Longleaf Partners Global Fund

Quarterly Summary Report

For the Quarter Ended
June 30, 2021

Longleaf Partners Funds

LLP001210 expires October 31, 2021

Summary – June 30, 2021

2Q21
Longleaf Partners Global Fund

(800) 445-9469 / southeasternasset.com

Fund Profile

Investment Style	Global Value
Ticker	LLGLX
Inception Date	December 27, 2012
Net Assets	$0.4 billion
Expense Ratio (Gross)	1.33%
Expense Ratio (Net)	1.15%
Turnover (5 yr avg)	31%
Weighted Average Market Cap	$46.3 billion

Holdings (20)

	Activity*	Weight
Lumen		9.5%
EXOR		9.0
CK Hutchison		5.8
Fairfax Financial		5.3
CNX Resources		4.8
Millicom		4.7
Comcast		4.7
Prosus	+	4.5
Melco International	+	4.5
General Electric		4.5
Holcim		4.4
FedEx		4.3
Williams		4.1
MGM Resorts		3.9
Affiliated Managers Group	+	2.5
Undisclosed	NEW	2.4
Hyatt		2.2
Undisclosed	NEW	2.2
Accor		2.1
Ferrovial	+	1.5
Cash		13.1
Total		100.0%

*Full eliminations include the following positions: Biogen

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 1.33% (Gross) and 1.15% (net). The Global Fund's expense ratio is subject to a fee waiver to the extent the Fund's normal annual operating expenses exceed 1.15% of average annual net assets.

LLP001172 expires October 31, 2021

Longleaf Partners Funds

Long-Term / Concentrated / Engaged / Value

Founded in 1975, Southeastern Asset Management is an independent, global investment firm managing $12.0 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	19.4%
Financials	19.2
Communication Services	18.9
Industrials	16.1
Energy	8.9
Materials	4.4
Information Technology	--
Health Care	--
Consumer Staples	--
Utilities	--
Real Estate	--
Cash	13.1

Regional Composition

North America	45.8%
Europe Ex-UK	28.6
Asia Ex-Japan	12.5
Cash	13.1

Performance Contribution

Top Three	Portfolio Contribution	Return
Biogen	1.24%	52%
Williams	0.50	14
MGM Resorts	0.43	12

Bottom Three	Portfolio Contribution	Return
Prosus	-0.55%	-12%
Melco International	-0.42	-10
EXOR	-0.41	-5

Performance at 6/30/2021

	Total Return (%)			Average Annual Return (%)				
	2Q	YTD	One Year	Five Year	Ten Year	15 Year	20 Year	Since Inception
Global Fund	1.27	14.63	40.57	12.60	--	--	--	7.82
MSCI World	7.74	13.05	39.05	14.83	--	--	--	12.15

Returns reflect reinvested capital gains and dividends but not the deduction of taxes an investor would pay on distributions or share redemptions. Performance data quoted represents past performance; past performance does not guarantee future results. The investment return may be worth more or less than their original cost. Current performance of the fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by visiting southeasternasset.com.

Before investing in any Longleaf Partners fund, you should carefully consider the Fund's investment objectives, risks, charges, and expenses. For a current Prospectus and Summary Prospectus, which contain this and other important information, visit southeasternasset.com/account-resources. Please read the Prospectus and Summary Prospectus carefully before investing.

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

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

July 2021

Longleaf Partners Global Fund Commentary

2Q21

Longleaf Partners Global Fund added 1.27% in the second quarter, taking year-to-date (YTD) returns to 14.63%, while the MSCI World returned 7.74% and 13.05% over the same periods. The majority of our holdings were positive in the quarter. The portfolio's cash position together with a few unrelated holdings that declined in price drove the majority of the relative performance drag in a period where growth stocks saw a (we believe temporary) rebound. Despite relative underperformance, it was a solid period for value per share growth at our holdings.

We highlighted several high-conviction companies in last quarter's letter, and all saw positive progress. For example, CNX Resources is taking advantage of gas price strength to lock in more free cash flow (FCF) with accretive hedges. Lumen management spoke publicly of its efforts to realize value from its distinct parts, in line with the 13D that we filed at the end of last year. CK Hutchison began buying in stock in a material way, with more than $460 million in shares repurchased YTD.

