Longleaf Partners Funds

Quarterly Summary Report

For the Quarter Ended
September 30, 2019

Longleaf Partners Funds

Longleaf Partners Fund

Longleaf Partners Funds

Summary - September 30, 2019

3Q19
Longleaf Partners 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 $12.3 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 15-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	US mid-large cap value
Ticker	LLPFX
Inception Date	April 8, 1987
Net Assets	$1.8 billion
Expense Ratio (Gross / Net)	0.97% / 0.79%
Turnover (5 yr avg)	28%
Weighted Average Market Cap.	$72.4 billion

Holdings (16)

	Activity*	Weight
CenturyLink		9.8 %
CK Hutchison		7.3
General Electric		7.2
Mattel		6.3
FedEx		6.1
CNH Industrial		5.6
Fairfax Financial	-	4.8
LafargeHolcim		4.8
CNX Resources		4.6
Affiliated Managers Group		4.6
Comcast	-	4.6
CK Asset Holdings		4.2
United Technologies		4.1
Park Hotels & Resorts	+	4.1
Alphabet	-	3.6
Wynn Resorts		3.1
Cash		15.2
Total		100.0 %

*Full eliminations include the following positions: Allergan.

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.

LLP000946 expires January 31, 2020

Sector Composition

Industrials	30.3 %
Communication Services	18.0
Consumer Discretionary	9.4
Financials	9.4
Real Estate	8.3
Materials	4.8
Energy	4.6
Cash	15.2

Performance Contribution

Top Contributors	Return	Portfolio Contribution
CenturyLink	8%	0.73%
Alphabet	13	0.44
Comcast	7	0.40

Top Detractors	Return	Portfolio Contribution
General Electric	-15%	-1.24%
FedEx	-11	-0.69
CK Hutchison	-9	-0.65

Performance at 9/30/19

	Total Return		Average Annual Return					
	Qtr	YTD	One Year	Five Year	Ten Year	15 Year	20 Year	Since Inception
Partners Fund	-3.11%	5.29%	-16.47%	-0.16%	6.61%	4.17%	5.68%	9.49%
S&P 500 Index	1.70%	20.55%	4.25%	10.84%	13.24%	9.01%	6.33%	9.84%

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 orhigher 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.

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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.

October 8, 2019

Longleaf Partners Fund Commentary

3Q19

Longleaf Partners Fund declined -3.11% in the third quarter, taking year-to-date (YTD) returns to 5.29%. The S&P 500 Index added 1.70% in the third quarter and gained 20.55% YTD. As the largest shareholder group in the Fund, we are disappointed in these results but confident in the future. We saw a continuation of the headwinds we have written about over the past several years in the third quarter – fears of a trade war and Hong Kong unrest, US dollar strength, concerns over US interest rates, the continued dominance of Growth stocks over Value stocks and US markets outperforming Non-US markets, alongside temporary, unrelated stock-specific issues. However, the values of the companies we own have generally remained steady or grown, even as prices have declined, resulting in an attractively discounted portfolio with a price-to-value (P/V) ratio in the high-50s%.

We continue to see overvaluation in large segments of the S&P 500 and believe that sticking to our long-term, fundamental value investment discipline will ultimately pay off. We saw a glimpse of how quickly market forces can revert in the 11-day period

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Average Annual Total Returns for the Longleaf Partners Fund (9/30/19): Since Inception (4/8/87): 9.49%, Ten Year: 6.61%, Five Year: -0.16%, One Year: -16.47%. Average Annual Total Returns for the S&P 500 (9/30/19): Since Inception (4/8/87): 9.84%, Ten Year: 13.24%, Five Year: 10.84%, One Year: 4.25%.

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from August 27 through September 11, which saw one of the most dramatic value vs. momentum reversals in the last 25 years, comparable only to 1999-2000 when the tech bubble burst. Our portfolio added 10.87% in the period vs. the S&P 500's 5.01% and the S&P 500 Value's 7.18%. As long-term investors, we do not hang our hats on two weeks' performance, just as we do not believe the last year plus has been representative of what our strategy can deliver for clients over the long term. However, we believe the portfolio is well positioned for outperformance based on shifting market dynamics, individual company fundamentals, and management teams that can take advantage of opportunities to create value.

Our absolute return focus dictates that we need to 1) own undervalued, high quality investments and 2) avoid expensive speculation. 126 months into a bull market, we believe the second part of the equation is both far more important than it has been and more widely overlooked. At the last relative peak for value investing in May 2007, 16% of the S&P 500's market cap came from stocks with price-to-earnings (PE) ratios over 20x - the same level seen in mid-to-late 2014, when the Partners Fund's performance began to meaningfully diverge from the S&P 500's. These were both evenly distributed valuation markets relative to history and other indexes. At the end of August 2019, the percentage of >20x PE stocks was all the way up to 49%. While that is not quite the once-in-a-lifetime 69% level seen briefly in early March 2000, we are confident that the S&P 500 is far more tilted than it has been in recent history to overvalued market favorites that have driven the last decade's returns.

We have limited or no exposure to the historically expensive low-volatility, "dividend aristocrat" stocks and/or growthier technology-related stocks. At this point in the cycle, we believe we have seen the majority of the pain for not holding these stocks and that we have the portfolio, the experienced team and the right approach in place to exploit what we expect will be "our kind of market" on a prospective basis.

Some might argue that low interest rates mean "this time is different". Another form of "this time is different" is the argument that the level of bond yields justifies the current low level of earnings yields. As contrarians, we take comfort that most market participants have given up on interest rates ever moving higher. Even if interest rates stay low, our counter to this argument is that a discounted cash flow (DCF) model has both interest rates (r) and growth (g) in the denominator of the simple net present value (NPV) calculation: DCF = Free Cash Flow / (r-g). The tradeoff between r and g within a DCF means that it is not as simple as a current snapshot of bond yields vs. earnings yields, any more than it makes sense to pay any low cap rate for a piece of real estate if you can secure a loan at an interest rate that low. The g looked a lot better in the past than it does today for the current market favorites. We have owned many low-volatility, dividend aristocrat stocks in the past, but today these companies are facing slower growth and more competition from retailer concentration/competition, the internet making it easier to start new brands direct to consumer and a much worse outlook for global expansion than existed 10-20 years ago. For the healthcare stocks that seem like steady dividend payers, we see trouble on the horizon ahead of an election year as the challenged US healthcare system spends significantly more yet does not make the US significantly healthier than other countries with similar gross domestic product (GDP) per capita levels. For the historically faster growers, we agree that favorites like Visa, Mastercard, Amazon, Microsoft, etc. are good — even great — businesses. However, we would argue that it is mathematically and regulatorily much harder to double or triple a mega-cap over the next five years, when it just spent the last five years tripling (Visa, Mastercard, Microsoft) or quintupling (Amazon). We compare these extreme market valuations to our portfolio, which trades at an adjusted price to free cash flow power of less than 9x.

