Longleaf Partners Funds

Quarterly Summary Report

For the Quarter Ended
June 30, 2021

Longleaf Partners Funds

LLP001211 expires October 31, 2021

Longleaf Partners Fund

Longleaf Partners Funds

Summary – June 30, 2021

2Q21
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 $12.0 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.

Fund Profile

Investment Style	US mid-large cap value
Ticker	LLPFX
Inception Date	April 8, 1987
Net Assets	$1.9 billion
Expense Ratio (Gross)	1.03%
Expense Ratio (Net)	0.79%
Turnover (5 yr avg)	23%
Weighted Average Market Cap	$39.9 billion

Holdings (15)

	Activity*	Weight
Lumen		10.2%
Mattel		6.1
Affiliated Managers Group		6.0
CNH Industrial		5.8
Fairfax Financial		5.2
MGM Resorts		5.2
Douglas Emmett		5.0
CNX Resources	-	4.9
CK Hutchison	+	4.8
Holcim		4.7
Comcast		4.7
General Electric		4.5
FedEx		4.3
Williams		4.1
Hyatt		3.7
Cash		20.8
Total		100.0%

Sector Composition

Industrials	19.4%
Consumer Discretionary	15.0
Communication Services	14.9
Financials	11.2
Energy	9.0
Real Estate	5.0
Materials	4.7
Information Technology	--
Health Care	--
Consumer Staples	--
Utilities	--
Cash	20.8

Performance Contribution

Top Three	Portfolio Contribution	Return
Biogen	1.78%	51%
MGM Resorts	0.59	12
Williams	0.51	14

Bottom Three	Portfolio Contribution	Return
CNX Resources	-0.38%	-7%
Hyatt	-0.25	-6
Fairfax Financial	0.03	0

Performance at 6/30/2021

	Total Return (%)			Average Annual Return (%)				
	2Q	YTD	One Year	Five Year	Ten Year	15 Year	20 Year	Since Inception
Partners Fund	4.40	23.42	62.43	10.96	7.55	5.61	6.27	10.25
S&P 500	8.55	15.25	40.79	17.65	14.84	10.73	8.61	10.59

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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. Mid-cap stocks held may be more volatile than those of larger companies.

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.

*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.

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, 2022 and may not be terminated before that date without Board approval.

LLP001171 expires October 31, 2021

July 2021

Longleaf Partners Fund Commentary

2Q21

Longleaf Partners Fund added 4.40% in the second quarter, taking year-to-date returns to 23.42%, while the S&P 500 returned 8.55% and 15.25% over the same periods. Almost every company was positive in the quarter. The portfolio's cash position and lack of information technology holdings together 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, Mattel reported another good quarter and is well on track to generating more free cash flow (FCF) this year than we initially expected. The company also continues to announce new media projects - including tangible progress for Polly Pocket and Masters of the Universe in the quarter - to monetize the value of its intellectual property. 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. CNX Resources is taking advantage of gas price strength to lock in more FCF with

Average Annual Total Returns for the Longleaf Partners Fund (06/30/2021): Since Inception (4/8/87): 10.25%, Ten Year: 7.55%, Five Year: 10.96%, One Year: 62.43%. Average Annual Total Returns for the S&P 500 (06/30/2021): Since Inception (4/8/87): 10.59%, Ten Year: 14.84%, Five Year: 17.65%, One Year: 40.79%. Average Annual Total Returns for the Russell 1000 Value (06/30/2021): Since Inception (4/8/87): 10.04%, Ten Year: 11.61%, Five Year: 11.88%, One Year: 43.68%.

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 1.03%. The Partners 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 0.79% of average net assets per year.

accretive hedges. 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 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 109% since we first bought the stock 10 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.

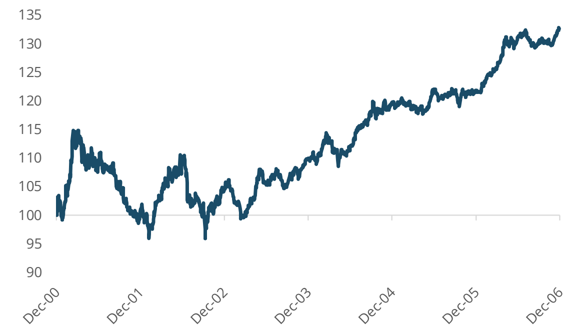
It is also important to remember that, while what matters most will always be our individual holdings, we do not expect value to ever go up in a straight line. The chart below illustrates that point well. It can be easy to forget that, even in the greatest value bull market of our lifetime that started 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.

