Condensed Interim Report & Unaudited Financial Statements

For the six months ended
30 June 2023

Longleaf Partners
Unit Trust

Longleaf Partners Funds

Contents

Investment Manager's Report
Global Fund

Calendar Year Total Return (%)

Past performance does not predict future returns.

	Class I (USD)	FTSE Developed (USD)	MSCI World (USD)	Class I (EUR)	FTSE Developed (EUR)	MSCI World (EUR)	Class I (GBP)	FTSE Developed (GBP)	MSCI World (GBP)
2013*	36.69	26.09	26.68	31.07	20.64	21.20	1.76	0.29	0.31
2014	-1.25	4.52	4.94	12.28	19.02	19.50	4.84	11.02	11.46
2015	-10.28	-0.81	-0.87	-0.34	10.49	10.42	-5.28	4.94	4.87
2016	16.64	7.55	7.51	20.15	10.77	10.73	39.14	28.29	28.24
2017	23.62	23.18	22.40	8.42	8.20	7.51	12.77	12.52	11.81
2018	-15.57	-9.13	-8.71	-11.98	-4.55	-4.11	-10.51	-3.48	-3.04
2019	17.54	27.27	27.67	20.04	29.61	30.02	13.07	22.35	22.74
2020	3.46	16.11	15.90	-5.05	6.52	6.33	0.15	12.53	12.32
2021	5.73	20.87	21.82	13.45	30.05	31.07	6.79	21.99	22.94
2022	-22.72	-18.15	-18.14	-17.76	-12.79	-12.78	-13.41	-7.84	-7.83

* 2013 is a partial year for the GBP class, which had an inception date of 13 November 2013

Additional Performance Data

Past performance does not predict future returns. The following performance is additional to, and should be read only in conjunction with, the performance data presented above.

			Annualized Total Return				
	2Q (%)	YTD (%)	1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)	Since Inception * (%)
Global UCITS Fund (USD)	3.56	18.82	13.16	5.48	0.04	4.67	4.58
FTSE Developed	6.72	14.86	18.28	11.92	8.79	9.36	8.93

**Inception date of 2010/01/04*

Longleaf Partners Global UCITS Fund added 3.56% in the second quarter, taking year-to-date (YTD) returns to 18.82% for the first half. While the portfolio's lack of exposure to Information Technology and relative overweight to Consumer Discretionary weighed on relative results in the quarter, the Fund outperformed the FTSE Developed Index in the first half in an environment that strongly favored growth.

The central macro theme in the second quarter and for the first half was the reemergence of a handful of mega-cap growth stocks driving the market. These stocks dominated markets over the last decade but suffered an initial collapse of over 30% from January 2022 to the Nasdaq's recent low point in October 2022, before rallying over 40% in the last six months. The market rarely moves down (or up) in a straight line, as we have learned through multiple previous cycles. This reminds us of the early stages of the dotcom bubble, when the Nasdaq fell over 35% from March 2000 highs before temporarily rebounding 36% in 2Q 2000, only to drop a further 80% over the subsequent 25 months, as shown in the charts below.

Source: FactSet

While every period is different, we believe the mega-cap tech darlings are similarly primed today for a more precipitous decline in the face of peak margins on top of increased competition and regulation.

However, the Fund's ability to produce strong relative results is not predicated on a market correction. We continue to see solid operational results across our portfolio holdings, translating into positive stock performance for many. Our management partners are on offense with strong balance sheets and pricing power, allowing them to grow and recognize value in more challenging market environments.

We encourage you to watch our Longleaf Global Fund (US mutual fund managed by the same team) video with Portfolio Managers Ross Glotzbach and Staley Cates for a more detailed review of the quarter.

Contribution to Return

2Q Top Five

Company Name	Total Return (%)	Contribution to Return (%)	Portfolio Weight (%) (30/6/23)
Live Nation Entertainment	35	1.27	4.7
IAC	22	1.16	6.2
EXOR	9	0.55	6.0
CNX Resources	11	0.54	5.3
GE	15	0.54	3.5

2Q Bottom Five

Company Name	Total Return (%)	Contribution to Return (%)	Portfolio Weight (%) (30/6/23)
Millicom	-20	-1.00	3.8
Warner Bros. Discovery	-17	-0.96	4.9
Warner Music Group	-21	-0.67	2.4
Melco International	-20	-0.42	1.6
Prosus	-6	-0.31	4.8

- **Live Nation** – Live Nation Entertainment, a new purchase this year, was the top contributor in the quarter and a top performer for the first half. We had the opportunity to buy Live Nation on the back of the well-publicized controversy faced by Ticketmaster after the botched Taylor Swift tour pre-sale event in November, which lead to short-term fan and political pressure. The industry continues to have great demand tailwinds for the long term. Even after a strong 2022, concerts further accelerated in 2023, driving the positive stock price performance in the quarter. We have prior knowledge of Live Nation from our time owning various Liberty Media entities and are encouraged on future capital allocation that Liberty is still on the case as a 30%+ owner.

- **IAC** – Digital holding company IAC was a top contributor in the quarter and in the first half, after having been among the largest detractors in 2022. Underlying holding MGM has continued to deliver great results, reporting double digit profit growth while being one of our largest share repurchasers. Controlled companies Angi and Dotdash Meredith have stabilized following positive management changes at Angi and further business integration at Dotdash Meredith. Angi reported year-over-year (YOY) revenue declines but positive YOY operating cash flow (OCF). Dotdash reiterated guidance for the second half with expected growth in revenues and OCF as it rolls off more challenging 2021 YOY comparables. IAC bought back more shares in the quarter than it has in many years, while also buying more Turo shares at good prices, and it still has net cash at the parent level.

- **Millicom** – Latin American wireless and cable company Millicom was the top detractor in the quarter but remains a meaningful positive contributor for the year. The company announced a disappointing quarter of organic revenue and EBITDA declines driven by its Guatemala business. In June, Millicom confirmed it had ended potential takeover discussions with private equity company Apollo Global, which the market had rewarded in the first quarter and disliked in the last month. We were not counting on an Apollo buyout as an outcome, and our appraisal was not impacted by the news. Much more compellingly, French billionaire Xavier Niel, founder of French broadband Internet provider Iliad, grew his stake to almost 25% in the quarter and said in a public statement, "We remain fully convinced that Millicom's potential is untapped and under-utilized, particularly when it comes to hidden infrastructure and asset value. We have a clear view on how opportunities can be unlocked, and are ready to bring our industrial experience, passion and perspectives to the Millicom board." While we have been disappointed in certain operational missteps and capital allocation decisions at the company, we think that Niel's positive presence will make the future different than the recent past.

- **Warner Bros Discovery** – Media conglomerate Warner Bros Discovery was a top detractor in the quarter but remained a top contributor for the first half. After a strong first quarter, the stock price faltered in the face of near-term uncertainty around the re-launch of streaming service Max. Additionally, the big budget movie The Flash has not been a success. Finally, there was well-publicized drama around CNN management, with CNN CEO Chris Licht leaving the company after only one year, which we believe was a positive resolution. The company remains dramatically undervalued today, and management continues to make positive operational progress to drive free cash flow (FCF) growth. We believe this company has seen the worst so will be less leveraged and more strategically positioned in the quarters and years to come. Its underlying holdings are high quality businesses that will drive FCF per share growth while also being attractive acquisition candidates.