Even more importantly, we believe that our portfolio is comprised of high-quality businesses with management teams that are taking action to close the gap between price and value and can deliver strong results. In last quarter's letter, we discussed the potential catalysts that we expect to drive positive results across many of our holdings over the next few quarters. We saw initial positive progress at CNH Industrial, which announced plans to improve profits dramatically and split into two businesses: a pure-play Ag/Construction company and a commercial vehicle/powertrain company. Additionally, CNX reported a strong quarter that led to a 25% increase on the day and strong growth in our appraisal. Please check out our recent podcast with CNX Chairman Will Thorndike if you would like to hear more on the company's transformation during our ownership at https://southeasternasset.com/podcasts/will-thorndike-on-cnx-outsiders-and-private-equity/. CenturyLink was the top portfolio performer in the quarter based on steady FCF/share guidance, but we expect significant additional upside potential from multiple strategic levers that management can pull. We have a 13D filed and have made progress behind the scenes in discussions on strategic options for the business. The other businesses we outlined last quarter remain some of the most fertile ground for our corporate leaders to generate rewarding performance payoffs. While we have been too early in our most discounted businesses, they remain among our highest conviction holdings today. We expect to see continued progress over the next several months.

Contributors/Detractors

(Q3 Investment return; Q3 Fund contribution)

CenturyLink (9%, 0.73%), the fiber and telecom company, was a strong contributor after reporting a relatively flat quarter in line with expectations and maintaining free cash flow guidance. We expect the sales force now being fully integrated after the Level 3 acquisition and faster pace of new installations to drive accelerated growth in the key Enterprise business in the coming quarters. CEO Jeff Storey and CFO Neel Dev continue to make progress in improving the cost structure, with a further $200-300 million per year of additional cost savings identified and a focus on increasing cash flow. CenturyLink's management has intentionally run off non-core, unprofitable businesses, like low-speed consumer internet and voice, while intelligently investing to expand the network's Enterprise fiber coverage and growing high-margin revenues over the long term. As CenturyLink's Enterprise growth inflects to outweigh the legacy declines later this year and next, we expect both the company's top line and consolidated EBITDA per share to grow. The company trades at a roughly 65% discount to our appraisal today and a multiple of 4-4.5x free-cash flow. We are engaged with management to explore additional options to close the price-value gap, as there continues to be a healthy amount of M&A in the industry at multiples above where we appraise CenturyLink's parts.

Alphabet (13%, 0.44%), the diversified internet company with strong positions worldwide in search (Google), video (YouTube), mobile (Android), and more, contributed positively after reporting accelerating revenue growth in the US (20% year-over-year) and even better results internationally. The pace of margin decline seen in prior quarters improved. Google Cloud has roughly doubled revenues over the last 18 months to become a solid number three in the industry. The company bought back $3.7 billion worth of stock, a significant year-over-year uptick and a welcome sign that the company saw value in the stock at discounted prices in the second quarter. We trimmed our position towards the end of the quarter, as price appreciated.

Comcast (7%, 0.40%), the leading US cable company, was another top contributor. The company reported 9-10% revenue growth from its cable internet and business segments. A decline in video subscribers was largely immaterial to Comcast cable's cash flow, and the segment's margins again improved. NBC Universal's (NBCU) network and broadcast revenues increased moderately, and NBCU announced its streaming service, Peacock, would take back NBC's best video content, including The Office, from Netflix. Sky, Comcast's recently acquired European subsidiary, also grew moderately, while developing more of the proprietary content that has maintained its relevance with subscribers.

General Electric (-15%, -1.24%), the aviation, healthcare and power company, was the largest detractor. In August, fraud investigator Harry Markopolos, working with a short seller, released a report alleging the company was concealing financial problems. The report focused mostly on the company's long-term care insurance reserving and the accounting of the Baker Hughes GE (BHGE) stake. GE management responded firmly, pointing out that the work in the report was flawed in that it incorrectly compared insurance policies across the industry, and the BHGE accounting had already been properly footnoted. Our appraisal was not impacted, as there was no new information. We already factored in additional contributions to bolster GE Capital reserves due to lower interest rates as the year has gone on, and our sum of the parts appraisal already incorporated the loss on the BHGE investment. CEO Larry Culp and numerous other executives and directors bought several million dollars' worth of shares as the stock dropped on the back of these headlines. Later in the quarter, the company raised another $2.7 billion of cash by selling down the next portion of its Baker Hughes stake. Operationally, GE reported moderate revenue growth in aerospace, though the ongoing Boeing 737 problems will temporarily delay some of the segment's cash inflows over the coming months. GE Power revenues shrunk 5%, but much more importantly Culp cut the unit's cash burn as it approaches profitability. The share price has since rebounded 17% after the initial 15% decline in the aftermath of the report, but it remains overly discounted today. We highlighted GE and Larry Culp last quarter as an example of a management team that had already taken steps to turn around the business, and we expect to see additional value-accretive transactions in the future, as Culp remains focused on opportunities to monetize assets at fair prices.

FedEx (-11%, -0.69%), the transportation and logistics company, fell after non-US Express revenues missed expectations with lowered revenues and earnings guidance. FedEx Ground grew, but the segment's margins contracted. Tariffs and trade uncertainties have thus far hurt Express more than any of the Fund's other portfolio companies, as increased integration costs at TNT have combined with a worse revenue outlook to produce current results well below the segment's long-term earnings power. None of these disappointments have changed the business's competitive position or five-year outlook, but we lowered our appraisal in the quarter to reflect the lower-than-expected year-to-date results. Amazon's increasing competition has received much media attention, but FedEx has (unlike UPS) already taken the pain of dropping direct revenue from Amazon. Plus, there are many companies that compete with Amazon and will therefore choose to partner with FedEx instead. Despite a poor outlook through 2020, FedEx stock is trading at a low-double-digit multiple of forward earnings and priced at a substantial discount to our appraisal, its free cash flow power and its historical valuation range.

Fairfax Financial (-10%, -0.55%), the insurance and investment conglomerate, declined despite solid underwriting results. The market focuses at times on Fairfax's emerging market exposure, which has been achieved very profitably and is a competitive advantage going forward, but has been viewed this year as a negative when countries like India struggle. In developed markets where Fairfax has more of its value, property and casualty and reinsurance markets have been turning around with better pricing after years of overcapitalization in the market. Fairfax remained disciplined and avoided growing its policies unprofitably throughout the soft pricing market, and the company is now intelligently increasing business across its subsidiaries, while maintaining a strong combined ratio. The Fairfax balance sheet safely holds low-duration debt and plenty of cash, allowing the company to be a liquidity provider when superior equity investment opportunities arise.

Portfolio Activity

We sold our position in Allergan after the company announced late last quarter that it had agreed to be acquired by AbbVie. We also trimmed Fairfax early in the quarter and trimmed Comcast and Alphabet as each appreciated in the quarter. We added to Park Hotels but did not purchase any new businesses. The pipeline of prospective investments has steadily improved throughout the year after the market rebound in Q1. We have met with and pre-qualified several interesting investment prospects across a range of industries that could come into the portfolio if we get a market pullback.

Outlook

The portfolio ended the quarter with a strongly discounted P/V in the high-50s% and 15.2% cash, which we can put to work quickly as new opportunities qualify. We expect to see continued progress in our individual holdings, as our management partners pursue catalysts that could drive significant near-term payoffs. We believe that our largest macro headwinds over the last five-to-ten years could soon become tailwinds. While we cannot predict the timing, we believe that trailing trends are longer in the tooth than they've ever been. We were encouraged by some broader market moves in our favor in September.