Value Relative to Growth in Year 2000

1/1/2000 to 12/31/2000 (daily)

Value Relative to Growth from 2001 to 2006

1/1/2001 to 12/31/2006 (daily)

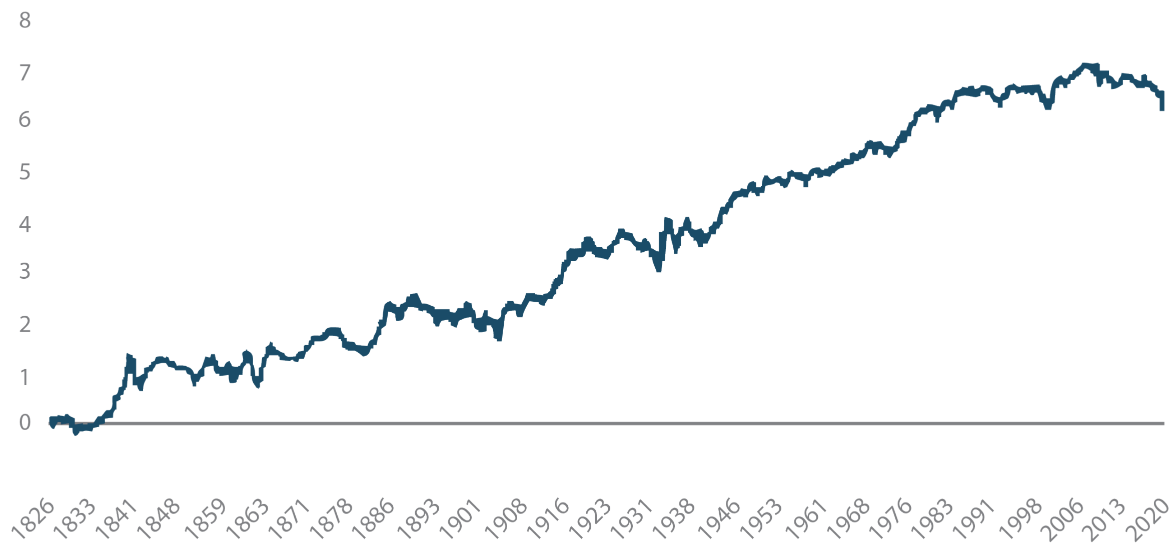


Source: Factset

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		P/E Change	Performance from P/E Change
	Current	Assumption		
S&P 500	20.7	16.7	-4.0	-19%
S&P 500 Growth	27.3	20.0	-7.3	-27%
S&P 500 Value	16.2	14.3	-2.0	-12%
Longleaf Partners Fund	11.5	14.3	+2.8	+24%

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

Contributors and Detractors

(Q2 Investment return; Q2 Fund contribution)

Biogen (51%, 1.78%), 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 Southeastern'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.

MGM (12%, 0.59%), 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.

Williams (14%, 0.51%), 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.

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 the heavily discounted position in CK Hutchison. It has been harder to find strong US large-cap on-deck qualifiers as the year has gone on, but we have a number of companies in the portfolio where we hope to have the opportunity to fill out our positions. We have also added several businesses 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 going forward 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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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.

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 June 30, 2021, the top ten holdings for the Longleaf Partners Fund: Lumen, 10.2%; Mattel, 6.1%; Affiliated Managers Group, 6.0%; CNH Industrial, 5.8%; Fairfax Financial, 5.2%; MGM Resorts, 5.2%; Douglas Emmett, 5.0%; CNX Resources, 4.9%; CK Hutchison, 4.8% and Holcim, 4.7%. Fund holdings are subject to change and holdings discussions are not recommendations to buy or sell any security. Current and future holdings are subject to risk.

Funds distributed by ALPS Distributors, Inc.
LLP001202
Expires 10/31/2021

Longleaf Partners Small-Cap Fund

Longleaf Partners Funds

Summary - June 30, 2021

2Q21

Longleaf Partners Small-Cap Fund

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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	$2.0 billion
Expense Ratio (Net)	0.96%
Turnover (5 yr avg)	29%
Weighted Average Market Cap	$6.3 billion

Holdings (15)

	Activity*	Weight
Lumen		13.0%
Realogy	-	7.3
Mattel		6.3
Empire State Realty		6.2
CNX Resources	-	5.5
Graham Holdings		5.3
Lazard		4.9
Eastman Kodak		4.8
GRUMA	+	4.6
Undisclosed	NEW	4.2
Everest Re		4.2
LANXESS		4.0
Hyatt		3.8
Liberty Braves Group		3.6
Idorsia		3.5
Cash		18.8
Total		100.0%

Sector Composition

Communication Services	20.8%
Consumer Discretionary	15.4
Real Estate	13.5
Financials	9.1
Energy	5.5
Information Technology	4.8
Consumer Staples	4.6
Materials	4.0
Health Care	3.5
Industrials	--
Utilities	--
Cash	18.8