Portfolio Activity

Portfolio activity was higher than usual in the first half with ten new positions, five exits and multiple active trims and additions throughout the year in the face of increased market volatility and team productivity. We initiated five new positions in the second quarter – one in a US Health Care company that we are still building and will discuss in more detail next quarter. We also started buying a new investment post-quarter that gets most of its value from Asia. Our other year-to-date purchases range from French testing laboratories company Eurofins Scientific, which services the pharmaceutical, food, environmental, agriscience and consumer products industries but is currently lapping some temporary headwinds; to consumer staples company Kellogg, which plans to spin off its eponymous cereal business (which accounts for less than 20% of our appraisal value) to focus on its high-quality and growing snacks business; to Entertainment company Live Nation, discussed in more detail above; to toy company Hasbro, which we have followed as a direct competitor to existing holding Mattel and finally had the opportunity to purchase at a discount; to a combined holding in Fiserv and Fidelity Information Services, purchased in the wake of the first quarter banking crisis.

We exited second-time holding Alphabet and long-term position Lumen in the quarter. After successfully owning Alphabet from 2015 to 2020, we purchased the company again in 2022 as tech stocks broadly faced weakness. Alphabet was especially punished due to fears of increased competition entering the AI space, and we felt those worries were overdone. This market narrative quickly flipped in our roughly one-year holding period with Alphabet now being viewed as a likely AI winner, and we sold the position at a gain as the share price re-rated and the market was now overlooking a worse competitive and regulatory outlook.

We sold our remaining position in Lumen, after reducing our position in the first quarter when it became clearer the new management team under CEO Kate Johnson would not pursue a strategic path to monetizing Lumen's consumer business. At their first analyst day in early June, new management presented disappointingly weak financial targets and significant further spending without a clear path to revenue growth. Throughout our holding period, we saw bond market pricing holding up and supporting our case for the strength of Lumen's balance sheet, but in the second quarter, this reversed with bond prices becoming overly distressed. We lowered our appraisal as our outlook for the company deteriorated, leading to a full exit in the quarter. Lumen represented a permanent capital loss for the Fund, a significant opportunity cost for the portfolio and a disappointing long-term mistake. Lumen has reinforced the importance of limiting overweight positions in the portfolio, being cautious of leverage and value declines, and fully re-underwriting a case – and being willing to move on – when the people and/or underlying facts change.

The higher-than-average portfolio activity YTD reflects the continued improvement in our process and the productivity of the team, with the proceeds of our trims and sales going to fund new opportunities with a better margin of safety and significant potential upside.

Outlook

The Fund delivered a strong first half, despite significant relative macro headwinds, and with materially different return drivers than the index. We believe this positions the Fund to deliver differentiated future returns. The research team has been busy evaluating existing holdings and identifying new opportunities, resulting in upgrades to the portfolio. Our management teams have been similarly busy, taking steps to get the underlying value of their businesses recognized. Following a period of high-teens returns, the portfolio ended the quarter with a compelling price-to-value (P/V) ratio in the mid-60s%, indicating significant future potential upside.

Southeastern Asset Management, Inc.
July 2023

Schedule of Investments as at 30 June 2023
Global Fund

Security (Domicile)	Nominal Holdings	Fair Value US$	% of Net Assets
Transferable Securities (December 2022: 99.04%)			
Common Stock (December 2022: 99.04%)			
Air Freight & Logistics (December 2022: 4.78%)			
FedEx Corporation (United States)	9,741	2,414,794	5.99
Apparel (December 2022: 4.41%)			
PVH Corporation (United States)	12,158	1,033,065	2.56
Biotechnology (December 2022: Nil)			
Bio-Rad Laboratories Inc. (United States)	5,081	1,926,309	4.77
Chemicals (December 2022: Nil)			
Kansai Paint Company Limited (Japan)	10,000	146,607	0.36
Diversified Financial Services (December 2022: 14.92%)			
Affiliated Managers Group Inc. (United States)	13,664	2,048,097	5.08
CK Hutchison Holdings Limited (Hong Kong)	143,691	877,439	2.17
EXOR N.V. (Netherlands)	27,223	2,426,365	6.01
		5,351,901	**13.26**
Diversified Telecommunication Services (December 2022: 9.44%)			
Millicom International Cellular S.A. (Luxembourg)	101,409	1,549,998	3.84
Entertainment (December 2022: 3.49%)			
Live Nation Entertainment Inc. (United States)	20,906	1,904,746	4.72
Warner Music Group Corporation (United States)	36,443	950,798	2.36
		2,855,544	**7.08**
Food Products (December 2022: 5.76%)			
Glanbia Plc (Ireland)	137,559	2,056,431	5.10
Kellogg Company (United States)	21,248	1,432,115	3.55
		3,488,546	**8.65**
Healthcare Services (December 2022: Nil)			
Eurofins Scientific SE (Luxembourg)	6,590	418,229	1.04
Hotels, Restaurants & Leisure (December 2022: 14.22%)			
Accor S.A. (France)	21,664	804,225	1.99
Hyatt Hotels Corporation (United States)	9,309	1,066,625	2.64
Melco International Development Limited (Hong Kong)	703,589	653,666	1.62
MGM Resorts International (United States)	44,001	1,932,524	4.79
		4,457,040	**11.04**
Industrial Conglomerates (December 2022: 6.62%)			
General Electric Company (United States)	12,902	1,417,285	3.51

Security (Domicile)	Nominal Holdings	Fair Value US$	% of Net Assets
Transferable Securities (December 2022: 99.04%) (continued)			
Common Stock (December 2022: 99.04%) (continued)			
Insurance (December 2022: 5.07%)			
Fairfax Financial Holdings Limited (Canada)	2,154	1,613,129	4.00
Internet Software & Services (December 2022: 13.94%)			
Delivery Hero SE (Germany)	1,369	57,992	0.14
InterActive Corporation (United States)	39,834	2,501,574	6.21
Prosus N.V. (Netherlands)	26,507	1,941,120	4.81
		4,500,686	**11.16**
Leisure Time (December 2022: 4.61%)			
Hasbro Inc. (United States)	9,657	625,484	1.55
Mattel Inc. (United States)	83,826	1,637,960	4.06
		2,263,444	**5.61**
Media (December 2022: 4.77%)			
Warner Bros Discovery Inc. (United States)	158,641	1,989,358	4.93
Oil, Gas & Consumable Fuels (December 2022: 4.98%)			
CNX Resources Corporation (United States)	120,911	2,142,543	5.31
Software (December 2022: 2.03%)			
Fidelity National Information Services Inc. (United States)	14,142	773,567	1.92
Fiserv Inc. (United States)	7,224	911,308	2.26
		1,684,875	**4.18**
Total Common Stock		**39,253,353**	**97.29**
Total Transferable Securities (Cost $38,254,877)		**39,253,353**	**97.29**
Short Term Obligations (December 2022: 1.22%)			
State Street Repurchase Agreement State Street 4.25% due 03/07/2023 (Collateral: US$1,029,196 U.S. Treasury Note 3.875% due 31/12/2027) (United States)	1,009,000	1,009,000	2.50
Total Short Term Obligations		**1,009,000**	**2.50**
Portfolio Of Investments (December 2022: 100.26%)		**40,262,353**	**99.79**
Cash and cash equivalents (December 2022: 0.00%)		5,589	0.01
Other Creditors (December 2022: (0.26)%)		78,034	0.20
Net Asset Value		**40,345,976**	**100.00**