We are grateful for our long-term clients, who have remained with us through a challenging period. In recognition of your patience and to ensure an increasing expense ratio does not disadvantage our loyal partners, the Longleaf Trustees approved a temporary expense cap for the Fund. As of August 12, 2019, the expense cap lowers the total cost of the Fund (total expense ratio) to 0.79%. We remain committed to treating your investment as if it were our own and will continue to communicate with you as candidly as possible. We recently redesigned our website to enable better access to portfolio information and communication from your portfolio managers. We would encourage you to visit the new site at www.southeasternasset.com.

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. 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.

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

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.

Net present value (NPV) is the difference between the present value of cash inflows and the present value of cash outflows.

Dividend aristocrat stocks are a group of stocks in the S&P 500 that meet certain minimum size requirements and have 25 years of consecutive dividend increases.

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.

FCF Power is Southeastern's estimate of the amount of free cash flow per share that the company can produce on an annual basis once the business has achieved what we consider to be a normalized level of operations of its ongoing businesses.

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.

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

As of September 30, 2019, the top ten holdings for the Longleaf Partners Fund: CenturyLink, 9.8%; CK Hutchison, 7.3%; GE, 7.2%; Mattel, 6.3%; FedEx, 6.1%; CNH Industrial, 5.6%; Fairfax Financial, 4.8%; LafargeHolcim, 4.8%; CNX Resources, 4.6%; Affiliated Managers Group, 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.

Funds distributed by ALPS Distributors, Inc.
LLP000949
Expires 1/31/2020

Longleaf Partners Small-Cap Fund

Longleaf Partners Funds

Summary - September 30, 2019

3Q19

Longleaf Partners Small-Cap Fund

(Closed to New Investors)

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Longleaf Partners Funds

Long-Term / Concentrated / Engaged / Value

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Fund Profile

Investment Style	US small-cap value
Ticker	LLSCX
Inception Date	February 21, 1989
Net Assets	$3.3 billion
Expense Ratio	0.92%
Turnover (5 yr avg)	32%
Weighted Average Market Cap.	$4.9 billion

Holdings (17)

	Activity*	Weight
CenturyLink		8.8 %
Summit Materials		8.5
Eastman Kodak *(preferreds/ common/bonds)*		7.9
Graham Holdings		6.7
GCI Liberty	-	5.8
Mattel		5.1
PotlatchDeltic		4.8
Lazard		4.6
OCI		4.1
CNX Resources		4.1
Dillard's	+	4.0
Park Hotels & Resorts	+	4.0
Formula One Group	-	4.0
Actuant		3.8
Neiman Marcus *(bonds)*		3.7
Realogy	+	3.3
ViaSat		2.9
Cash		13.9
Total		100.0%

*Full eliminations include the following positions: None.

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LLP000945 expires January 31, 2020

Sector Composition

Consumer Discretionary	19.5 %
Communication Services	18.6
Materials	12.6
Real Estate	12.1
Information Technology	10.8
Financials	4.6
Energy	4.1
Industrials	3.8
Cash	13.9

Performance Contribution

Top Contributors	Return	Portfolio Contribution
Summit Materials	15%	1.17%
CenturyLink	8	0.66
Formula One Group	11	0.53

Top Detractors	Return	Portfolio Contribution
Neiman Marcus	-25%	-1.40%
OCI	-14	-0.68
Actuant	-11	-0.47

Performance at 9/30/19

	Total Return		Average Annual Return					
	Qtr	YTD	One Year	Five Year	Ten Year	15 Year	20 Year	Since Inception
Small-Cap Fund	0.17%	9.46%	-7.56%	5.56%	11.78%	9.08%	9.58%	10.44%
Russell 2000 Index	-2.40%	14.18%	-8.89%	8.19%	11.19%	8.19%	7.99%	9.27%

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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.

October 8, 2019

Longleaf Partners Small-Cap Fund Commentary

3Q19

Longleaf Partners Small-Cap Fund gained 0.17% in the third quarter, taking year-to-date (YTD) performance to 9.46%, ahead of our absolute annual goal of inflation plus 10%. The Russell 2000 Index declined -2.40% in the quarter and gained 14.18% YTD. Despite the current challenging performance endpoint, the Fund has delivered strong absolute returns and outperformed the Russell 2000 over the long term.

As one of the largest shareholders in the Fund, we are not pleased with our returns over the trailing 1, 3 or 5-year periods. Over the last 3 and 5 years, the Fund's large cash holding (averaging just over 21% in both periods) and our relative underweight to the top performing information technology sector were together responsible for over 100% of relative underperformance in both periods. We have been early – and therefore wrong – in our view that markets were overvalued and due to correct. As a result, we missed the highest-flying sectors and held elevated cash balances, which has been a large drag on our relative returns. While this has been painful in the near-term, we believe that not holding these overvalued pockets of the market and having cash to

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Average Annual Total Returns for the Longleaf Partners Small-Cap Fund (9/30/19): Since Inception (2/21/89): 10.44%, Ten Year: 11.78%, Five Year: 5.56%, Three Year: 5.03%, One Year:-7.56%. Average Annual Total Returns for the Russell 2000 (9/30/19): Since Inception (2/21/89): 9.27%, Ten Year: 11.19%, Five Year: 8.19%, Three Year: 8.23%, One Year: -8.89%.

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be a liquidity provider when opportunity arises have positioned us well prospectively to generate long term, risk-adjusted absolute returns.

While our trailing 1-year performance is ahead of the index, the negative absolute returns have been disappointing, with over 100% of absolute underperformance coming from three stocks: CenturyLink, CNX Resources and Realogy. CNX and Realogy were also the largest absolute detractors over the trailing 3 and 5-year periods. The drivers of stock performance for each of the three were unrelated and were a combination of company-specific and broader industry concerns (that also impacted their peers). Over the last 12 months, our values at CenturyLink and CNX have been stable to growing, and we have seen the quality of both investments improve. We have added to both positions and feel that these businesses help position the portfolio for strong future absolute and relative performance. Please check out our recent podcast with CNX Chairman Will Thorndike if you would like to hear more on the company's transformation during our ownership at https://southeasternasset.com/podcasts/will-thorndike-on-cnx-outsiders-and-private-equity/. We also added to Realogy, but more recently its value has declined. It remains one of the most discounted positions in the portfolio today, but it is not a full weight in the portfolio.

We are confident in our ability to deliver strong future performance based on the high quality of the businesses in our portfolio, coupled with our management partners' focus on closing the price-value gap. Some metrics would not suggest that our portfolio is high quality, but we define "quality" as competitively advantaged business that we can understand, run by great partners who will prudently grow free cash flow (FCF) per share over the long term. We do not focus on a trailing volatility measure or a projected revenue growth rate for the next one-to-two quarters. Over the last 10 years, many of our biggest winners were viewed as "low quality" in the short-term, with Texas Industries, DreamWorks and Sonic all far more shorted than their less-volatile peers before they ultimately sold to knowledgeable industry players at values above our conservative appraisals. Our partners at Madison Square Garden, Lamar Advertising and Dillard's were also heavily bet against before they each took actions to grow and unlock value per share that were recognized by the market.