Performance Contribution

Top Three	Portfolio Contribution	Return
Realogy	1.35%	20%
Graham Holdings	0.60	13
Empire State Realty	0.46	8

Bottom Three	Portfolio Contribution	Return
CNX Resources	-0.42%	-7%
Hyatt	-0.26	-6
Lanxess	-0.24	-6

Performance at 6/30/2021

	Total Return (%)			Average Annual Return (%)				
	2Q	YTD	One Year	Five Year	Ten Year	15 Year	20 Year	Since Inception
Small-Cap Fund	1.91	13.88	63.54	9.60	10.21	9.21	9.86	10.74
Russell 2000	4.29	17.54	62.03	16.47	12.34	9.51	9.26	10.23

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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.

*Full eliminations include the following positions:

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July 2021

Longleaf Partners Small-Cap Fund Commentary

2Q21

Longleaf Partners Small-Cap Fund added 1.91% in the second quarter, taking year-to-date returns to 13.88%, while the Russell 2000 returned 4.29% and 17.54% in the same periods. The majority of our holdings were positive in the quarter, but it was a much more muted absolute return period contrasted to the dramatic small-cap rally in the last several quarters. The portfolio's cash position was a primary driver of the relative performance drag in a period where growth stocks saw a (we believe temporary) rebound in the latter end of the quarter. 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, Mattel reported another good quarter and is well on track to generating more free cash flow (FCF) this year than we initially expected. The company also continues to announce new media projects - including tangible progress for Polly Pocket and Masters of the Universe in the quarter - to monetize the value of its intellectual property. 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. CNX Resources is taking advantage of gas price strength to lock in more FCF with accretive hedges.

Average Annual Total Returns for the Longleaf Partners Small-Cap Fund (6/30/21): Since Inception (2/21/89): 10.74%, Ten Year: 10.21%, Five Year: 9.60%, One Year: 63.54%. Average Annual Total Returns for the Russell 2000 (6/30/21): Since Inception (2/21/89): 10.23%, Ten Year: 12.34%, Five Year: 16.47%, One Year: 62.03%. Average Annual Total Returns for the Russell 2000 Value (6/30/21): Since Inception (2/21/89): 10.79%, Ten Year: 10.85%, Five Year: 13.62%, One Year: 73.28%.

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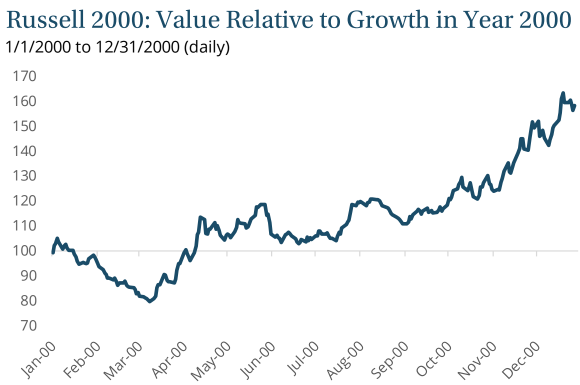
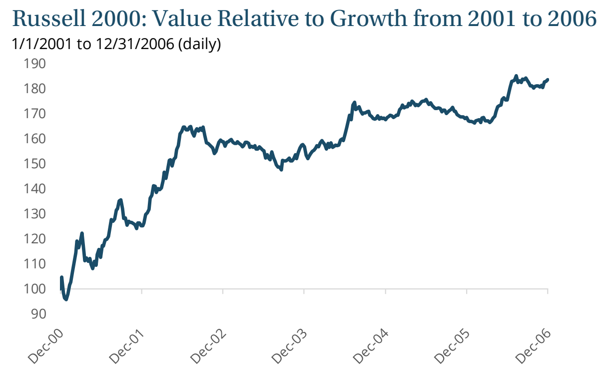
In addition to these long-term holdings we highlighted last quarter, we have seen price rallies at some holdings that have prompted long-time Southeastern/Longleaf observers to look at these stock charts and ask, "How can that still be cheap?" We continue to focus on the importance of value growth and dynamically updating our appraisals. Realogy, for example, has seen massive value growth over the last 12 months due to both significant FCF generation (~$3 per share) and an improvement in the baseline FCF level that we capitalize. CEO Ryan Schneider also has taken advantage of wide-open credit markets to refinance the company's debt, saving almost $100 million per year in the next 12 months vs. the 2020 run-rate, and therefore reducing risk while improving future value growth. Our appraisal has grown from the $10s this time last year well into the mid-$20s+ today. The company remains attractively discounted, even after price appreciated over 400% since its COVID-driven low last March.