Analysis of total assets	**% of Total Current Assets**
Transferable securities admitted to an official stock exchange listing or traded on a regulated market	96.74
Short term obligations	2.49
Other current assets	0.77
Total Assets	**100.00**

Statement of Changes in Composition of Portfolio
Global Fund

	Acquisition Cost* US$
Bio-Rad Laboratories Inc.	1,887,973
Live Nation Entertainment Inc.	1,716,134
Kellogg Company	1,677,482
Fidelity National Information Services Inc.	861,332
Kansai Paint Company Limited	802,904
Hasbro Inc.	563,514
Eurofins Scientific SE	403,634
FedEx Corporation	317,471
CNX Resources Corporation	249,684
Fiserv Inc.	224,710
Williams Companies Inc.	198,243
Delivery Hero SE	57,992

	Disposal Proceeds US$
Alphabet Inc.	2,369,575
General Electric Company	2,141,616
Lumen Technologies Inc.	1,169,914
Fairfax Financial Holdings Limited	1,119,973
Accor S.A.	1,040,657
Kering S.A.	1,022,766
Glanbia Plc	958,903
Warner Bros Discovery Inc.	914,192
FedEx Corporation	893,994
EXOR N.V.	879,067
Melco International Development Limited	877,069
GE HealthCare Technologies Inc.	836,237
Hyatt Hotels Corporation	785,468
Kansai Paint Company Limited	752,143
Millicom International Cellular S.A.	648,910
MGM Resorts International	634,827
Mattel Inc.	571,900
InterActive Corporation	511,657
Fiserv Inc.	444,922
CK Hutchison Holdings Limited	435,602
Affiliated Managers Group Inc.	426,468
Prosus N.V.	417,558
CNX Resources Corporation	416,072
Live Nation Entertainment Inc.	359,761
Kellogg Company	333,403
PVH Corporation	258,731

*There were no other purchases during the six months ended 30 June 2023.

Statement of Changes in Composition of Portfolio
Global Fund

Significant portfolio changes are defined as the aggregate purchases of a security exceeding one per cent of the total value of purchases for the financial period and aggregate sales of a security exceeding one per cent of the total value of sales for the financial period. At a minimum, the 20 largest purchases and 20 largest sales must be shown.

Repurchase Agreements, which may be utilised for uninvested Fund cash and which usually mature the next business day, have been excluded from the Statement of Changes in Composition of Portfolio.

A list of all purchases and sales of the Fund during the six months ended 30 June 2023 can be obtained free of charge from the Swiss Representative, as noted in the Directory.

Statement of Comprehensive Income
Global Fund

	Notes	For the six months ended 30 June 2023 US$	2022 US$
Income			
Dividend income		254,083	741,513
Net gain/(loss) on investments at fair value through profit or loss	2	7,971,761	(18,811,229)
Net foreign exchange gain	2	3,504	9,866
Other income		18,289	-
Total net income/(loss)		8,247,637	(18,059,850)
Expenses			
Investment Management fees	8	(235,682)	(467,882)
Management fees	8	(18,813)	(18,865)
Administration fees		(14,163)	(28,077)
Depositary fees		(21,855)	(30,456)
Audit fees		(14,521)	(10,972)
Other operating expenses		(87,099)	(77,671)
Total operating expenses before reimbursement		(392,133)	(633,923)
Expense reimbursement from Investment Manager	8	103,087	95,490
Total operating expenses		(289,046)	(538,433)
Operating income/(loss)		7,958,591	(18,598,283)
Finance cost (excluding increase in net assets attributable to holders of redeemable participating units)			
Interest expense		-	(2,984)
Taxation			
Withholding tax	4	(35,316)	(94,713)
Increase/(Decrease) in net assets attributable to holders of redeemable participating units resulting from operations		7,923,275	(18,695,980)

Gains and losses arose solely from continuing operations.
There were no gains or losses other than those dealt with in the Statement of Comprehensive Income.

The notes to the financial statements form an integral part of these financial statements.

Statement of Financial Position
Global Fund

	Notes	30 June 2023 US$	31 December 2022 US$
Current Assets			
Financial assets at fair value through profit or loss		40,262,353	44,799,347
Cash and cash equivalents		5,589	533
Receivable for Investment Management fee reimbursement	8	7,939	15,863
Receivable for investments sold		249,889	-
Dividends receivable		37,479	40,290
Interest receivable		119	-
Other receivables		14,065	11,045
Total Current Assets		40,577,433	44,867,078
Current Liabilities			
Payable for investments purchased		(57,992)	-
Investment Management fees payable	8	(32,284)	(76,267)
Management fees payable	8	(8,837)	(7,668)
Administration fees payable		(17,569)	(15,444)
Depositary fees payable		(20,697)	(17,836)
Audit fees payable		(34,763)	(20,242)
Other liabilities		(59,315)	(45,207)
Total Current Liabilities (excluding net assets attributable to redeemable participating unitholders)		(231,457)	(182,664)
Net assets attributable to holders of redeemable participating units		40,345,976	44,684,414

Details of the NAV per unit are set out in Note 3.

The notes to the financial statements form an integral part of these financial statements.

Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Units

Global Fund

	Notes	For the six months ended 30 June 2023 US$	2022 US$
Net assets attributable to holders of redeemable participating units at beginning of the financial period		44,684,414	103,359,673
Proceeds from the issuance of redeemable participating units	3	-	491,354
Payments on redemptions of redeemable participating units	3	(12,261,713)	(7,200,017)
Net decrease from unit transactions		(12,261,713)	(6,708,663)
Increase/(decrease) in net assets attributable to holders of redeemable participating units resulting from operations		7,923,275	(18,695,980)
Net assets attributable to holders of redeemable participating units at end of the financial period		40,345,976	77,955,030

The notes to the financial statements form an integral part of these financial statements.

Statement of Cash Flows

Global Fund

	For the six months ended 30 June	
	2023	2022
	US$	US$
Cash flows from operating activities		
Income/(loss) for the financial period after interest and taxation	7,923,275	(18,695,980)
Adjustments to reconcile net increase/(decrease) in net assets resulting from operations to net cash provided by operating activities:		
Net (gain)/loss on investments at fair value through profit or loss	(7,927,117)	18,811,502
Cash outflow due to purchases of investments during the financial period	(277,290,081)	(660,842,503)
Cash inflow due to sales of investments during the financial period	289,562,295	665,957,545
Decrease in debtors	7,596	596,281
(Decrease)/increase in creditors	(9,199)	59,827
Net cash provided by operating activities	12,266,769	5,886,672
Cash flows from financing activities		
Proceeds from the issuance of redeemable participating units	-	491,354
Payments on redemptions of redeemable participating units	(12,261,713)	(7,200,017)
Net cash used in financing activities	(12,261,713)	(6,708,663)
Increase/(decrease) in cash and cash equivalents	5,056	(821,991)
Cash and cash equivalents at beginning of the financial period	533	822,263
Cash and cash equivalents at end of the financial period	5,589	272

Interest paid	-	(2,984)
Dividends received	256,894	1,352,366
Interest received	44,525	270
Tax paid	(35,316)	(94,713)

The notes to the financial statements form an integral part of these financial statements.

Calendar Year Total Returns (%)

Past performance does not predict future returns.