The investments in the preceding paragraph have been long-term holdings, but what about our newer purchases? We have heard from long-time Southeastern/Longleaf

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Average Annual Total Returns for the Longleaf Partners Global Fund (6/30/21): Since Inception (12/27/12): 7.82%, Ten Year: 0.00%, Five Year: 12.60%, One Year: 40.57%. Average Annual Total Returns for the MSCI World (6/30/21): Since Inception (12/27/12): 12.15%, Ten Year: 0%, Five Year: 14.83%, One Year: 39.05%. Average Annual Total Returns for the MSCI World Value (6/30/21): Since Inception (12/27/12): 8.65%, Ten Year: 0.00%, Five Year: 9.82%, One Year: 37.91%.

Returns reflect reinvested capital gains and dividends but not the deduction of taxes an investor would pay on distributions or share redemptions. Performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by visiting southeasternasset.com. The prospectus expense ratio before waivers is 1.33%. The Global Fund's expense ratio is subject to a fee waiver to the extent the Fund's normal operating expenses (excluding interest, taxes, brokerage commissions and extraordinary expenses) exceed 1.15% of average net assets per year.

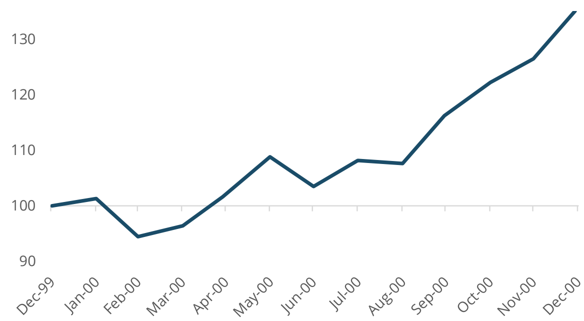
observers who look at these stock charts and ask, “How can that still be cheap?” We continue to focus on the importance of value growth and dynamically updating our appraisals. MGM for example has seen very strong value growth since our purchase last year as the company’s properties in the US have rebounded much stronger than even the biggest optimists predicted. Management and the board have reduced risk by monetizing more of MGM’s holdings in MGM Growth Properties, its real estate subsidiary. There is still plenty of value to be added in the online division as well. All this leads to a value per share that was in the $30s last year now approaching $50. The company remains attractively discounted, even after price appreciated 101% since we first bought the stock 9 months ago.

But price will always be important to us, no matter how great qualitatively a business or people are or how nice it feels to have price and value momentum. We will gladly sell fully priced winners like Biogen, where positive news sent the company’s stock price to our appraisal in only a few short months, as detailed later in this letter.

More broadly, “value” had a pullback vs. “growth” in the second quarter on the back of lower interest rates and various other factors. Over the last year, we have seen interest rate consensus go from “low rates forever” for most of 2020 to “rates are definitely going up” in February/March of 2021 to now what feels like magical goldilocks thinking for growth stocks in the 1-2% US 10-year range. While we cannot predict precisely what rates will do in the near term, we welcome increased volatility on this all-important valuation input, especially after decades of gradual moves down have made things relatively harder for value-focused public equity investors.

It is also important to remember that, while what matters most will always be our individual holdings, we do not expect value to ever go up in a straight line. The chart below illustrates that point well. It can be easy to forget that, even in the greatest value bull market of our lifetime that started in 2000, there was a several month period after the initial turn in March/April in which growth fought back from similarly absurd relative valuations.

MSCI World: Value Relative to Growth in Year 2000
1/1/2000 to 12/31/2000 (monthly in USD)