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 winners like PotlatchDeltic and Formula One, both of which we sold in the first quarter after strong price performance. We have not regretted selling the businesses (and both ended the second quarter below our last sale prices), but we do hope to have the opportunity to own both again.

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 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.



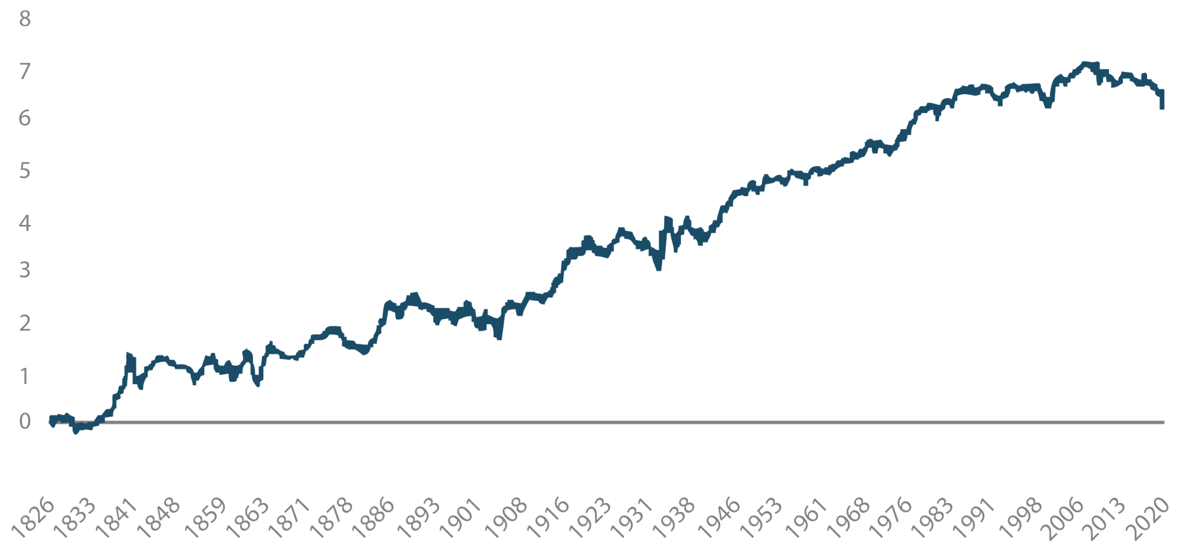


Source: Factset

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		P/E Change	Performance from P/E Change
	Current	Assumption		
Russell 2000	16.5	16.7	+0.2	+1%
Russell 2000 Growth	21.2	20.0	-1.2	-5%
Russell 2000 Value	13.8	14.3	+0.5	+3%
Longleaf Partners Small-Cap Fund	11.2	14.3	+3.1	+28%

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

Contributors and Detractors

(Q2 Investment Return; Q2 Fund contribution)

Realogy (20%, 1.35%), the residential real-estate brokerage franchisor, was the top contributor after another strong quarter of operating results, solid housing numbers and, most importantly, great management actions to continue to improve the company's financial strength. The key operating numbers came in the Franchising segment, where revenues and EBITDA (earnings before interest, taxes, depreciation and amortization) both grew over 40% year-over-year (YOY). Management made two very savvy, value-accretive moves in the quarter. Realogy completed its first refranchising transaction in some time. While small (and therefore largely ignored by the market), it was a great sign that this path is possible and getting more likely as the world returns to normal. Later in the quarter, Realogy issued very low-rate convertible debt with an effective strike price over $30 per share. This was unthinkable over a year ago, when it was feared that the company would need to issue straight equity in the single digits. CEO Ryan Schneider and team expertly navigated the company through a difficult period without needing to act out of desperation.

Graham Holdings (13%, 0.60%), the media, education and manufacturing conglomerate, was also a top contributor after its acquisition of Leaf Group in early April was well received by the market. Leaf Group is a smaller public company that is diversified across digital media and e-commerce. While we are generally wary of mergers and acquisitions, we think this deal can be a positive move that fits uniquely well with Graham's existing assets. Graham was able to take advantage of a limited buyer universe, given Leaf's size and disparate assets. Graham also reported a solid quarter that saw continued growth at the TV segment, with 8% YOY revenue growth without political advertising in either period.

Empire State Realty Trust (ESRT) (8%, 0.46%), the New York City property owner, contributed after reporting a positive quarter in April, a reinstated dividend in May and the world taking note of New York City returning to normal as the second quarter progressed. Office occupancy at the Empire State Building actually ticked up slightly quarter-over-quarter. Fears of massive vacancies and deeply depressed lease rates per square foot have not materialized. While this is good for ESRT's existing assets, it is disappointing for its hopes to buy its own stock cheaply and/or acquire distressed assets.