	Class I (USD)	FTSE Asia Pacific (USD)	MSCI AC Asia Pacific (USD)	Class I (GBP)	FTSE Asia Pacific (GBP)	MSCI AC Asia Pacific (GBP)
2014*	-1.30	-1.34	-1.39	NA	NA	NA
2015	-2.74	-1.10	-1.96	NA	NA	NA
2016	12.29	5.32	4.89	NA	NA	NA
2017**	37.94	30.50	31.67	7.75	8.59	8.18
2018	-21.45	-13.76	-13.52	-16.94	-8.40	-8.14
2019	18.58	18.84	19.36	14.04	14.25	14.75
2020	10.97	19.77	19.71	7.50	16.07	16.01
2021	-14.70	-0.38	-1.46	-13.77	0.54	-0.55
2022	-8.24	-16.42	-17.22	2.70	-5.89	-6.80

* 2014 is a partial year, from inception of 2 December 2014

** 2017 is a partial year for Class I (GBP), from inception of 15 September 2017

Additional Performance Data

Past performance does not predict future returns. The following performance is additional to, and should be read only in conjunction with, the performance data presented above.

	2Q23	YTD	1 Year	3 Year	5 Year	Since Inception 2/12/2014
APAC UCITS (Class I USD)	-7.53	-4.07	-0.52	-2.00	-3.82	1.68
FTSE Asia Pacific Index	1.56	6.01	6.33	4.13	2.38	4.45
Relative Returns	-9.09	-10.08	-6.85	-6.13	-6.20	-2.77

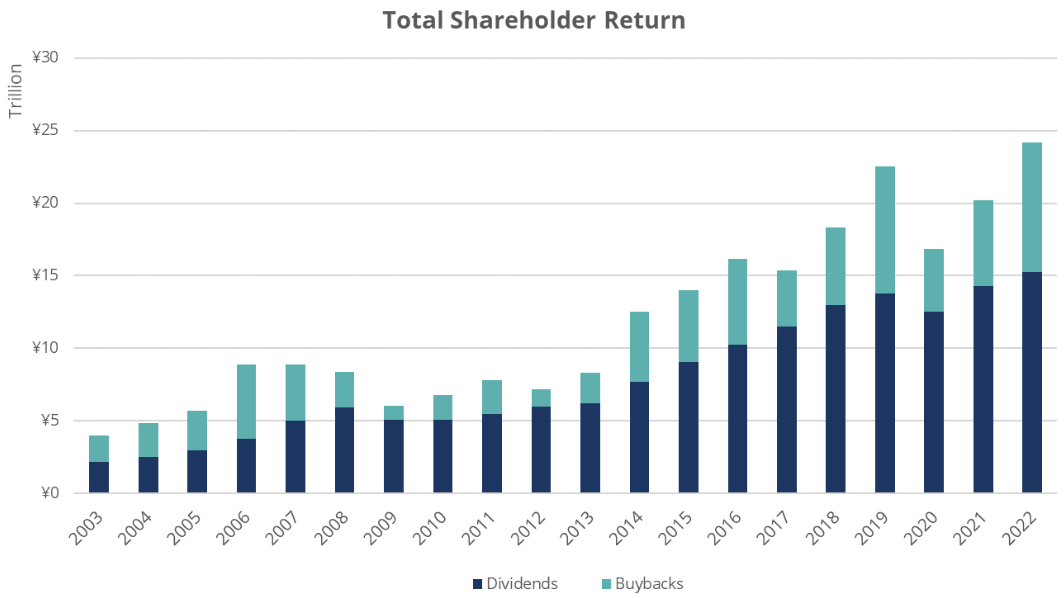
Selected Indices	2Q23	YTD	1 Year	3 Year	5 Year
Hang Seng Index (HKD)	-6.09	-2.79	-10.77	-5.46	-5.28
TOPIX Index (JPY)	14.38	22.68	25.65	16.44	8.34
TOPIX Index (USD)	5.22	11.35	18.11	5.65	2.76
MSCI Emerging Market (USD)	0.90	4.89	1.75	2.32	0.93

Commentary

The Fund returned -7.53% in the second quarter, underperforming the benchmark, which returned 1.56%. The underperformance was primarily due to our overweight allocation to companies listed in HK/China, as pessimism increased to levels experienced during the peak of Covid lockdowns late last year. The market was disappointed by the weak recovery of the Chinese economy, the lack of meaningful stimulus by the government, and concerns over escalating tensions with the United States

The other major headwind was our underweight allocation to companies in Japan, where the TOPIX returned 14.4% in the quarter. According to the Tokyo Stock Exchange, foreigners bought a net $43 billion of Japanese stocks in the second quarter, helping to drive the country's stock market to levels last seen in 1990. The large foreign net purchase of Japanese stocks contrasted sharply with foreigners' net selling of $11 billion in the first quarter, as foreigners piled into Japanese equities after Warren Buffett visited Japan in April, providing "the stamp of approval that Japan can deliver superior returns" according to Japanese market strategist Jesper Koll of Monex. However, it's not just about Warren Buffett buying Japanese companies. It's also pressure from the Tokyo Stock Exchange, which in January ramped up its campaign for companies trading below book value to publish action plans to improve corporate value. This is significant because, as of March, nearly half of the 1,832 listed companies trading on the Prime Market (the market division with the highest listing standards) have a return on equity below 8% and/or are trading below book value. This name-and-shame strategy, combined with an emboldened push from activist investors, is beginning to work, accelerating shareholder returns (dividends and buybacks), which achieved record levels in FY March 2023. For example, this year Dai Nippon Printing and Citizen Watch were both trading at below book value and decided to repurchase 15% and 25% of their shares, respectively, which drove a significant re-rating of their companies.

MSCI Japan: Trend of Increasing Buybacks and Dividends



Source: Factset

The Chinese capital markets were weak in Q2, reflecting disappointment in a weaker-than-expected consumption and property sector recovery post-Covid reopening. While demand for services (travel, restaurants, etc.) has been strong, product sales, especially big ticket items including autos, have underwhelmed expectations. In the second quarter, areas related to real estate, such as cement, glass, and crude steel, in addition to housing-related consumer segments, such as furniture and home appliances, were also weak.

After a tough second quarter which brought valuations of Chinese equities (and especially our portfolio) to extremely depressed levels in both relative and absolute terms, July was strong for our HK and China investments, as our domestic consumption names demonstrated proof of further recovery, geopolitical tensions stabilized, as the Chinese government re-engaged with several US officials that visited China, and the Politburo indicated stronger policy action to support the economy in late July.

As discussed in our last letter, we believe US-China relations hit a new low in the first quarter with the US shooting down of an alleged Chinese spy balloon over the United States and further coordinated action by Western countries to "de-risk" from Chinese. Relations began to stabilize following a slew of visits by US officials to China, starting with Secretary of State Antony Blinken's visit in early June, the first US cabinet minister to visit China since 2019. Treasury Secretary Janet Yellen followed in early July, then John Kerry, President Biden's climate envoy, in mid-July. Also in July, former US Secretary of State Henry Kissinger met Xi Jinping and Chinese defense minister Li Shangfu, who declined to meet US Defense Secretary Austin in Singapore in June.

On June 28th, at an event at the Council of Foreign Relations, Secretary Blinken clearly laid out the US position on China.