We strongly believe that our five most recent new investments – GCI Liberty, Summit Materials, Lazard, PotlachDeltic and Dillard's – all increased the overall quality of our portfolio. GCI Liberty has great cable assets and top-tier people at Liberty Media whom we know well and have partnered with in multiple ways throughout our history. Summit has irreplaceable assets with pricing power in aggregates and cement, even if these were briefly obscured by bad weather and input cost inflation when we initiated the position. Lazard's high return businesses are well-entrenched and are more defensive than the stock price would suggest. While it is the only one of the five recent purchases whose stock price is currently below our weighted average purchase price, it has been the largest share repurchaser in the portfolio this year, as management has taken advantage of this discount. We have owned the unique timberland assets at Potlach and Deltic three times before our most recent ownership, and the management today is the strongest we have ever seen. Dillard's is generally discounted as a dying department store company run by a management team that doesn't dance to the sellside's quarterly tune, yet we had a great history with the Dillard family in our first round of ownership. We believe the value of the company is now tilted even more to its highest quality real estate; thus, it too is at an all-time high on quality.

Contributors/Detractors

(Q3 Investment return; Q3 Fund contribution)

Summit Materials (15%, 1.17%), the cement and aggregates company, was the largest contributor for a second quarter in a row. The company's aggregates volume grew 4% and pricing grew 8% year-over-year, while cement volumes increased 3% with further positive pricing. Consolidated earnings are still depressed from the Mississippi River's historically extreme flooding, which necessitates expensive truck and rail transport until water levels normalize. As these logistics challenges ease, Summit's margins should rebound, and the company has maintained its strong local market positions and pricing power in a difficult period. Southeastern remains very engaged with multiple parties after filing a 13D last quarter.

CenturyLink (8%, 0.66%), the fiber and telecom company, was another strong contributor after reporting a relatively flat quarter in line with expectations and maintaining free cash flow guidance. We expect the improving sales department and faster pace of new installations to drive accelerated growth in the key Enterprise business in the coming quarters. CEO Jeff Storey and CFO Neel Dev continue to make progress in improving the cost structure, with a further $200-300 million per year of additional cost savings identified and a focus on increasing cash flow. CenturyLink's management has intentionally run off non-core, unprofitable businesses, like low-speed consumer internet and voice, while intelligently investing to expand the network's Enterprise fiber coverage and growing high-margin revenues over the long term. As CenturyLink's Enterprise growth inflects to outweigh the legacy declines later this year and next, we expect both the company's top line and consolidated EBITDA per share to grow. The company trades at a roughly 65% discount to our appraisal today and a multiple of 4-4.5x free-cash flow. We are engaged with management to explore additional options to close the price-value gap, as there continues to be a healthy amount of M&A in the industry at multiples above where we appraise CenturyLink's parts.

Neiman Marcus (-25%, -1.40%), the luxury retailer, was the largest detractor in the quarter as the bonds that we own fell after weak industry results and a lack of Neiman-specific clarity given that the company had yet to report fiscal year-end results as of 9/30. The company's next round of maturities comes due in two years and amount to less than one third of annual EBITDA. The fund's second and third lien notes mature in 2024, with both bonds currently trading at wide discounts to our anticipated recovery values. As high-end competition shrinks, Neiman has both margin help within its own control and several intriguing strategic options that could close the price to value gap quickly.

OCI (-14%, -0.68%), a leading producer of nitrogen fertilizers and natural gas-based chemicals, was also a primary detractor this quarter. The stock price weakness was primarily due to the decline in the methanol spot price, which is strongly correlated to oil, and one-off negative effects of an unplanned shutdown at the company's nitrogen fertilizer facility in Beaumont, TX. To the positive, OCI has significantly de-levered over the past years from >4x net debt/operating cash flow and is targeting a ratio in the 2x range next year. OCI's structurally lower cost position (as a result of low feed-in natural gas costs) and well-located plants, greater volume leverage and embedded optionality from asset monetization position the company well to outperform its peers going forward. CEO Nassef Sawiris, an owner-operator focused on optimizing the capital structure and generating significant free cash flow, is always open to creative strategic outcomes for the company, which we believe are likely in the future.

Portfolio Activity

We added to heavily discounted Park Hotels and Realogy while continuing to buy our newest position in Dillard's, which we initiated in the second quarter. We also trimmed strong performers GCI Liberty and Formula One Group, as both appreciated in the quarter. The pipeline of prospective investments has steadily improved throughout the year after the market rebound in Q1. We have met with and pre-qualified several interesting investment prospects across a range of industries that could come into the portfolio if we get a market pullback.

Outlook

The portfolio ended the quarter with a strongly discounted price-to-value ratio (P/V) in the low-60s% and 13.9% cash, which we can put to work quickly as new opportunities qualify. We expect to see continued progress in our high-quality holdings, as our management partners pursue catalysts that could drive significant near-term payoffs. We believe our more recent purchases outlined at the start of the letter could soon join the "quality in retrospect" list of holdings that have historically gone from most hated to top performers. We are grateful for your long-term partnership and will continue to endeavor to communicate with you as candidly as possible. We recently redesigned our website to enable better access to portfolio information and communication from your portfolio managers. We would encourage you to visit the new site at www.southeasternasset.com.

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. An index cannot be invested in directly.

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.

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

Operating Cash Flow (OCF) measures cash generated by a company's normal business operations.

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.

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.

As of September 30, 2019, the top ten holdings for the Longleaf Partners Small-Cap Fund: CenturyLink, 8.8%; Summit, 8.5%; Kodak, 7.9%; Graham Holdings, 6.7%; GCI Liberty, 5.8%; Mattel, 5.1%; PotlatchDeltic, 4.8%; Lazard, 4.6%; OCI, 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.

LLP000950
Expires 1/31/2020

Longleaf Partners International Fund

Longleaf Partners Funds

Summary - September 30, 2019

Longleaf Partners Funds

3Q19 Longleaf Partners International Fund

(800) 445-9469 / southeasternasset.com

Long-Term / Concentrated / Engaged / Value

Founded in 1975, Southeastern Asset Management is an independent, global investment firm managing $12.3 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 15-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	$1.2 billion
Expense Ratio (Gross / Net)	1.18% / 1.15%
Turnover (5 yr avg)	32%
Weighted Average Market Cap.	$12.8 billion

Holdings (21)

	Activity*	Weight
EXOR		9.1 %
Melco International		6.7
LafargeHolcim		6.5
CK Hutchison		6.1
MinebeaMitsumi		6.0
LANXESS		5.5
C&C Group	+	4.9
Domino's Pizza	+	4.8
Lazard		4.6
Bolloré		4.6
CK Asset Holdings		4.2
Becle		4.2
Fairfax Financial		4.2
Baidu		4.1
OCI		3.8
Great Eagle	+	3.7
Millicom		3.7
Bharti Infratel		3.1
Richemont		2.9
Undisclosed	NEW	2.3
Vestas Wind Systems		2.0
Cash		3.0
Total		100.0 %

*Full eliminations include the following positions: None.

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 1.18% (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.