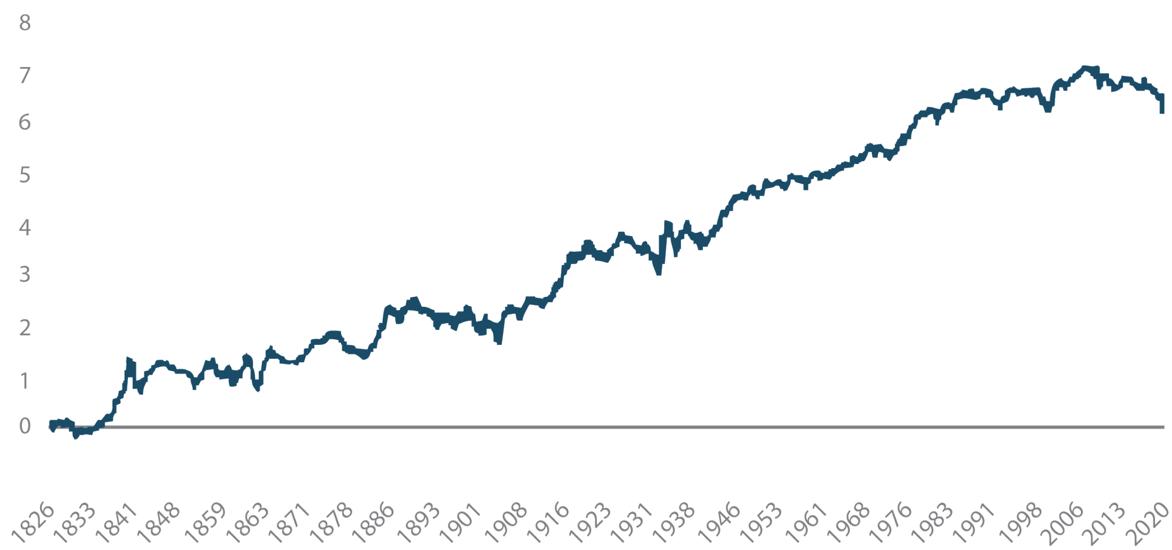
MSCI World: Value Relative to Growth from 2001 to 2006
1/1/2001 to 12/31/2006 (daily in USD)

Source: Factset

However, value ultimately prevailed (with even more ups and downs in 2001-02), and the next several years looked like the previous 200 years for value. (Note the chart below is a reprint from our "Why We Believe Value Will Work Again" white paper published in December 2020.)

The Value Factor

Cumulative Excess Return of Value vs Growth



Source: TwoCenturies

Joining the macro with the stock specific, we continue to like our portfolios on both an earnings multiple and earnings growth basis vs. the growth and value parts of the index.

Implied Returns Based on Various P/E Assumptions

	2022 P/E Current	2022 P/E Assumption	P/E Change	Performance from P/E Change
MSCI World	18.8	16.7	-2.1	-11%
MSCI World Growth	27.9	20.0	-7.9	-28%
MSCI World Value	14.1	14.3	+0.2	+2%
Longleaf Partners Global Fund	11.1	14.3	+3.2	+29%

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

Contributors and Detractors

(Q2 Investment Return; Q2 Fund contribution)

Biogen (52%, 1.24%), a biotechnology company specializing in therapies for the treatment of neurological diseases, contributed in a way that warrants a longer than usual writeup. When we first began buying the company in early January, the stock scored well on all three Business, People and Price criteria, but the range of outcomes was wider than most investments for us. On the business, while the company has had a leading position in neuroscience for decades, it had become a collection of assets that was hard for the stock market to value. This led to most short-term investors focusing on year-over-year (YOY) earnings declines in 2021 and pipeline uncertainty. We focused most on strong cash flows from Biogen's Multiple Sclerosis franchise, a growing yet hidden biosimilars business, and a pipeline that we believed was actually quite interesting and diversified beyond the manic market focus on Aducanumab, a proposed treatment for Alzheimer's. On the people front, we also liked what the board and management had been doing (large, discounted repurchases and prudent internal and external investments) and not doing (no big, dumb M&A or unsustainable dividends). Our single point appraisal was around $375/share, but we saw a range at the low end of slightly above $250 if the pipeline totally failed or approaching $500 if the company saw a reasonable amount of pipeline success. We also thought that we were effectively paying a very low double-digit multiple of FCF/share. It is important to note that we were not betting on our science expertise or any other predictions that fall outside our circle of competence. Rather, we used our bottom-up appraisal skills to find a security that was mispriced at that given moment - we had followed the company for over 10 years before our purchase - and that shorter-term investors were afraid to own due to the potential for near-term stock price volatility. We started with a partial position, as we felt the wider-than-usual range of outcomes and uncertainty around the stock could lead to the chance to fill it out at a better price later.