"China is not going away. We're not going away. So in the first instance, we have to find a way to coexist and coexist peacefully. We know we're in an intense competition. We talked about the competition to try to shape the post-Cold War era. At the same time, we are determined that that competition not veer into conflict, which would be terrible for everyone involved.

From China's perspective, no surprise to people here, is that our purpose is to contain them, to hold them down, to hold them back globally and economically. And the fact of the matter is, it's not. And it's also not in our interest to do that. China sees us as being engaged in decoupling. The argument that I made to our counterparts is that if you actually look at what's happening and what's happened, the facts belie that assertion.

Our trade with China last year reached the highest level ever. We had more foreign direct investment going to China last year than in any year since 2014. Yes, we have export controls. We have sanctions on individuals and Chinese entities—about a thousand or so all told. There are forty-eight million companies registered in China. So that's hardly decoupling, if we've got very targeted restrictions on—I think it's 0.0001 percent of the companies in China.

At the same time, it's not in our interest to hold them back. We have done, I think, very well in recovering from Covid. Other countries are struggling more. ***We don't want to be the only engine for growth in the world. We want to see a China that's actually succeeding economically. It's in our interest***. But equally—and again, I shared this with our counterparts—how is it in our interest to allow them to get technology that they may turn around and use against us? Whether it's in building a very opaque nuclear weapons program and expanding it at a very rapid pace, developing hypersonic missiles, using AI potentially for repressive purposes? It's not in our interest to do that. If they were in our shoes, they would do exactly the same thing. ***And so the very targeted, very narrowly defined controls that we've put in place are designed to prevent that. Now, it's an ongoing conversation, but I think it's hugely important***."[1]

Treasury Secretary Yellen, after meeting with senior Chinese officials in China, remarked:
"There is an important distinction between decoupling, on the one hand, and on the other hand, diversifying critical supply chains or taking targeted national security actions. We know that a decoupling of the world's

[1] https://www.state.gov/secretary-antony-j-blinken-in-a-conversation-with-council-on-foreign-relations-president-richard-haass/

two largest economies would be disastrous for both countries and destabilizing for the world. And it would be virtually impossible to undertake." [2]

While tensions are still high between the US and China, efforts to re-establish some stability are positive for both countries and our investments in Greater China. On the private enterprise side, Xi Jinping met "old friend" Bill Gates in June, the first meeting with a US business figure in years. In recent months, Tesla's Elon Musk, JP Morgan's Jamie Dimon, Starbuck's Laxman Narasimhan, and Apple's Tim Cook have all traveled to China to meet with senior Chinese officials, underscoring the importance of China to the US and its businesses. In early June Elon Musk remarked, "The interests of the United States and China are intertwined, like conjoined twins, who are inseparable from each other."

At the Politburo meeting on July 24th, chaired by Xi Jinping, the government acknowledged that the economy was facing difficulties and pledged to offer more support to bolster the weak property sector, stimulate consumption, and boost investment. The most important takeaway from the politburo meeting is related to housing, with the readout saying the government must "adapt to the new situation in which the supply and demand dynamic in the real estate market is dramatically changing." The readout notably omitted Xi's famous phrase "houses are for living in, not for speculation", which has appeared in the readouts of most economy-related meetings in the past few years, as the government had cracked down on the real estate industry in prior years. Rather, the Politburo acknowledged that "there has been a major change in the supply-demand relationship in our country's real estate market."

With the weak second-quarter economic data, Beijing is working to restore confidence by reaching out to the private business community. The government completed its investigation into the Ant Group on July 7th, announcing a fine of over seven billion RMB (nearly $1 billion). The conclusion of Ant's case is widely interpreted to be the end of the restructuring campaign against technology platform companies. The politburo meeting readout said that "It is necessary to promote the standardized, healthy, and sustainable development of platform companies."

There are clearly multiple concerns about China. On a recent trip to the US visiting clients and interested allocators, we increasingly heard that new allocations to China-only investments are off the table. On the top of investors' minds are the geopolitical tensions between the US and China that have been headline news in recent years, including a potential invasion of Taiwan and military conflict in the South China Sea.

While the US market has been rallying, China has been beaten down by ongoing issues. This seems to be a flawed logic as the world has become increasingly intertwined. Apple continues to reach new highs, despite 18% of its revenues coming from Greater China, and with an almost total dependency on Chinese manufacturing and on Taiwan's TSMC to produce its chips. Over the decades, Apple has developed long-standing relationships with its Chinese partners that have resulted in specialized production and supply chain processes. This isn't something that can easily be shifted to other countries. Today's market darling Nvidia is also highly reliant on TSMC for the supply of chips, and in turn, TSMC is highly reliant on Taiwan for the manufacturing of its chips. Taiwan is critical to the global chip supply chain, with a 67% share of the world's chip foundry business and more than 90% share of the world's most advanced microchips.

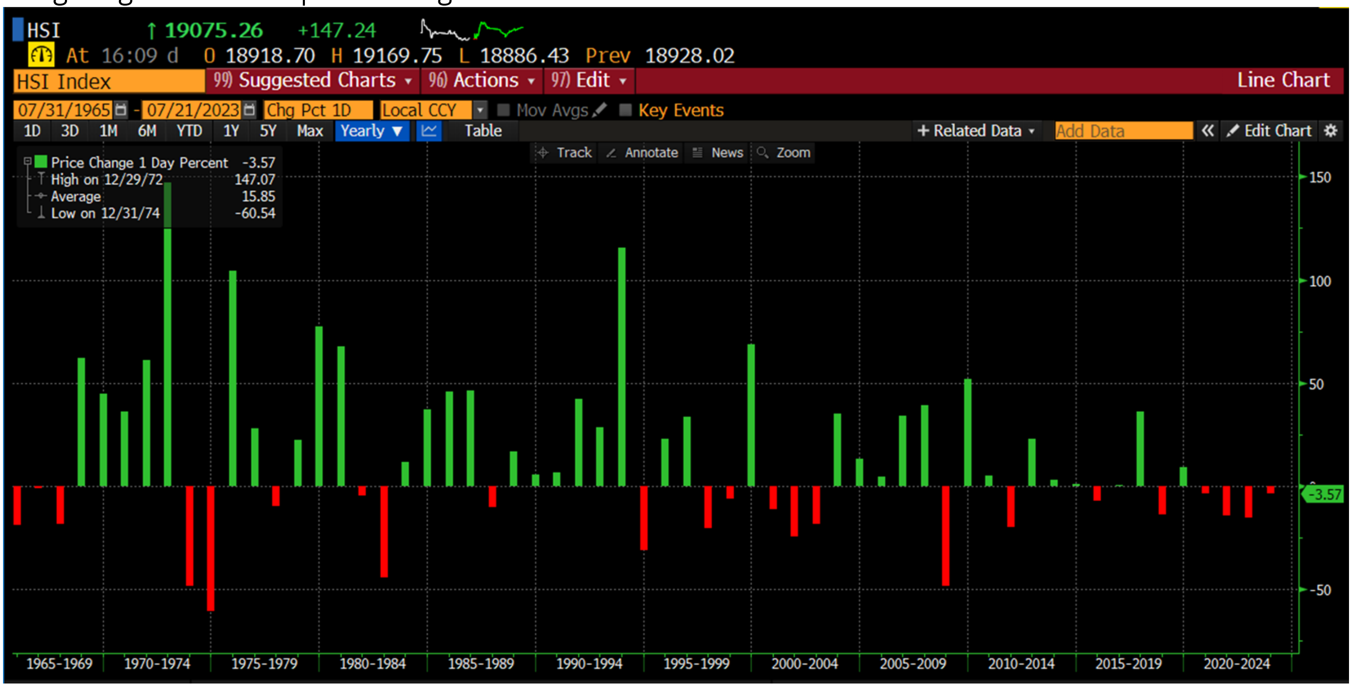
Furthermore, 47% of NVIDIA's revenues come from customers in China and Taiwan. Yet, NVIDIA trades at 26.5x NTM sales (we've never seen a $1 trillion market cap company with such a high sales multiple), implying significant growth expectations, and completely disregards the China risk inherent in its business that is more