LLP000948 expires January 31, 2020

Sector Composition

Industrials	18.7 %
Financials	17.9
Materials	15.8
Consumer Discretionary	14.4
Consumer Staples	11.4
Communication Services	10.9
Real Estate	7.9
Cash	3.0

Regional Composition

Europe ex-UK	43.0 %
Asia ex-Japan	27.9
North America	15.3
Japan	6.0
UK	4.8
Cash	3.0

Performance Contribution

Top Contributors	Return	Portfolio Contribution
Melco International	8%	0.45%
Undisclosed	11	0.25
LANXESS	3	0.18

Top Detractors	Return	Portfolio Contribution
Great Eagle	-19%	-0.83%
OCI	-14	-0.59
CK Hutchsion	-9	-0.57

Performance at 9/30/19

	Total Return		Average Annual Return					
	Qtr	YTD	One Year	Five Year	Ten Year	15 Year	20 Year	Since Inception
International Fund	-5.32%	7.34%	-3.29%	3.64%	4.54%	4.35%	5.89%	7.19%
MSCI EAFE Index	-1.07%	12.80%	-1.34%	3.27%	4.90%	5.29%	3.72%	4.40%

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 orhigher 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 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.

October 8, 2019

Longleaf Partners International Fund Commentary

3Q19

Longleaf Partners International Fund declined -5.32% in the third quarter, taking performance to 7.34% year-to-date (YTD). The MSCI EAFE Index declined -1.07% in the third quarter and gained 12.80% YTD. Our Asian holdings (and the relative overweight to Hong Kong) were the largest absolute and relative detractors, as fears of a trade war and Hong Kong unrest drove broad-based price declines. We saw a lack of significant outperformers in the quarter to offset price weakness at our detractors. However, most of our companies reported positive operational progress, and our appraisal values generally remained steady or grew. We took advantage of the opportunity to add to great businesses at a discount. The portfolio is close to fully invested and trading at an attractively discounted price-to-value (P/V) in the mid-60s%.

We saw an extension of the Growth outperforming Value, US outperforming all other markets and ever-stronger US dollar themes that have dominated the market narrative for the last decade. Interestingly, while the year to date (YTD) Value versus Growth

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Average Annual Total Returns (9/30/19): Longleaf Partners International Fund: Since Inception (10/26/98): 7.19%, Ten Year: 4.54%, Five Year: 3.64%, One Year: -3.29%. MSCI EAFE Index: Since (10/26/98): 4.40%, Ten Year: 4.90%, Five Year: 3.27%, One Year: -1.34%.

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 total expense ratio for the Longleaf Partners International Fund is 1.19% (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.

discrepancy within US markets narrowed after the brief but extreme early September reversion, this gap widened outside the US with MSCI EAFE Growth outpacing Value by 129 bps in the quarter and over 1000 bps YTD. While this has been painful for long-term, concentrated, engaged value investors like us over the past decade, we suspect this trend is closer to a reversion from today's historically extreme levels.

The biggest headlines globally in the quarter were a mix of old and new. In Asia, the top macro headlines affecting the portfolio have been the US-China trade war and, more recently, the protests in Hong Kong. Our Hong Kong/ China exposure was responsible for approximately 40% of absolute decline and 35% of relative underperformance in the quarter, while our relative underweight to top index contributor Japan was responsible for an additional 30% of relative shortfall in the period. The largest single country exposure in the portfolio is Hong Kong, in a trailing 12-month period when the Hang Seng has been one of the worst performing large equity markets. It is important to note that, while approximately 21% of the portfolio holdings are listed in Hong Kong, the look through economic exposure is much lower, in the mid-single digits. The largest Hong Kong-listed holding, Melco International, is a Macau casino operator, driven by gaming penetration in China. Melco was the top contributor for the quarter, underscoring the limited Hong Kong impact. Similarly, Hong Kong-based conglomerate CK Hutchison has minimal direct Hong Kong exposure: only 14% of revenues and 5% of our appraisal. In fact, the company has more exposure to Brexit through its UK infrastructure holdings than to the Hong Kong unrest or US-China trade war. The combination of these top-down macro headlines has severely punished the stock price but has no impact on our long-term appraisal for the business. Hong Kong and China real estate company CK Asset has the largest direct Hong Kong exposure in the portfolio, but we believe the price disruption provides an opportunity. The Li family built its business going on offense in times of volatility, and CK Asset's strong balance sheet should enable it to do so again if the opportunity arises. Swiss-domiciled Richemont has seen disruption in its Hong Kong luxury product sales, but we are confident this does not meaningfully change the long-term global demand for its luxury brands. Because we cannot accurately forecast how or when the conflict will resolve, we focus primarily on how our appraisals are impacted and what opportunity the price disruption presents for long-term investors. We believe that our Hong Kong businesses are remarkably cheap with significant upside potential today.

Meanwhile in Europe, Brexit is the story that never seems to progress. Since June 2016, the actors and storylines have shifted, but the ultimate question of how the Brexit vote is actually resolved remains far from settled. October 31st is the latest critical date after the extension of the original 3-year deadline. In our bottom-up investment approach, we do not take a view on whether the result will be a trick or a treat. Instead, we look for opportunities that are impacted by factors like a Brexit overhang, but where the ultimate Brexit outcome is not critical to our investment case. Over the last three years, Hikma, Belmond and C&C have all fit that description. Regardless of how Brexit developed, we felt these companies would be compelling investments. Now Domino's UK has joined that group. As with the Hong Kong protests, if an investment thesis requires us to be correct on accurately forecasting an unknowable macro event like Brexit, it should fall into our "too hard" bucket.

Notably, Mexico was the worst-performing country for the Index in the quarter, but at less than 1% of the MSCI EAFE, it had minimal contribution impact. While some of the headline noise eased in the last month, the market has been battered since 2016 with geopolitical concerns over Trump immigration policy and plans to build a wall and the election of Andrés Manuel López Obrador (AMLO) to the Presidency. These headline-driven price declines have created compelling opportunities for us as long-term value investors, allowed us to buy Becle, the owner of spirts brands like Jose Cuervo tequila and Bushmills Irish Whiskey, and to initiate a new position in a Mexico-listed company where the strong majority of the appraisal value is not related to Mexico at a steep discount this quarter.

Contributors/Detractors

(Q3 Investment return; Q3 Fund contribution)

Melco International (8%, 0.45%), the Asian casino and resort holding company, was the top contributor for the quarter. Melco reported strong second quarter results with reported EBITDA up 24% year-over-year (yoy), driven by market share gains in both mass and VIP gaming and a better luck factor. Morpheus is ramping up well, according to management's plan, and is delivering market share gains in both segments. Gross gaming revenue (GGR) for July and August was down by 6% yoy amid macro headwinds. GGR softness was driven by weakness in the VIP segment, while mass demand remains resilient. We expect the lower margin VIP business to remain under pressure from macro uncertainties, but the higher margin mass business should continue to grow, driven by infrastructure improvements in and around Macau. Recent Hong Kong turmoil has not had a significant impact on Macau visitation numbers. We remain confident in the long-term growth of mass gaming in Macau, backed by smart capital allocator Lawrence Ho. Melco Resorts, the subsidiary of Melco International, announced its plan to buy a 20% stake in Australian premium casino resorts operator Crown Resorts at a reasonable valuation. Melco International increased dividends by 6% in the second quarter and could be more aggressive on shareholder returns going forward.