On June 7, the FDA approved Aducanumab (now known as Aduhelm) after a contentious process that has yet to fully play out. The stock shot upward, and our single point value increased to $425. With the stock trading at that level, we exercised our price discipline and sold our position. In this era of "multi-decade-compounders at any price" and given SAM's history of being long term, it feels weird to be in and out of something so quickly. But it also feels OK to be able to use our appraisal skills to secure a payoff for our long-term clients. The company's stock price has fallen since our sale, and we will continue to watch the price-to-value (P/V) gap going forward.

Williams (14%, 0.50%), the natural gas pipeline operator, was also a positive contributor. The value grew slowly but steadily thanks to continued cash flow growth at Williams's main Transco pipeline, as well as good volume trends (up 11% YOY) in its Northeast assets. The stock traded up with gas price strength as the quarter went on. We believe that management is open to more transactions to grow and simplify value per share, and as industry conditions improve, this becomes more likely.

MGM (12%, 0.43%), the casino and online gaming company, was a top contributor as it reported a solid first quarter with Vegas EBITDAR (earnings before interest, taxes, depreciation, amortization and restructuring or rent costs) doubling sequentially and Regional EBITDAR actually growing strongly YOY due to exceptional cost control. The second quarter saw clear signs of even more growth with a strong rebound in travel to the company's US properties. MGM also continued to de-risk its value and balance sheet by selling over $1 billion of fully valued shares of its real estate subsidiary MGM Growth Properties in the quarter. On the first day of July, the company announced a transaction to consolidate and sell the real estate of its CityCenter project at a price that was accretive to our value per share.

Prosus (-12%, -0.55%), a global consumer internet group, was the top detractor in the quarter. There are two key components to Prosus's net asset value (NAV) - its 29% stake in Tencent (which represents the majority of its appraisal) and the global e-commerce portfolio (which includes the food delivery, classifieds, payments and education technology investments). Tencent reported strong results in the first quarter with revenues up 25% and profits up 22% YOY. The online advertising, gaming and cloud businesses all delivered solid topline growth YOY and strengthened their competitiveness. The company also announced its plans to step up investments in cloud, large-scale gaming and short form video, which we believe can help drive higher value growth in the coming years. But its stock price performance was negatively impacted by increasing regulatory headwinds for the entire online platform industry. The global e-commerce portfolio reported strong results with revenues up 54% YOY in FY21 and trading loss margin improving by 11%. This portfolio has been independently valued by Deloitte at $39 billion vs. an investment of $16 billion (inception to date). IRR on these investments is greater than 20%. During the second quarter, Prosus announced the disposal of 2% of its Tencent stake, raising around $14 billion. This will provide the company with greater financial flexibility to invest in this growth ventures portfolio. Despite solid operating performance, the discount to NAV has increased in recent months primarily due to holding company Naspers's (which owns a 73% stake in Prosus) excessive weighting (23%) on the South African Index (SWIX), which causes funds to limit their exposure to Naspers due to single stock ownership limits. To address this issue, Prosus announced a share exchange offer wherein Prosus proposes to acquire a 45.4% stake in Naspers in exchange for newly issued Prosus shares. This will reduce Naspers's weighting on SWIX to 15% without any tax leakage. While this increases complexity by introducing crossholding structure, this is a value-accretive transaction for Prosus shareholders, as we are buying higher discount Naspers shares in exchange for relatively lower discount Prosus shares and addressing the key reason for the NAV discount. Prosus also announced an additional US$5 billion share repurchase program alongside this transaction (on top of the US$5 billion announced in November 2020). We believe these value accretive steps will lead to narrowing of discount to NAV. Given management's alignment and history of unlocking values, we remain positive on Prosus and added to our position in the quarter.

