Longleaf Partners Global Fund

Quarterly Summary Report

For the Quarter Ended
March 31, 2023

Longleaf Partners Funds

LLP001421 Expires 7/31/2023

Summary – March 31, 2023

1Q23

Longleaf Partners Global Fund

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Fund Profile

Investment Style	Global Value
Ticker	LLGLX
Inception Date	December 27, 2012
Net Assets	$253.0 million
Expense Ratio (Gross)	1.31%
Expense Ratio (Net)	1.15%
Turnover (5 yr avg) at 12/31/22	37%
Weighted Average Market Cap	$73.7 billion

Holdings (27)

	Activity*	Weight
EXOR		6.2%
Prosus	-	5.8
Warner Bros Discovery	-	5.7
CNX Resources	+	5.7
Millicom	-	5.4
FedEx	-	5.4
MGM Resorts		5.2
Affiliated Managers Group		5.0
IAC		5.0
Mattel		4.3
General Electric	-	4.3
Glanbia	-	4.2
Fairfax Financial	-	3.5
Undisclosed	NEW	3.4
Alphabet	-	3.4
Hyatt	-	3.2
Warner Music Group		2.8
PVH		2.6
Undisclosed	NEW	2.5
Melco International	-	2.3
Accor	-	2.3
CK Hutchison	-	2.1
Lumen	-	1.9
Undisclosed	NEW	1.2
Undisclosed	NEW	1.1
Undisclosed	NEW	0.3
Undisclosed	NEW	0.0
Cash		5.2
Total		100.0%

*Full eliminations include the following positions: GE Healthcare and Kering

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 1.31% (Gross) and 1.15% (net). The Global Fund's expense ratio is subject to a contractual fee waiver to the extent the Fund's normal annual operating expenses exceed 1.15% of average annual net assets.

LLP001411 expires 07/31/2023

Longleaf / Partners Funds

Long-Term / Concentrated / Engaged / Value

Founded in 1975, Southeastern Asset Management is an independent, global investment firm managing $5.8 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.

Sector Composition

Consumer Discretionary	26.8%
Communication Services	24.2
Financials	18.4
Industrials	11.8
Consumer Staples	7.6
Energy	5.7
Materials	0.3
Information Technology	--
Health Care	--
Utilities	--
Real Estate	--
Cash	5.2

Regional Composition

North America	66.2%
Europe Ex-UK	23.9
Asia Ex-Japan	4.4
Japan	0.3
Cash	5.2

Performance Contribution

Top Three	Portfolio Contribution	Return
Warner Bros Discovery	2.83%	59%
General Electric	2.50	47
Millicom	2.26	50

Bottom Three	Portfolio Contribution	Return
Lumen	-2.62%	-49%
Affiliated Managers Group	-0.61	-10
CNX Resources	-0.24	-5

Performance at 3/31/2023

	Total Return (%)		Average Annual Return (%)				
	1Q	One Year	Five Year	Ten Year	15 Year	20 Year	Since Inception
Global Fund	14.84	-7.48	-0.04	4.15	--	--	4.43
FTSE Developed	7.62	-7.05	7.65	8.68	--	--	9.23

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..

The FTSE Developed Index is a market-capitalization weighted index representing the performance of large and mid-cap companies in Developed markets. The index is derived from the FTSE Global Equity Index Series (GEIS), which covers 98% of the world's investable market capitalization.

April 2023

Longleaf Partners Global Fund Commentary

1Q23

Longleaf Partners Funds

Fund Characteristics

P/V Ratio	Low-60s%
Cash	5.2%
# of Holdings	27

	Annualized Total Return					
	1Q (%)	1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)	Since Inception (%)
Global Fund	14.84	-7.48	11.33	-0.04	4.15	4.43
FTSE Developed	7.62	-7.05	16.07	7.65	8.68	9.23

*Inception date 12/27/2012

Longleaf Partners Global Fund added 14.84% in the first quarter, ahead of the FTSE Developed Index, which returned 7.62%. Two large factors dominated markets in the quarter – 1) the banking crisis in the wake of Silicon Valley Bank's (SVB) collapse and 2) a near-term rebound in tech/growth businesses that had begun to fall from grace in 2022. The Global Fund portfolio has no direct exposure to banks and limited exposure to Information Technology stocks, and our returns varied materially from the Index.