The second largest contributor was our undisclosed new investment in Mexico, mentioned above. We look forward to discussing this in more depth in the future.

Great Eagle (-19%, -0.83%), a Hong Kong real estate company that invests in and manages high quality office, retail, residential and hotel properties around the world, was the top detractor in the quarter. The ongoing protests in Hong Kong are creating headwinds and uncertainties for the local business environment. Great Eagle’s listed Hong Kong subsidiaries, Champion REIT and Langham Hospitality Trust, have seen share prices fall over 20% in the quarter. Great Eagle has a material business presence outside of Hong Kong, which is overlooked by the stock market. Currently, Great Eagle trades for less than cash and its stake in listed securities valued at current market prices, which we believe are cheap. In addition, Great Eagle has 12 fully owned overseas hotels across the globe that are independent of, and potentially separable from, the Hong Kong businesses. The largest shareholder and CEO Dr. Lo Ka Shui has demonstrated his confidence in the company by buying more stock in the market during the quarter. Dr. Lo’s ability to take advantage of these low prices is currently limited due to an outstanding legal case, which has gone heavily in Dr. Lo’s favor, but still could be appealed to the High Court and delay resolution until 2020.

OCI (-14%, -0.59%), a leading producer of nitrogen fertilizers and natural gas-based chemicals, was also a primary detractor this quarter. The stock price weakness was primarily due to the decline in the methanol spot price, which is strongly correlated to oil, and one-off negative effects of an unplanned shutdown at the company's nitrogen fertilizer facility in Beaumont, TX. To the positive, OCI has significantly de-levered over the past years from >4x net debt/operating cash flow and is targeting a ratio in the 2x range next year. OCI's structurally lower cost position (as a result of low feed-in natural gas costs) and well-located plants, greater volume leverage and embedded optionality from asset monetization position the company well to outperform its peers going forward. CEO Nassef Sawiris, an owner-operator focused on optimizing the capital structure and generating significant free cash flow, is always open to creative strategic outcomes for the company.

Portfolio Activity

During the quarter, we added to Domino's Pizza Group (DPG), the UK-listed holder of the master franchisee to operate Domino's stores in its countries. DPG was a new investment made last quarter. It is a distinct company from Domino's in the US. We have followed DPG for years but only started a position last quarter, as conviction grew on the business quality and potential to unlock value. We anticipate significant improvement in management and the board in the near future and believe this will coincide with strategic moves around the International business and concerted efforts to repair damaged relationships with UK franchisees. The UK and the Republic of Ireland are among the most attractive countries globally for pizza delivery. The markets are underpenetrated relative to Western peers. There is significant potential to gain a larger "stomach share" and increase store counts. DPG has robust local economies of scale relative to traditional competitors providing an advantage in realizing the long-term potential of these markets.

As discussed above, we established one new position, currently undisclosed, in a Mexican-based company. Similar to Becle, this is a business headquartered in Mexico but with the majority of the value generated elsewhere. The company was already a top contributor in the quarter, but we hope to add to our still-small position if share price cooperates.

Outlook

Momentum-driven US markets have outperformed Non-US markets since the global financial crisis (GFC). We are convinced that 5-10 years from now, this two-tiered, USD-led market with both technology-fueled growth and low volatility dividend aristocrats dominating will be seen as yet another instance of a trend gone too far, similar to the Nifty Fifty of the mid-70s or dotcom bubble of the late-90s. The gap has created an opportunity-rich environment for long-term, bottom-up, fundamental value investors, which is reflected in the portfolio being fully invested with 3% cash and a P/V in the mid-60s%.

Our portfolio activity in the quarter does not do justice to the research productivity we are seeing on the ground. The level of "handouts", companies put forward for active consideration, is running at the highest pace of the last three years. Our on-deck list is healthy today, evidence of a rich opportunity set and a productive process at work. In addition to the increased opportunity set in the UK and Mexico, as discussed above, we have also observed multiple interesting opportunities in Japan. We purchased two new Mexican companies and one UK company YTD, and Japan has seen the highest share of ideas filtering up to our on-deck list from our Asia Pacific strategy this year, in addition to last year's purchase of MinebeaMitsumi. We cannot predict how the macro headlines that are driving market prices will play out, but we are happy to take advantage of the opportunity to own high quality businesses, with shareholder value-focused management teams that are trading at a temporary discount as a result. We are grateful for your long-term partnership and will continue to endeavor to communicate with you as candidly as possible. We recently redesigned our website to enable better access to portfolio information and communication from your portfolio managers. We would encourage you to visit the new site at www.southeasternasset.com.

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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. An index cannot be invested in directly.

The MSCI EAFE Growth Index captures large and mid-cap securities exhibiting overall growth style characteristics across developed markets countries around the world, excluding the US and Canada. The MSCI EAFE Value Index captures large and mid-cap securities exhibiting overall value style characteristics across Developed Markets countries around the world, excluding the US and Canada.

P/V ("price to value") is a calculation that compares the prices of the stocks in a portfolio to Southeastern's appraisal of their intrinsic values. The ratio represents a single data point about a Fund and should not be construed as something more. P/V does not guarantee future results, and we caution investors not to give this calculation undue weight.

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

Operating Cash Flow (OCF) measures cash generated by a company's normal business operations.

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

"Nifty Fifty" refers to a group of fifty growth stocks identified by Morgan Guarantee Trust in the 1960's and 1970's that were regarded as "buy and hold" stocks.

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

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.

As of September 30, 2019, the top ten holdings for the Longleaf Partners International Fund: EXOR, 9.1%; Melco, 6.7%; LafargeHolcim, 6.5%; CK Hutchison, 6.1%; MinebeaMitsumi, 6.0%; LANXESS, 5.5%; C&C Group, 4.9%; Domino's, 4.8%; Lazard, 4.6%; Bolloré, 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.
LLP000952
Expires 1/31/2020

Longleaf Partners Global Fund

Longleaf Partners Funds

Summary - September 30, 2019

3Q19
Longleaf Partners Global 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 $12.3 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 15-person global investment team are generalists, tasked with finding the best bottom-up opportunities across the globe.

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Fund Profile

Investment Style	Global value
Ticker	LLGLX
Inception Date	December 27, 2012
Net Assets	$0.3 billion
Expense Ratio (Gross / Net)	1.33% / 1.20%
Turnover (5 yr avg)	38%
Weighted Average Market Cap.	$71.8 billion

Holdings (17)

	Activity*	Weight
CenturyLink		9.2 %
EXOR		8.4
Melco International	-	6.6
General Electric		6.1
CK Hutchison	+	5.7
FedEx		5.6
LafargeHolcim		4.9
Fairfax Financial		4.6
CNX Resources		4.4
CK Asset Holdings		4.2
Comcast		4.0
United Technologies		3.9
Alphabet		3.7
MinebeaMitsumi	+	3.6
OCI		3.2
CNH Industrial		2.9
Vestas Wind Systems		2.3
Cash		16.7
Total		100.0 %

*Full eliminations include the following position: Allergan.

The total expense ratio for the Longleaf Partners Global Fund is 1.33% (gross) and 1.20% (net). The Global Fund's expense ratio is subject to a fee waiver to the extent the Fund's normal annual operating expenses exceed 1.20% of average annual net assets.