[2] https://home.treasury.gov/news/press-releases/jy1603

than amply reflected in Chinese/HK stock markets. Hermes trades at 52.4x NTM P/E in the luxury space, with about 50% of revenue coming from Asia-Pacific excluding Japan, and a significant portion from China. APAC ex-Japan is one of Hermes' fastest-growing markets and a key driver for their growth. Similarly, in beauty care, L'Oreal trades at 34.9x NTM P/E, with North Asia accounting for 28% of its revenue, while L'Occitane trades at 16x earnings in Hong Kong. We don't think there should be such a significant difference in valuations between a French skincare company trading in HK vs. a French skincare company trading in France. Just because L'Occitane is listed in HK shouldn't mean it's worth less than a L'Oreal. If we moved L'Occitane's listing to France or listed and spun off some of the smaller brands in the US markets, we are confident that its valuations would converge with those of L'Oreal.

We believe there is too much pessimism towards Asia and China, in particular, and the valuation discrepancy between the US and Chinese markets, and growth vs. value valuation remains high. A simple reversion to the mean would mean significant upside for Asian equities.

Hang Seng Index annual prices changes since 1965



The Hang Seng Index has had three consecutive years of negative returns only three times in its history, and each time, it has been followed by five years of positive returns. We were heading for an unprecedented fourth consecutive year of negative returns in mid-July. We are now positive, given the surge in prices in the last few weeks of July. However, if history repeats itself, there could be a significant upside in HK/China from severely depressed levels. Great returns can be made in areas that are hated and ignored.

"I've made my living for the last 50 years investing in the things other people said were uninvestable: high-yield bonds, distressed debt, emerging markets in 1998. When I hear people say that China's uninvestable, to me that says maybe there are some bargains there, if everybody else is boycotting that sector." **Howard Marks, Oaktree** [3]

[3] https://markets.businessinsider.com/news/stocks/howard-marks-oaktree-stock-market-bargains-asset-prices-china-timing-2022-6

Portfolio Review

2Q23	Contribution to Portfolio Return (%)	Total Return (%)	1H23	Contribution to Portfolio Return (%)	Total Return (%)
Top Five			**Top Five**		
JS Global	+0.70	+14	Baidu	+0.97	+19
Hitachi	+0.60	+14	Hitachi	+0.88	+23
HDFC	+0.39	+9	JS Global	+0.70	+14
Jollibee	+0.33	+5	MGM China	+0.43	+6
Techtronic	+0.16	+2	Jollibee	+0.38	+5
Bottom Five			**Bottom Five**		
China MeiDong	-2.05	-47	China MeiDong	-1.84	-42
H World	-1.20	-21	Man Wah	-1.41	-33
Melco	-0.92	-20	L'Occitane	-1.08	-23
Alibaba	-0.88	-19	Seria	-0.91	-26
Man Wah	-0.69	-19	Melco	-0.62	-14

After a particularly tough second quarter, some of our coiled springs released spectacularly in July, led by JS Global (described in detail below). We gained about 13.3% in the Fund and about 8.5% of relative outperformance in July as the extreme pessimism abated somewhat, and some of our deep value special situations unlocked through catalysts. Things can turn on a dime in Asia, especially when there is such deep pessimism toward China.

With the persistent discount in Asian valuations (as seen in the charts below), management teams are frustrated and taking control of their destinies by aggressively tackling the discounts in their stock prices. Our management teams are taking action to close the value gap. Alibaba is trading at less than 5x underlying Free Cash Flow (excluding its cash and investment holdings) and is aggressively buying back shares. It repurchased $14 billion worth of shares in the last 14 months (with another $17 billion to go in the current program) and announced plans to break itself up into six different businesses to get its value recognized. Alibaba's cloud business will be listed and spun off to shareholders in the form of a stock dividend; at 4x revenues, a Cloud spin-off will be equivalent to a 20% dividend yield. Furthermore, Alibaba's Cainiao Smart Logistics Network business and Freshippo supermarkets will be listed through IPOs.

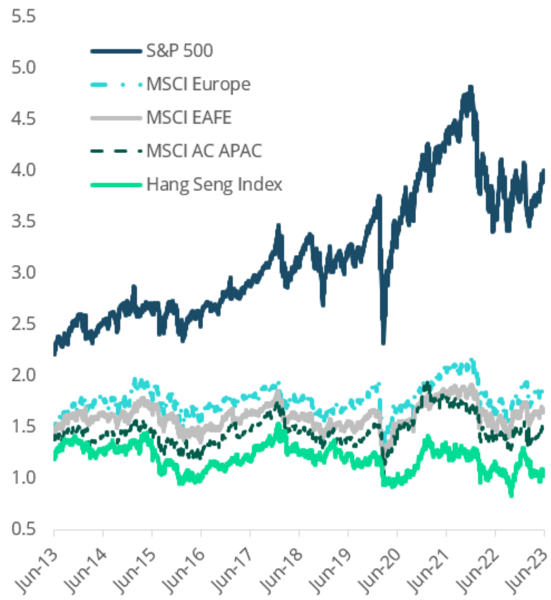
Price-to-Earnings Ratio (P/E)

at 6/30/23

Source: Bloomberg

Price-to-Book Ratio (P/B)

at 6/30/23



Source: Bloomberg

Prosus similarly announced a transaction to simplify its business by removing the cross-holding structure with Naspers and it has repurchased approximately one-quarter of its free float in the last 12 months since announcing its open-ended buyback program. Tencent, the largest share repurchaser on the HK stock exchange, has bought back record levels of stock in the last two years and distributed to shareholders its 14.7% stake in JD.com last year and its 17% stake in Meituan this year.

Hospitality, travel, and transportation continue to recover well, and we are exposed to these sectors through our investments in Macau gaming companies MGM China and Melco International, hotel company H World Group, and online travel agency Tongcheng Travel. Domestic air travel has recovered to pre-Covid levels, and Tongcheng will continue to benefit from the domestic travel recovery and gain market share as smaller, offline travel operators have gone bust during the Covid years amidst a structural shift towards online bookings. Tongcheng's accommodation and transportation businesses recorded new highs during the May Labor Day holidays, with room nights sold almost three times more than the 2019 Labor Day holidays. In their May call, Tongcheng management was bullish: "(…we remain) optimistic and are very confident in accomplishing remarkable results again. After three years of cultivation and accumulation, we have secured a supreme position to exploit travel opportunities in every scenario and thereby reinforce and expand our market share."