As of March 9th (the day before the collapse of SVB), Financials were 23% of the MSCI World Value, while banks as a subset comprised 11%. We have historically had difficulty owning banks given the high leverage and lack of transparency that make these businesses difficult to understand and value over the long term. Today, there are undoubtably good banks being unfairly thrown out, as well as yield-chasing banks

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that are likely to be exposed. We suspect that this market dislocation will ultimately create compelling investment opportunities, and we will continue to stick to our discipline as we assess them. We have also had limited exposure to some of the heavy growth technology stocks that drove markets over the last decade because we felt that the valuations were too rich. This was a large relative drag on the Fund's performance until 2022, when we saw many (but not all) technology stocks decline precipitously. In the first quarter, we saw a revival, with Apple and Microsoft in particular driving the S&P 500. We believe this is likely a short-term bounce as some of the larger market favorites are still overvalued in our view.

Our largest performance drivers in the quarter came from some of the prior years' largest detractors that were overly punished. We have been pleased to see solid performance at these businesses but believe that there is significant additional upside from here. Our appraisal values continued to grow nicely across most of our businesses.

We encourage you to watch our video with Portfolio Managers Ross Glotzbach and Staley Cates for a more detailed review of the quarter.

Contribution To Return

1Q Top Five

Company Name	Total Return (%)	Contribution to Return (%)	Portfolio Weight (%) (3/31/23)
Warner Bros Discovery	59	2.83	5.7
General Electric	47	2.50	4.3
Millicom	50	2.26	5.5
FedEx	33	1.81	5.4
MGM Resorts	32	1.40	5.2

1Q Bottom Five

Company Name	Total Return (%)	Contribution to Return (%)	Portfolio Weight (%) (3/31/23)
Lumen	-49	-2.62	1.9
Affiliated Managers Group	-10	-0.61	5.0
CNX Resources	-5	-0.24	5.7
Warner Music Group	-4	-0.10	2.8
Undisclosed	3	0.00	0.0

- Warner Bros Discovery – Media conglomerate Warner Bros Discovery (WBD) was the top contributor in the quarter. WBD was a top detractor last year in the face of concerns over management's ability to effectively merge two businesses with different cultures, high leverage and exposure to cord cutting. In 2023, a solid plan is emerging for the integration of the businesses. This management team has a strong track record of integrating assets and growing free cash flow (FCF) per share, which is beginning to happen at WBD. Management has guided that the company will likely be below 4 times net debt to EBITDA by the end of 2023 and to 3x or less by the end of 2024, taking WBD out of the penalty box. We have seen this management team successfully execute this playbook before when Discovery bought former Southeastern holding Scripps in 2017. We are also finally beginning to see industry price rationality across the streaming world.

- General Electric – Industrial conglomerate General Electric (GE) was a top performer as it began to execute its plan to split the company into three businesses. GE spun its Healthcare business in the quarter, and we sold GE Healthcare as it traded at our value. We believe the remaining company is still undervalued, while CEO Larry Culp has reduced leverage, cut costs, streamlined operations and improved overall morale. In 1Q 2024, GE will separate Aviation and Power, which we believe will highlight the underlying values of each as the strong, defensive growth businesses they are.

- Millicom - Latin American wireless and cable company Millicom was also a top contributor in the quarter after being a top detractor in 2021/2022. Millicom returned almost 50% in the quarter amid news of two interested third parties. In January, rumors broke (and were later substantiated) that Apollo Global Management and former SoftBank executive Marcelo Claure were exploring a potential acquisition. Separately, French billionaire Xavier Niel, founder of French broadband Internet provider Iliad, built a 21% ownership stake over the last several months via his investment vehicle Atlas Investissement. As a long-term, large, potentially anchor holder, he took a seat on the Nomination Committee, where Southeastern also has a seat. The Nomination Committee's primary responsibilities are to identify potential board members, propose the compensation for all directors and present proposals on the election and compensation of the statutory auditor. Niel is asking for multiple board seats as well, highlighting his active interest in the business. Millicom sells for an incredibly low multiple of discretionary cash flow before cable and fiber growth capital expenditure. We believe Millicom offers significant potential upside from today's still overly discounted price.