Portfolio Activity

While there were no exits or large position weight changes in the quarter, we did find another new investment to add to the two that we purchased last quarter. This newest company remains undisclosed as we continue to fill out the position, but it is a business that we know well from a previous successful holding.

We can now talk more about the two new investments we made in the first quarter. Gruma is a consumer packaged goods company that is headquartered in Mexico but derives over 70% of its value from a dominant position in US tortillas and corn flour – the Mission and Maseca brands in particular. Surging corn prices have led to near-term earnings uncertainty, but we believe Gruma remains positioned for strong long-term earnings growth, and the owner-operator management team has a strong history of growing value per share. Idorsia is a diversified pharmaceutical company that is headquartered in Switzerland but also has a strong majority of its value in the US. We are most attracted to the husband and wife founding team of Jean-Paul and Martine Clozel. Their incredible track record at previous company Actelion led to a sale at a great price to Johnson and Johnson, which then led to the creation and spinoff of Idorsia. Idorsia is not as focused as other "theme-y" small cap drug stocks that fit into US ETFs. The company is also in a news lull now until more pipeline news later in 2021-22, so the market views it as "dead money". We ultimately think the company will have several unique products in the market in the years to come, leading to significant FCF.

The portfolio ended the quarter with 19% cash. We have a number of companies in the portfolio where we hope to have the opportunity to fill out our positions and have also added two new businesses in the financial services industry to the on-deck list. 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 would also caution proponents of a broad trade into small-cap value that there are vast qualitative differences between some of the lower-quality highflyers driving the Russell 2000 this year (yes meme stocks, but also lower quality, capital intense businesses like banks, retailers and commodity producers) and our more carefully selected portfolio.

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.

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

RISKS

The Longleaf Small-Cap Fund is subject to stock market risk, meaning stocks in the Fund may fluctuate in response to developments at individual companies or due to general market and economic conditions. Also, because the Fund generally invests in 15 to 25 companies, share value could fluctuate more than if a greater number of securities were held. Smaller company stocks may be more volatile with less financial resources than those of larger companies.

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

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

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

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

An ETF is an exchange traded fund.

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.

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

As of June 30, 2021, the top ten holdings for the Longleaf Partners Small-Cap Fund: Lumen, 13.0%; Realogy, 7.3%; Mattel, 6.3%; Empire State Realty 6.2%; CNX Resources, 5.5%; Graham Holdings, 5.3%; Lazard, 4.9%.; Eastman Kodak, 4.8% and Gruma, 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.

LLP001203
Expires 10/31/2021

Longleaf Partners International Fund

Longleaf Partners Funds

Summary – June 30, 2021

2Q21

Longleaf Partners International Fund

(800) 445-9469 / southeasternasset.com

Fund Profile

Investment Style	International Value
Ticker	LLINX
Inception Date	October 26, 1998
Net Assets	$1.5 billion
Expense Ratio (Gross)	1.20%
Expense Ratio (Net)	1.15%
Turnover (5 yr avg)	29%
Weighted Average Market Cap	$42.5 billion

Holdings (22)

	Activity*	Weight
EXOR		7.8%
Melco International	+	6.2
Glanbia		5.8
Domino's Pizza Group (UK)		5.4
Prosus	+	5.1
Richemont	-	5.0
Fairfax Financial	-	4.7
Lazard		4.6
LANXESS	+	4.6
Accor		4.5
CK Hutchison		4.4
GRUMA	+	4.3
Holcim		4.1
Millicom	+	3.8
CK Asset Holdings		3.7
Baidu, Inc.		3.0
Jollibee	+	2.9
Alibaba	+	2.8
Undisclosed	NEW	2.7
Applus Services		2.2
Great Eagle		2.2
Undisclosed	NEW	2.1
Cash		8.1
Total		100.0%

*Full eliminations include the following positions: Becle

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 1.20% (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.

LLP001174 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	34.0%
Financials	17.1
Consumer Staples	12.8
Materials	8.7
Communication Services	6.8
Industrials	6.6
Real Estate	5.9
Health Care	--
Information Technology	--
Utilities	--
Energy	--
Cash	8.1

Regional Composition

Europe Ex-UK	42.9%
Asia Ex-Japan	27.3
North America	13.6
UK	8.1
Cash	8.1

Performance Contribution

Top Three	Portfolio Contribution	Return
Richemont	1.19%	26%
Domino's	0.75	15
CK Asset	0.55	17

Bottom Three	Portfolio Contribution	Return
Prosus	-0.71%	-12%
Melco International	-0.60	-10
EXOR	-0.36	-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
International Fund	1.19	8.00	34.82	10.64	4.50	3.90	4.86	7.45
MSCI EAFE	5.17	8.83	32.35	10.28	5.89	4.40	5.78	5.62

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

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

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

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

July 2021

Longleaf Partners International Fund Commentary

2Q21

Longleaf Partners International Fund added 1.19% in the quarter and 8.00% year-to-date, trailing the MSCI EAFE Index's 5.17% and 8.83% for the same periods. US markets continued the monetary liquidity fueled run to ever sillier valuation levels, while non-US lagged relatively. The majority of our holdings were positive in the quarter. The Fund's exposure to China and Hong Kong (including Netherlands-listed Prosus, whose business is driven by the Chinese consumer) was the biggest geographic headwind. FX was a moderate contributor to the Fund, as well as the MSCI EAFE index. Despite relative underperformance, it was a solid period for value per share growth at our holdings.