Melco International (-10%, -0.42%), the Macau casino and resort holding company, was another top detractor in the quarter. The quarterly results (which were largely in-line with expectations) were a non-event because of the travel restrictions in its most important feeder markets, China and Hong Kong. As a result, revenue for the industry is down over 65%, and EBITDA is down almost 90% from pre-COVID levels. During the quarter, a COVID outbreak in parts of neighboring Guangdong province (the most important feeder market) led to tighter travel restrictions being imposed, hurting any signs of recovery after a strong May Golden Week holiday. While the reopening progress has been disappointing, we are confident that the demand is not impaired and Chinese consumers will come back strongly as vaccination rolls out and travel restrictions ease. Macau will be the biggest and the earliest beneficiary of Chinese outbound tourism. Melco International's operating subsidiary Melco Resorts (MLCO) reported property level EBITDA that, adjusting for the luck factor and bad debt provision, has shown a sequential improvement. MLCO continues to outperform the industry in the Macau mass segment with mid-single digit gross gaming revenue (GGR) growth on a quarter-over-quarter basis. In June, Melco International announced its joint venture with Agile to develop and operate a theme park in Zhongshan, Guangdong, contributing US$23 million for the land acquisition and US$28 million for the development costs. Although earnings contribution would be minimal in the near term, we still see value in the project, as this should enhance Melco's brand value in Guangdong and may serve them well on the license renewal front with increasing non-gaming contribution without a significant capital outlay. CEO Lawrence Ho, who has shown strong capital allocation skills during many uncertain times in the past, is well aligned with the shareholders, and we were encouraged to see him buying shares during the quarter. We continue to believe Melco's mid-to-long-term growth prospect is intact, and it will emerge stronger post-COVID given Lawrence Ho and his team's strong execution and the company's leading position in the premium mass segment. We took advantage of the price discount to add to our position in the quarter.

Portfolio Activity

As discussed in detail above, we sold our position in Biogen in the quarter. We trimmed CNX early in the quarter on the back of positive performance and added to more heavily discounted positions in Affiliated Managers Group, Melco International, Ferrovial and Prosus. We were excited to find two new investments, one Chinese consumer brand in an industry we know well and one European financial services company that gets incorrectly grouped with inferior peers and has underrecognized new leadership. Both holdings remain undisclosed as we continue to fill out the positions, but we will look forward to sharing more details next quarter. We have also added several companies to the on-deck list in financial services, industrials, retail / consumer packaged goods, health care and media. We remain disciplined on the price we will pay and are watching and waiting for prices to cooperate so we can put our cash to work.

Outlook

Our outlook on the stock market and our portfolio is not dramatically different than it was the last time we wrote to you. Our confidence in the specific company opportunities in our portfolio has only grown, as our businesses made solid progress in the quarter, and we believe the Fund is more attractively positioned - qualitatively and quantitatively - than both the market and the average "value" strategy. We believe the recent pullback in value's performance of the last month or so is a temporary blip, and that the strong performance that began in the second half of 2020 marks a longer-term reversion to the mean for value vs. growth.

We wrote in our 4Q20 letter about the work we have done to formalize the way we incorporate environmental, social and governance (ESG) issues within our firm and our investment process in the last several years. We are excited to share our first Annual ESG Report, which highlights some of the progress we have made and the work we are doing to keep improving in this area. In addition to our annual ESG report, we will be sharing a semi-annual portfolio carbon footprint report and will continue to discuss our engagement efforts with our management partners on these important issues in our quarterly letters and the Price-to-Value Podcast.

Speaking of podcasts, we thought it would be good to close with a recent interview that our Vice-Chairman Staley Cates did with Bob Huebscher of Advisor Perspectives. It is a great summary of what we are all about at Southeastern and why we remain very excited about our future.

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.

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.

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

Free Cash Flow (FCF) is a measure of a company's ability to generate the cash flow necessary to maintain operations. Generally, it is calculated as operating cash flow minus capital expenditures.

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

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

As of June 30, 2021, the top ten holdings for the Longleaf Partners Global Fund: Lumen, 9.5%; EXOR 9.0%; CK Hutchison, 5.8%; Fairfax, 5.3%; CNX Resources, 4.8%; Millicom, 4.7%; Comcast, 4.7%; Prosus, 4.5%; Melco, 4.5%; and General Electric, 4.5%. Fund holdings are subject to change and holding discussions are not recommendations to buy or sell any security. Current and future holdings are subject to risk.

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LLP001205
Expires 10/31/2021