Macau's industry gross gaming revenues (GGR) continue to improve every month since reopening in January, and visitation levels and GGR are still about 30% lower than pre-Covid levels. Mass GGR recovered to about 90% of pre-Covid levels. However, we believe the market is missing the positive mix shift effects of moving to primarily mass and direct VIP customers vs. junket customers. EBITDA levels for some operators, like MGM China, are already greater than pre-Covid levels, helped by market share gains, and Melco Resorts should be approaching pre-Covid levels by year-end. Melco's Q2 GGR was up 43% compared to the first quarter of 2023, and mass drop (amount wagered) increased month-to-month, and turnover in their premium direct VIP segment continued to exceed 2019 levels during the second quarter. CEO Lawrence Ho said, ***"Mass drop further expanded into July, surpassing 2019 levels, and daily property visitation in July reached its***

highest point since Macau's reopening." [4] Nevertheless, they were all detractors during the quarter, reflecting worries about the recovery of the Chinese economy and geopolitical tensions. However, in late July, H World announced that its domestic business REVPAR recovered to 121% of 2019 Q2 levels in the second quarter, beating market expectations, driven by strong leisure travel and average daily rate (ADR) hikes. Q2 ADR was up 129% compared to 2019 levels, driving a meaningful gain in share price. Industry statistics for June in domestic travel, Macau GGR, hotel occupancy, and ADR figures all indicated strength in the recovery of hospitality, travel, and gaming.

During the quarter, we sold our position in **JOYY** and **WH Group** to fund new positions in Korean search and e-commerce platform **Naver** and HK-listed small home appliance business **JS Global.**

JS Global Lifestyle (JSGL)
We initiated a new investment in JSGL in late April. HK-Listed JSGL operates in the Small Household Appliances space, with two notable brands, A-share listed Joyoung (67% ownership), and SharkNinja (100% ownership). We became interested in JSGL when they announced their intention to spin off SharkNinja. At that time, SharkNinja's implied multiple was 5x NTM EV/EBITDA, while peers traded at 8-9x EV/EBITDA, severely undervaluing SharkNinja despite growing topline faster along with a significantly higher margin. We believe this cheapness was caused by: (1) Investors in JSGL not understanding the Shark & Ninja brands, which are predominantly US and UK brands, and (2) A holding company discount. Listing SharkNinja in the US would be immediately accretive, given the wider US investor base that resonates with the brand.

SharkNinja can be described as a 'Dyson at a discount', building high-quality products at less expensive prices. The team at SharkNinja is relentless in delivering value to customers, from conducting focus groups and incorporating feedback from customer pre-product launch to observing customers interact with their products. Their results speak to this, with Shark & Ninja products being highly rated on Amazon at 4.2+ stars. Their new hairstyling product, Shark Flexstyle, sells at half the price of Dyson's Dyson Airwrap ($300 vs. $600) and has been a top seller since being introduced just last year, garnering an astounding 396 million views on Tiktok as of the end of July. Such relentless focus on customers and value has allowed them to continuously gain market share in both existing and new product categories.

SharkNinja has three drivers of growth: (1) gaining market share in existing categories, (2) expanding into new categories, and (3) penetrating new geographical markets. While peers reported declines in 1Q23 numbers, SharkNinja grew revenues by 8.6% (constant currency basis) in the first quarter and generated 21.3% adjusted EBITDA margins, while peers experienced negative sales declines and significantly lower EBITDA margins. This strong performance was achieved despite the reversal of the Covid-induced consumer demand tailwind over the last few years. We expect SharkNinja to continue its strong growth trajectory in 2H23 as the inventory destocking cycle ends for retailers.

SharkNinja's spin-off was completed with a listing on the NYSE on the 31st of July, and closed its first trading day at US$42/share, re-rating to 12.4x NTM P/E. This amounted to a roughly 100% unrealized gain on our initial purchase in late April, generating impressive IRR and absolute returns. We believe the strong revaluation of SharkNinja was driven by American investors who recognize the brand better as consumers and understand SharkNinja's significance in the US small home appliances space. It is worth noting that SharkNinja was listed on the NYSE without any value-dilutive equity raising. This reflects the strong management alignment with JS Global Founder and Chairman Wang Xuning, and his focus on maximizing

[4] Melco Q2 23 Results call August 2, 2023

shareholder value. Chairman Wang is a 58% shareholder of JS Global, and is a beneficiary of these value-maximizing moves. We are fortunate to be his partner.

JS Global's 100% spin-off and distribution of SharkNinja to JS Global shareholders provides market participants with an interesting case study and template for HK-listed companies that suffer from a HK discount to create significant value for shareholders. International investors – particularly US investors – have been net sellers of HK-listed equities in the past few years. HK-listed Techtronic also suffers from a similar HK discount, as 77% of its revenues come from the US, where its market dominance would resonate more with investors. To put this into context, Stanley Black & Decker and Makita trade at 18.4x and 15.0x NTM EV/EBITDA, respectively, while Techtronic trades at 13.1x. This is despite Techtronic having greater exposure to the higher margin Pro segment, gaining market share, and being less plagued by the inventory destocking issue that peers are experiencing.

We will continue to look for other value opportunities with a catalyst – where smart and motivated management teams can unlock the mispricing inherent in their valuations. With continuous fund outflows from HK, management teams are becoming increasingly frustrated at the persistent discounts assigned to their companies. These owner-operators are now seeking ways to unlock these valuation discrepancies. Our discussions with our management teams indicate they have taken on a more serious and urgent attitude toward maximizing shareholder value. In the past few months, several privatizations and restructurings have been announced in Hong Kong, underscoring the deep discount many HK-listed companies trade at.

HK-listed L'Occitane has two brands – Elemis and Sol de Janeiro – which are primarily US and UK brands, growing about 60% this year and generating operating margins significantly higher than the corporate average (22.4% vs. 11.2% corporate operating profit margins in the March 2023 fiscal year). These two fast-growing, highly profitable brands acquired by L'Occitane in recent years will likely account for almost 60% of consolidated operating profit by FY March 2026. We believe these two brands combined, if listed in the US, would be valued at close to the entire market capitalization of L'Occitane, which suffers from a HK discount and trades at only 16x earnings. Listing Elemis/SDJ and distributing the shares to L'Occitane shareholders, like what JS Global did, would create significant shareholder value. M&A multiples also support a much higher valuation. L'Oreal recently acquired Aesop, an Australian skincare brand, for 23x EBITDA and 4.6x revenue. In addition, moving L'Occitane's listing from Hong Kong to France, where L'Oreal trades at 33x earnings, would further improve valuations.

Naver

We initiated a new position in **Naver** during the quarter. Naver is the dominant search engine and shopping platform that has built an unrivaled ecosystem with search at its core in Korea. The stock price dropped over 50% from the previous high because of overall internet sector weakness and concerns over a weak macro environment.

Naver is Korea's most widely used search engine, with over 40 million daily unique visitors thanks to its user-generated local content and strong community engagement. Naver search has posted resilient growth despite the rise of video platforms and weak macro, outperforming global peers. It is also well prepared in the AI space, with its latest large language model, HyperClova X, expected to be launched in late August. Naver's cost of running the AI model is expected to be ¼ of competitors, a significant advantage as Naver utilizes its own database, while competitors must depend on external datasets to train their AI models.