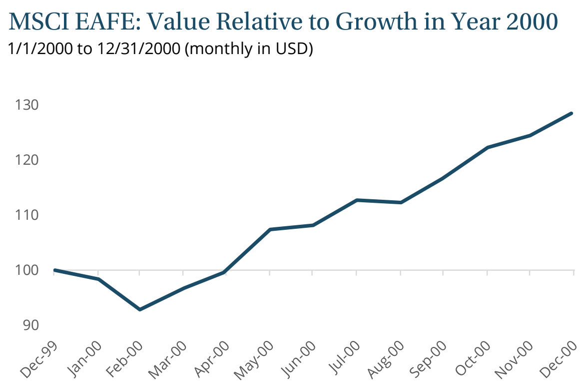
"Value" had a (we believe temporary) pullback vs. "growth" in the second quarter on the back of lower interest rates and various other factors. Over the last year, we have seen interest rate consensus go from "low rates forever" for most of 2020 to "rates are definitely going up" in February/March of 2021 to what now 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-

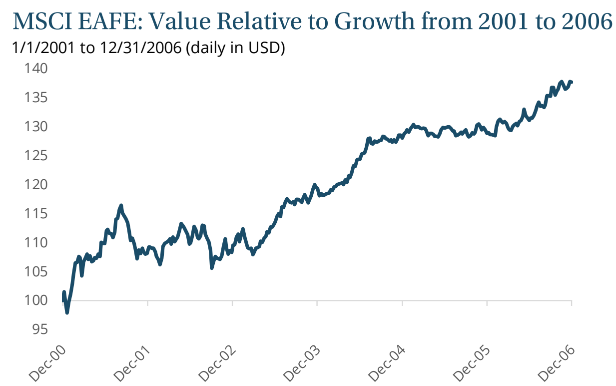
Average Annual Total Returns for the Longleaf Partners International Fund (6/30/21): Since Inception (10/26/98): 7.45%, Ten Year: 4.50%, Five Year: 10.64%, One Year: 34.82%. Average Annual Total Returns for the MSCI EAFE (6/30/21): Since Inception (10/26/98): 5.62%, Ten Year: 5.89%, Five Year: 10.28%, One Year: 32.35%. Average Annual Total Returns for the MSCI EAFE Value (6/30/21): Since Inception (10/26/98): 5.45%, Ten Year: 3.86%, Five Year: 7.81%, One Year: 33.50%.

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 1.20%. The International 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.

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.