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.

Sector Composition

Industrials	30.1 %
Communication Services	16.9
Financials	13.0
Materials	8.1
Consumer Discretionary	6.6
Energy	4.4
Real Estate	4.2
Cash	16.7

Regional Composition

North America	41.5 %
Europe ex-UK	21.7
Asia ex-Japan	16.5
Japan	3.6
Cash	16.7

Performance Contribution

Top Contributors	Return	Portfolio Contribution
CenturyLink	8%	0.65 %
Melco International	7	0.52
Alphabet	13	0.37

Top Detractors	Return	Portfolio Contribution
General Electric	-15%	-1.11%
FedEx	-11	-0.66
CK Asset Holdings	-13	-0.55

Performance at 9/30/19

	Total Return		Average Annual Return					
	Qtr	YTD	One Year	Five Year	Ten Year	15 Year	20 Year	Since Inception
Global Fund	-2.84%	9.60%	-9.27%	3.12%	na%	na%	na%	5.71%
MSCI World Index	0.54%	17.61%	1.83%	7.18%	na%	na%	na%	9.66%

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 orhigher 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-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.

LLP000947 expires January 31, 2020

October 8, 2019

Longleaf Partners Global Fund Commentary

3Q19

Longleaf Partners Funds

Longleaf Partners Global Fund declined -2.84% in the third quarter, taking year-to-date (YTD) returns to 9.60%, in line with our absolute return goal of inflation + 10%. The MSCI World Index added 0.54% in the third quarter and gained 17.61% YTD. As the largest shareholder group in the Fund, we are disappointed in these results but confident in the future. We saw a continuation of the headwinds we have written about over the past several years in the third quarter – fears of a trade war and Hong Kong unrest, US dollar strength, concerns over US interest rates, the continued dominance of Growth stocks over Value stocks and US markets outperforming Non-US markets, alongside temporary, unrelated stock-specific issues. The primary pain in the quarter and YTD came from our US large cap holdings – both our relative underweight to the top-performing US market and our individual stock selection hurt short-term performance. However, the values of the companies we own have generally remained steady or grown, even as prices have declined, resulting in an attractively discounted portfolio with a price-to-value (P/V) ratio in the low-60s%.

Average Annual Total Returns (9/30/19): Longleaf Partners Global Fund: Since Inception (12/27/12): 5.71%, Ten Year: na, Five Year: 3.12%, One Year: -9.27%. MSCI World: Since (12/27/12): 9.66%, Ten Year: na, Five Year: 7.18%, One Year: 1.83%.

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, 2019, the total expense ratio for the Longleaf Partners Global Fund is 1.33% (gross) and 1.20% (net). The expense ratio is subject to fee waiver to the extent normal annual operating expenses exceed 1.20% of average annual net assets.***

We continue to see overvaluation in large segments of the Index and believe that sticking to our long-term, fundamental value investment discipline will ultimately pay off. We saw a glimpse of how quickly market forces can revert in the 11-day period from August 27 through September 11, which saw one of the most dramatic value vs. momentum reversals in the last 25 years, comparable only to 1999-2000 when the tech bubble burst. Our portfolio added 9% in the period vs. the MSCI World's 4.7% and the MSCI World Value's 6.2%. As long-term investors, we do not hang our hats on two weeks' performance, just as we do not believe the last year plus has been representative of what our strategy can deliver for clients over the long term. However, we believe the portfolio is well positioned for outperformance based on shifting market dynamics, individual company fundamentals, and management teams that can take advantage of opportunities to create value.

Our absolute return focus dictates that we need to 1) own undervalued, high quality investments and 2) avoid expensive speculation. 126 months into a US-led bull market, we believe the second part of the equation is both far more important than it has been and more widely overlooked, within US large cap markets in particular. At the last relative peak for value investing in May 2007, 16% of the S&P 500's market cap came from stocks with price-to-earnings (PE) ratios over 20x - the same level seen in mid-to-late 2014, when the Fund's performance began to meaningfully diverge from the Index. These were both evenly distributed valuation markets relative to history and other indexes. At the end of August 2019, the percentage of >20x PE stocks was all the way up to 49%. While that is not quite the once-in-a-lifetime 69% level seen briefly in early March 2000, we are confident that the market is far more tilted than it has been in recent history to overvalued market favorites that have driven the last decade's returns.

We have limited or no exposure to the historically expensive low-volatility, "dividend aristocrat" stocks and/or growthier technology-related stocks. At this point in the cycle, we believe we have seen the majority of the pain for not holding these stocks and that we have the portfolio, the experienced team and the right approach in place to exploit what we expect will be "our kind of market" on a prospective basis.

Some might argue that low interest rates mean “this time is different”. Another form of “this time is different” is the argument that the level of bond yields justifies the current low level of earnings yields. As contrarians, we take comfort that most market participants have given up on interest rates ever moving higher. Even if interest rates stay low, our counter to this argument is that a discounted cash flow (DCF) model has both interest rates (r) and growth (g) in the denominator of the simple net present value (NPV) calculation: DCF = Free Cash Flow / (r-g). The tradeoff between r and g within a DCF means that it is not as simple as a current snapshot of bond yields vs. earnings yields, any more than it makes sense to pay any low cap rate for a piece of real estate if you can secure a loan at an interest rate that low. The g looked a lot better in the past than it does today for the current market favorites. We have owned many low-volatility, dividend aristocrat stocks in the past, but today these companies are facing slower growth and more competition from retailer concentration/competition, the internet making it easier to start new brands direct to consumer and a much worse outlook for global expansion than existed 10-20 years ago. For the healthcare stocks that seem like steady dividend payers, we see trouble on the horizon ahead of an election year as the challenged US healthcare system spends significantly more yet does not make the US significantly healthier than other countries with similar gross domestic product (GDP) per capita levels. For the historically faster growers, we agree that favorites like Visa, Mastercard, Amazon, Microsoft, etc. are good — even great — businesses. However, we would argue that it is mathematically and regulatorily much harder to double or triple a mega-cap over the next five years, when it just spent the last five years tripling (Visa, Mastercard, Microsoft) or quintupling (Amazon). We compare these extreme market valuations to our portfolio, which trades at an adjusted price to free cash flow power of less than 9x.

Even more importantly, we believe that our portfolio is comprised of high-quality businesses with management teams that are taking action to close the gap between price and value and can deliver strong results. In last quarter’s letter, we discussed the potential catalysts that we expect to drive positive results across many of our holdings over the next few quarters. We saw initial positive progress at CNH Industrial, which announced plans to improve profits dramatically and split into two businesses: a pure-play Ag/Construction company and a commercial vehicle/powertrain company. Additionally, CNX reported a strong quarter that led to a 25% increase on the day and strong growth in our appraisal. Please check out our recent podcast with CNX Chairman Will Thorndike if you would like to hear more on the company's transformation during our ownership at https://southeasternasset.com/podcasts/will-thorndike-on-cnx-outsiders-and-private-equity/. CenturyLink was the top portfolio performer in the quarter based on steady FCF/share guidance, but we expect significant additional upside potential from multiple strategic levers that management can pull. We have a 13D filed and have made progress behind the scenes in discussions on strategic options for the business. Melco was another top performer after reporting strong results. Additionally, CEO Lawrence Ho announced plans for subsidiary Melco Resorts to buy a 20% stake in Australian Crown Resorts at a cheap price, while Melco returned capital to shareholders with an increased dividend in the quarter. The other businesses we outlined last quarter remain some of the most fertile ground for our corporate leaders to generate rewarding performance payoffs. While we have been too early in our most discounted businesses, they remain among our highest conviction holdings today. We expect to see continued progress over the next several months.

