic and political developments, exposure to non-US currencies, and different accounting and financial standards. These risks may be higher when investing in emerging markets.

MSCI World Index is a broad-based, unmanaged equity market index designed to measure the equity market performance of 24 developed markets, including the United States. An index cannot be invested in directly.

Earnings per share (EPS) is the portion of a company's net income allocated to each share of common stock.

A SPAC is a special purpose acquisition company.

NFTs are non-fungible tokens. NFTs are cryptographic assets on blockchain with unique identification codes.

Discounted cash flow (DCF) is a valuation method used to estimate the attractiveness of an investment opportunity. DCF analysis uses future free cash flow projections and discounts them to arrive at a present value estimate, which is used to evaluate the potential for investment.

An IPO is an initial public offering, referring to the process of offering shares of a private corporation to the public in a new stock issuance.

Environmental, social, and governance (ESG) criteria are a set of standards for a company's operations that socially conscious investors use to screen potential investments.

Climate Related Financial Disclosure (TCFD) is a reference to The Task Force on Climate-Related Financial Disclosures, an organization established with the goal of developing a set of voluntary climate-related financial risk disclosures which can be adopted by companies *so that those companies can inform investors and the public about the risks they face related to climate change.*

The Sustainability Accounting Standards Board (SASB) is an independent nonprofit organization that sets standards to guide the disclosure of financially material sustainability information by companies to their investors.

Return on Equity (ROE) is a measure of profitability that calculates how many dollars of profit a company generates with each dollar of shareholders' equity.

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.

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.

Internal rate of return (IRR) is the interest rate at which the net present value of all the cash flows from an investment equal zero.

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

As of March 31, 2021, the top ten holdings for the Longleaf Partners Global Fund: EXOR, 9.5%; Lumen, 9.4%; CK Hutchison, 5.9%; CNX Resources, 5.4%; Fairfax Financial, 5.3%; Millicom, 4.6%; Prosus, 4.5%; Melco International, 4.5%; Comcast, 4.5%; and General Electric, 4.4%. Fund holdings are subject to change and holding discussions are not recommendations to buy or sell any security. Current and future holdings are subject to risk.

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