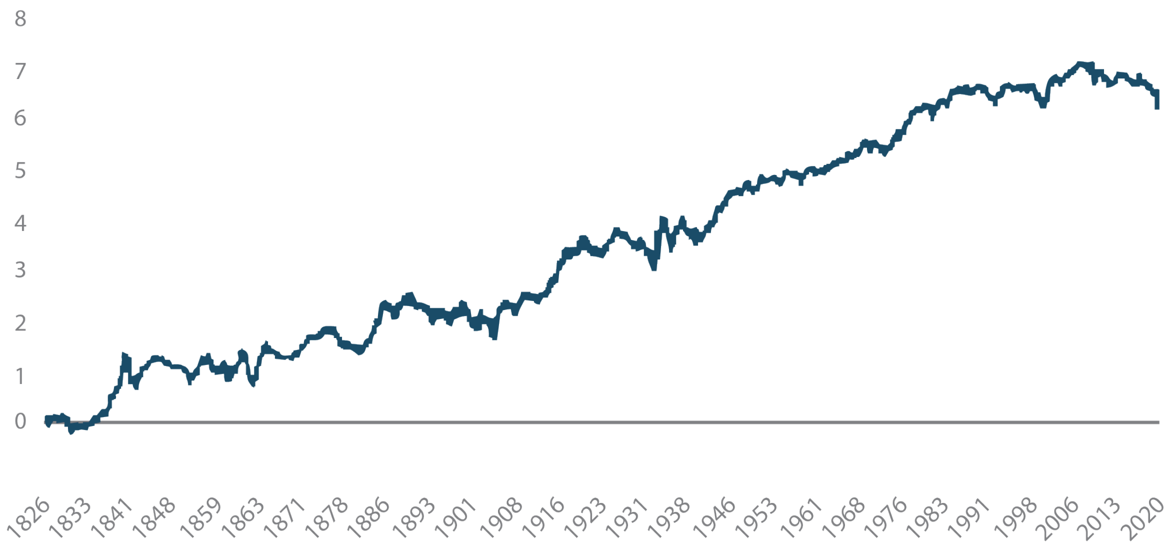


Source: Factset

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

Last quarter we highlighted Swiss luxury products company Richemont as an example of the kind of superior quality company we have invested in over the last several years. Generally, the highest quality companies trade at deserved rich multiples. As discussed last quarter, occasionally because of local market complexity, broad non-US and/or regional cheapness, and company specific short-term issues, we have an opportunity to invest in such gems. The market began to recognize this in the quarter, and Richemont was the top contributor in the quarter, returning 26%.

Contributors and Detractors

(Q2 Investment Return; Q2 Fund contribution)

Richemont (26%, 1.19%), the Swiss luxury goods company, was the top contributor in the quarter. Richemont's performance was driven primarily by the continued strong demand for luxury branded jewelry, a structural driver with a long runway as unbranded jewelry still accounts for approximately 75% of the total market. The most iconic brands continue to gain share disproportionately, particularly among the newer consumer groups in China and Southeast Asia, and Richemont's Cartier and Van Cleef & Arpels are two of the strongest brands in the market. Richemont reported FY4Q jewelry growth of 62% YOY and, even more impressively, 28% on a 2-year comparison as the jewellery maisons shrugged off COVID and travel restrictions. Demand simply repatriated to domestic markets with Richemont demonstrating a strong ability to rapidly transition supply chains and retail distribution to mainland China in particular. With excellent capital expenditure (capex) and cost control, FCF generation has also been exceptionally strong, with over SFr4 billion of net cash on the balance sheet. This cash has been partially deployed to address YOOX Net-a-Porter (YNAP), which has implicitly been trading at a negative valuation for the past two years. Richemont invested €460 million into a joint venture in China with Farfetch, and into Farfetch itself, with the potential to leverage Farfetch's technology and expertise to develop YNAP into a hybrid wholesale/marketplace model. Aided by the recent IPO of MyTheresa – a pure online luxury wholesale business which currently trades at 3x revenue – Richemont is finally benefitting from a recognition of the true value of the high net worth customers that are cornerstones of the YNAP model.

Domino's Pizza Group (DPG) (15%, 0.75%), the leading UK pizza delivery company, was another top contributor in the quarter. The COVID-19 pandemic was a significant tailwind for DPG's delivery business. However, lockdown dynamics negatively impacted carryout sales, which were ~20% of system revenue pre-pandemic. As the UK and Ireland re-open, DPG is demonstrating that new delivery customers acquired during the lockdown are proving to be sticky. At the same time, re-opening and return to the office dynamics are supporting a carryout recovery, resulting in a double benefit. Strong trends on top of the pandemic-assisted like-for-like sales of a year ago are demonstrating the strength of the business model and the renewed vigor of the system under new CEO Dominic Paul. We expect this strong performance to continue as the company supports and empowers the franchisee base and brings improved technology into play with the newly relaunched app and new analytics capabilities. The company is actively buying back shares on the back of a robust capital allocation policy.

CK Asset (CKA) (17%, 0.55%), the Hong Kong and China real estate company, was also a contributor in the quarter. In March, CKA announced a transaction to buy stakes in infrastructure assets from Li Ka Shing Foundation via scripts and structured a tender offer and buyback plan to offset the dilution. After hearing feedback from various shareholders (including us), CKA decided to increase the tender offer size, which will result in a net share count reduction when fully completed. This transaction was voted through at the EGM with enough shares tendered. The net effect is equivalent to CKA spending HK$17 billion cash for the deal and an additional HK$2.4 billion in buying back shares at HK$51/share. What the market did not expect is that after fully completing the deal, CKA continued on-market share buybacks, on top of additional insider buying. It is not surprising to us because CKA management recognizes that the business is being severely undervalued by the market today. Based on the deal circular, the net asset value (NAV) per share would be over HK$130, if carrying CKA's properties at the market valuation.