- **FedEx** – Global logistics company FedEx was a top contributor in the quarter. FedEx was another 2022 top detractor after a widely publicized earnings shortfall on the back of a disappointing economic report in the second half. In 1Q 2023, the stock rebounded after revenues were weak as forecasted, but FedEx was able to maintain strong pricing power in the face of rising inflation to improve earnings vs. expectations. FedEx's important Ground business also beat guidance by a large margin due to effective cost control. Even with weak overall revenues, margins increased by 200 basis points. FedEx aggressively bought back discounted shares, indicating management's confidence. We believe the company's earnings power is well over $20 longer term vs. current estimates of $15-16 per share, with additional potential upside. After quarter end, FedEx hosted an investor meeting on its DRIVE program which should improve operations and enable the company to achieve double-digit operating income margins in the near future. FedEx will consolidate Express, Ground and Services into one unified operating company.

- **MGM Resorts** – Casino and online gaming company MGM was a strong performer in the quarter, driven by double-digit revenue growth and strong 2023 bookings in Las Vegas, defying assumptions that the post-COVID travel rebound would ease this year. Vegas margins remain at pre-pandemic levels in the high-30's, though we assume these numbers will not last forever. The Macau business is coming back strongly, and licenses have been renewed for all players. BetMGM, the online gaming business jointly owned by MGM and Entain, continues to grow revenues, maintaining its strong market share position. Management confirmed in the quarterly earnings call that rumors of MGM buying all of Entain were not true, causing MGM's share price to rally and Entain's to fall on the news. MGM bought back 20% of discounted shares in 2022 and continues to repurchase at a near double-digit annualized pace in 2023.

- **Lumen –** Global fiber company Lumen was the top detractor in the quarter on the back of disappointing guidance. Revenues remained weak, and the company surprised negatively by cutting guidance by an additional $500 million in the quarter. New CEO Kate Johnson reiterated the potential for strong enterprise sales improvement, but this will require further selling, general, and administrative (SG&A) investment. Additionally, the company is spending to accelerate the automation of its middle market business, while also running off its declining legacy business. We still believe the key to unlocking the price-to-value gap is a strategic sale or separation of the consumer business, but the current financial pressure likely extends that timeline. To the positive, Lumen retired over $600 million debt in an exchange of new senior debt to retire existing unsecured debt. We reduced our Lumen position in the quarter and remain actively engaged with management and the board.

Portfolio Activity

The Fund saw higher-than-average activity in the quarter, as we initiated six new positions, sold two businesses and trimmed 13 positions. In our 4Q22 letter, we discussed some portfolio management process improvements, based on lessons learned, that we put in place to limit overweight investments in the portfolio and to be more cautious of leverage and holding companies. We believe these changes, coupled with strong idea generation by the research team, have already led to a better portfolio. We used proceeds from sales and trims (due to a combination of positive performance and rebalancing to the new rules limiting position sizes to 6.5%) to buy multiple companies we have been patiently watching for a long time. Volatility in the first quarter finally allowed us to initiate positions. The new holdings cover a broad range of industries, spanning financial services/information technology (not banks), consumer discretionary, building products, consumer branded goods and media and entertainment. We are finding interesting opportunities in consumer businesses that are classified as discretionary and discounted over recession fears, but that are strong, long-term franchise businesses with staying power and margins that are not at peak levels.

Benchmark Update

We have changed the benchmark for the Global Fund from MSCI World to FTSE Developed. As long-term, bottom-up, fundamental investors, we are benchmark agnostic and have never managed portfolio construction against an index. The change in benchmark does not impact our return goal (proactively or retroactively). The two indices are similarly constructed, and annualized performance between the two indices has differed by only 20 basis points since inception of the Fund. The FTSE indices are in the same index family as Russell, which are indices we already use extensively. Consolidating to FTSE/Russell allows us to realize economic efficiencies without a material change to our reporting.

Outlook

We were pleased to see strong performance across the majority of our businesses in a quarter that was not favorable to the value investing style and following a challenging year of global uncertainty in 2022. While many top-down macro questions and pressures remain, we continue to see solid progress and value growth across our businesses. Our management teams are focused on using financial strength to their advantage to get the underlying value of their businesses recognized. We believe we are in the beginning stages of longer-term outperformance.

See following page for important disclosures.

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The MSCI World Value Index captures large and mid-cap securities exhibiting overall value style characteristics across 23 Developed Markets countries. 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 holding 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.

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.

As of March 31, 2023, the top ten holdings for the Longleaf Partners Global Fund: EXOR, 6.2%; Prosus, 5.8%; Warner Bros Discovery, 5.7%; CNX Resources, 5.7%; Millicom, 5.4%; FedEx, 5.4%; MGM Resorts, 5.2%; Affiliated Managers Group, 5%; IAC, 5% and Mattel, 4.3%. 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.