Contributors/Detractors

(Q3 Investment return; Q3 Fund contribution)

CenturyLink (8%, 0.65%), the fiber and telecom company, was the top contributor after reporting a relatively flat quarter in line with expectations and maintaining free cash flow guidance. We expect the sales force now being fully integrated after the Level 3 acquisition and faster pace of new installations to drive accelerated growth in the key Enterprise business in the coming quarters. CEO Jeff Storey and CFO Neel Dev continue to make progress in improving the cost structure, with a further $200-300 million per year of additional cost savings identified and a focus on increasing cash flow. CenturyLink's management has intentionally run off non-core, unprofitable businesses, like low-speed consumer internet and voice, while intelligently investing to expand the network's Enterprise fiber coverage and growing high-margin revenues over the long term. As CenturyLink's Enterprise growth inflects to outweigh the legacy declines later this year and next, we expect both the company's top line and consolidated EBITDA per share to grow. The company trades at a roughly 65% discount to our appraisal today and a multiple of 4-4.5x free-cash flow. We are engaged with management to explore additional options to close the price-value gap, as there continues to be a healthy amount of M&A in the industry at multiples above where we appraise CenturyLink's parts.

Melco International (8%, 0.52%), the Asian casino and resort holding company, was another top contributor for the quarter. Melco reported strong second quarter results with reported EBITDA up 24% year-over-year (yoy), driven by market share gains in both mass and VIP gaming and a better luck factor. Morpheus is ramping up well, according to management's plan, and is delivering market share gains in both segments. Gross gaming revenue (GGR) for July and August was down by 6% yoy amid macro headwinds. GGR softness was driven by weakness in the VIP segment, while mass demand remains resilient. We expect the lower margin VIP business to remain under pressure from macro uncertainties, but the higher margin mass business should continue to grow, driven by infrastructure improvements in and around Macau. Recent Hong Kong turmoil has not had a significant impact on Macau visitation numbers. We remain confident in the long-term growth of mass gaming in Macau, backed by smart capital allocator Lawrence Ho. Melco Resorts, the subsidiary of Melco International, announced its plan to buy a 20% stake in Australian premium casino resorts operator Crown Resorts at a reasonable valuation. Melco International increased dividends by 6% in the second quarter and could be more aggressive on shareholder returns going forward.

General Electric (-15%, -1.11%), the aviation, healthcare and power company, was the largest detractor. In August, fraud investigator Harry Markopolos, working with a short seller, released a report alleging the company was concealing financial problems. The report focused mostly on the company's long-term care insurance reserving and the accounting of the Baker Hughes GE (BHGE) stake. GE management responded firmly, pointing out that the work in the report was flawed in that it incorrectly compared insurance policies across the industry, and the BHGE accounting had already been properly footnoted. Our appraisal was not impacted, as there was no new information. We already factored in additional contributions to bolster GE Capital reserves due to lower interest rates as the year has gone on, and our sum of the parts appraisal already incorporated the loss on the BHGE investment. CEO Larry Culp and numerous other executives and directors bought several million dollars' worth of shares as the stock dropped on the back of these headlines. Later in the quarter, the company raised another $2.7 billion of cash by selling down the next portion of its Baker Hughes stake. Operationally, GE reported moderate revenue growth in aerospace, though the ongoing Boeing 737 problems will temporarily delay some of the segment's cash inflows over the coming months. GE Power revenues shrunk 5%, but much more importantly Culp cut the unit's cash burn as it approaches profitability. The share price has since rebounded 17% after the initial 15% decline in the aftermath of the report, but it remains overly discounted today. We highlighted GE and Larry Culp last quarter as an example of a management team that had already taken steps to turn around the business, and we expect to see additional value-accretive transactions in the future, as Culp remains focused on opportunities to monetize assets at fair prices.

FedEx (-11%, -0.66%), the transportation and logistics company, fell after non-US Express revenues missed expectations with lowered revenues and earnings guidance. FedEx Ground grew, but the segment's margins contracted. Tariffs and trade uncertainties have thus far hurt Express more than any of the Fund's other portfolio companies, as increased integration costs at TNT have combined with a worse revenue outlook to produce current results well below the segment's long-term earnings power. None of these disappointments have changed the business's competitive position or five-year outlook, but we lowered our appraisal in the quarter to reflect the lower-than-expected year-to-date results. Amazon's increasing competition has received much media attention, but FedEx has (unlike UPS) already taken the pain of dropping direct revenue from Amazon. Plus, there are many companies that compete with Amazon and will therefore choose to partner with FedEx instead. Despite a poor outlook through 2020, FedEx stock is trading at a low-double-digit multiple of forward earnings and priced at a substantial discount to our appraisal, its free cash flow power and its historical valuation range.

Portfolio Activity

We sold our position in Allergan after the company announced late last quarter that it had agreed to be acquired by AbbVie. We also trimmed Melco as price appreciated in the quarter. We added to our heavily discounted positions in CK Hutchison and MinebeaMitsumi but did not purchase any new businesses. The pipeline of prospective investments has steadily improved throughout the year after the market rebound in

Q1. We have met with and pre-qualified several interesting investment prospects across a range of industries that could come into the portfolio if we get a market pullback.

Outlook

The portfolio ended the quarter with a strongly discounted P/V in the low-60s% and 16.7% cash, which we can put to work quickly as new opportunities qualify. We expect to see continued progress in our individual holdings, as our management partners pursue catalysts that could drive significant near-term payoffs. We believe that our largest macro headwinds over the last five-to-ten years could soon become tailwinds. While we cannot predict the timing, we believe that trailing trends are longer in the tooth than they've ever been. We were encouraged by some broader market moves in our favor in September. We are grateful for your long-term partnership and will continue to endeavor to communicate with you as candidly as possible. We recently redesigned our website to enable better access to portfolio information and communication from your portfolio managers. We would encourage you to visit the new site at www.southeasternasset.com.

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

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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.

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

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.

Net present value (NPV) is the difference between the present value of cash inflows and the present value of cash outflows.

Dividend aristocrat stocks are a group of stocks in the S&P 500 that meet certain minimum size requirements and have 25 years of consecutive dividend increases.

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.

FCF Power is Southeastern's estimate of the amount of free cash flow per share that the company can produce on an annual basis once the business has achieved what we consider to be a normalized level of operations of its ongoing businesses.

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.

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

As of September 30, 2019, the top ten holdings for the Longleaf Partners Global Fund: CenturyLink, 9.2%; EXOR, 8.4%; Melco, 6.6%; GE, 6.1%; CK Hutchison, 5.7%; FedEx, 5.6%; LafargeHolcim, 4.9%; Fairfax Financial, 4.6%; CNX Resources, 4.4%.; CK Asset, 4.2%. 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.