Prosus (-12%, -0.71%), a global consumer internet group, was the top detractor in the quarter. There are two key components to Prosus's 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 $5 billion share repurchase program alongside this transaction (on top of the $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%, -0.60%), 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

We exited one position in the quarter in Becle, a leading manufacturer of tequila and whiskeys based in Mexico. Like Richemont, Becle sits in our top category of business quality rank. We did not sell it lightly, but when the share moved above our top end of the valuation range, we exited the small remaining position. The holding period return was 87% in under three years. We trimmed Richemont after its strong quarter took the position to an overweight. Likewise, we trimmed Fairfax on the back of good performance. We added opportunistically to more heavily discounted Lanxess, Alibaba, Millicom, Prosus and Melco. We also initiated two new positions, which will be discussed in more detail in future letters, as both positions are still in process of being filled out. The portfolio ended the quarter at 8% cash, and the Fund would essentially be fully invested if prices cooperate so both new positions can scale to a full weight. The on-deck list remains healthy, and global research productivity is high, reflecting the opportunity set.

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.

Non-US markets continue to have more opportunities and a healthy on-deck list. Cash has increased slightly in the quarter, mostly due to timing, not a reflection on opportunity set. We are finding much to be excited about in China, Hong Kong and increasingly, India. Europe remains a target-rich environment. While not broadly as cheap from a top-down level as sometimes in the recent past, Europe broadly remains highly inefficient in our view, providing ample idiosyncratic opportunities for our style of investing.

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.

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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. An index cannot be invested in directly.

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

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.

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

As of June 30, 2021, the top ten holdings for the Longleaf Partners International Fund: EXOR, 7.8%; Melco International, 6.2%; Glanbia, 5.8%; Domino's Pizza Group (UK), 5.4%; Prosus, *5.1%; Richemont, 5.0%; Fairfax, 4.7%; Lazard, 4.6%; Lanxess, 4.6%; and Accor, 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.*

Funds distributed by ALPS Distributors, Inc.

LLP001204
Expires 10/31/2021

Longleaf Partners Global Fund

Longleaf Partners Funds

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

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.

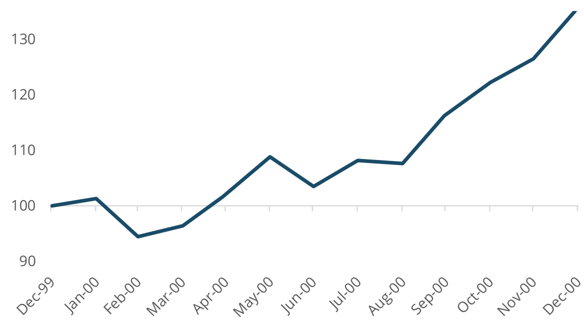
But price will always be important to us, no matter how great qualitatively a business or people are or how nice it feels to have price and value momentum. We will gladly sell fully priced winners like Biogen, where positive news sent the company’s stock price to our appraisal in only a few short months,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

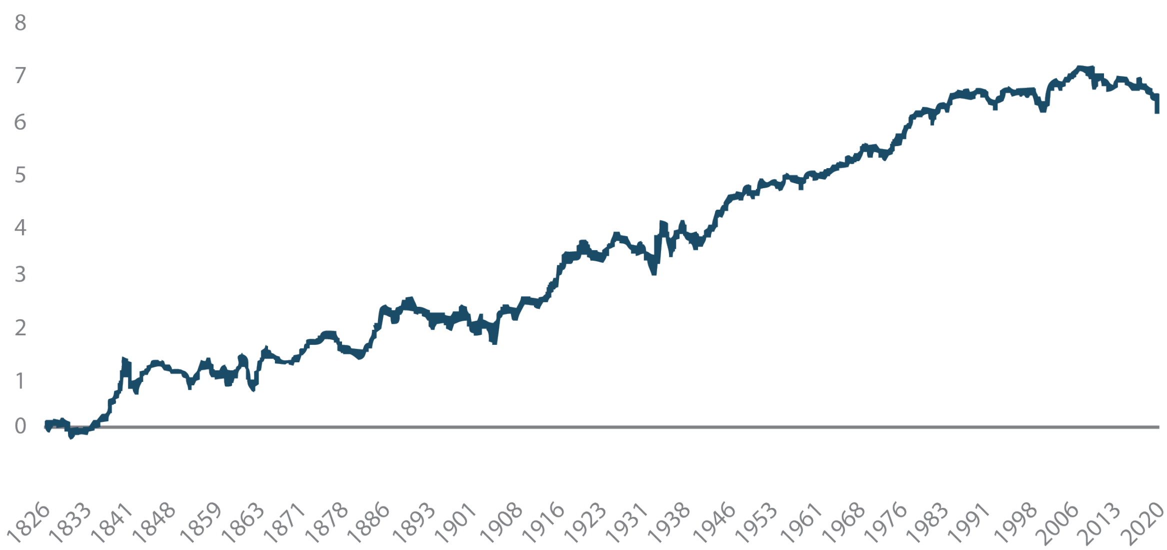
1/1/2001 to 12/31/2006 (daily in USD)

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.