Naver is also the leader in Korea's e-commerce market, one of the biggest markets globally, with over 200 trillion won market size. The two leading e-commerce players, Naver (3P leader) and Coupang (1P leader), have been driving consolidation (combined market share increased from low 20% in early 2018 to mid-40% in early 2023) and will continue to consolidate the market in addition to benefiting from overall market growth. In our opinion, Naver shopping is a highly under-monetized platform, with its shopping platform charging low single-digit fees, while competitors charge high single-digit to low teens percentage of GMV. Its take rate is far lower than it could be, and we are expecting a take rate increase to come soon, which should lead to solid profit growth.

Despite its headline valuations looking elevated, valuing its under-earning businesses properly, the core business was trading at about 10x core net income. Most importantly, we are encouraged by management's mindset shifting from topline growth to profitable growth, focusing on cost efficiency and monetization of its platform.

Hitachi, a Japanese conglomerate, was a contributor for the quarter. The company reported results broadly in line with consensus, but its FY23/24 guidance was lower than street expectations. However, we view the guidance as overly conservative, reflecting several macro risks. Out of 12 business segments, Hitachi expects profit growth for most businesses except two, including railway and high-tech businesses. Hitachi continues to transition into a recurring service-based business that is less cyclical, leveraging its Lumada digital solution platform. Lumada will be the major profit growth driver, with management targeting 40%+ of EBITDA contribution by fiscal year-ended March 2025. It was noteworthy that the company announced a ¥100 billion share buyback (about 2% of the shares outstanding) and raised its shareholder return target for the three years through FY3/25 from ¥700 billion to ¥800 - ¥900 billion. We believe this indicates that the company has entered a more stable cash generation phase post the business reorganization.

HDFC, the largest housing finance company in India, was a contributor for the quarter. The company reported a strong set of results for the fiscal year that ended March 2023, with individual loan book growth of 17% YoY, significant improvement in asset quality, and profit growth of 18% YoY. HDFC is the best-managed finance company in a young and growing market where credit is largely under-penetrated. Mortgages as % of GDP is just 11% in India, much lower than in other Asian economies. In July, HDFC consummated its merger with HDFC Bank, the largest and most profitable bank in India with around 15% lending share nationally and best-in-class underwriting track record. We expect this to be a highly synergistic merger from both a revenue and cost perspective. Credit is the lifeblood of an economy and HDFC Bank is ideally positioned to ride out the India growth story for years to come.

Jollibee (JFC), the largest restaurant chain in the Philippines, was a contributor for the quarter. It continued to generate solid results in the first quarter, with revenues up +28.5% YoY and operating profit up +81% YoY. The Philippine business posted +32% YoY same-store sales growth, with volume and price each increasing at a teens pace, and the international business grew same-store sales by 8.8%, continuing to show resilience. JFC recorded its highest quarterly operating profit despite continued inflation headwinds by flexing its pricing power and cost efficiency. JFC also managed to turn around the overseas business, generating a positive 2.1% operating profit margin in 1Q23 vs. -0.5% in 1Q22. We see longer-term margin upside for the overseas business, with China lagging behind the recovery, and Smashburger and CBTL still in the investing phase, and from increasing the mix of franchise stores overseas. China is showing strong sequential improvement with the reopening, and CBTL and Smashburger have laid the foundation for a long runway for profitable growth after several years of restructuring and investment. Despite the significant appreciation in market value since our initial purchase, we remain positive on Jollibee with management's focus on return on invested capital and its growth potential in both domestic and overseas markets.

Techtronic Industries, a leading power tool maker, was a contributor for the quarter. While investors continue to worry about the US residential market, we are optimistic about Techtronic's positioning on the Professional (PRO) side, which will benefit from the strong performance of the US construction industry. US total construction 6M23 is up +7.1% YoY. We remain hopeful as Techtronic benefits from macro-tailwinds on the back of weak competition, allowing them to take market share. Makita, a Japanese power tool maker, and a competitor of Techtronic, mentioned that they are experiencing an inventory glut, with US and EU inventories at 14.7 months and 8.4 months, respectively, in May.

China MeiDong, a luxury auto dealer, was a detractor during the quarter. Weakness in share price was mainly driven by intense price competition in the Chinese auto industry as OEM manufacturers offered impactful price discounts. This has resulted in a spillover effect for MeiDong as smaller dealerships engaged in significant discounting on the back of soft consumer demand. While the industry continues to face headwinds, we remain cautiously optimistic. The outlook for the second half will likely be better than the first half. MeiDong's leading OEMs (Porsche and BMW) have reduced their full-year targets for China. This will benefit the supply & demand balance, creating a more favorable environment for new car sales margins. In addition, BMW has started offering rebates starting in June 2023 to help their dealers. As for its higher margin after-sales services, this segment has benefited from China re-opening, with YTD after-sales revenue growing 15-20% YoY.

H World, China's leading economy and mid-scale hotel operator, was a detractor for the quarter. Since China reopened from Covid lockdowns in Q4 2022, domestic tourism has recovered. In addition, H World (and our online travel agency investment Tongcheng) is consolidating the fragmented market as smaller players got wiped out during the Covid years. The company continues to execute strongly, with domestic RevPAR reaching 118% and 121% of pre-Covid levels in the first and second quarters of the current year, outpacing the industry. Despite the solid fundamentals and recovering travel demand, the stock price corrected due to overall negative sentiment towards China amidst weaker-than-expected macroeconomic recovery.

Melco International, the Macau casino and resort operator, was a detractor for the quarter. Its operating subsidiary Melco Resorts reported a solid set of results posting $267mm adjusted property EBITDA in the second quarter, up 40% versus the prior quarter. The company is seeing a stronger-than-expected pace of recovery led by premium mass, where the average spending is already exceeding 2019 levels. Despite the absence of junket-driven VIPs, Macau will continue to grow with the mass segment thanks to the continued recovery in the transportation infrastructure, hotel capacity expansion, and non-gaming events and activities. Mass generates a higher margin than VIP, so EBITDA can return to pre-Covid levels as long as the mass market continues to recover, if not surpass pre-Covid levels, with strong operating leverage after several years of cost-cutting initiatives. Melco is well positioned to outperform its peers thanks to the company's solid position in the premium mass segment. We also see a potential scenario of Melco International and Melco Resorts merging that could create substantial value for shareholders, which is currently overlooked by the market.

Alibaba, China's largest e-commerce operator and cloud services provider, was a detractor for the quarter, as sentiment towards China's consumers deteriorated in reaction to the sluggish recovery of the economy. Furthermore, Alibaba's 618 shopping festival, traditionally one of the largest shopping days of the year, had lackluster growth. As the largest constituent of China internet ETFs such as KWEB, Alibaba suffered from strong ETF fund outflows in the second quarter.   During the second quarter, management embarked on the most radical and far-reaching re-organization of the company after 24 years in existence, as described earlier.

Man Wah, a leading functional sofa manufacturer in China, was a detractor for the quarter. Man Wah's fiscal year ended Mar 2023 performance was negatively impacted by the property market slowdown and recurring

Covid lockdowns in China, resulting in a substantial decline in store traffic. On the positive, sales are expected to rebound to double-digit growth in FY24 as the company continues to open new stores and gain share in a highly fragmented market. Man Wah is growing more than twice as fast as the industry, given its brand strength, low-cost operations, and distribution network. Despite strong fundamentals and a cheap valuation, the stock has underperformed due to broad macro concerns surrounding US-China geopolitics, China property sluggishness, and a weaker-than-expected consumption rebound. Beijing is taking policy action to support the property sector and overall consumption, and we expect Man Wah to be a significant beneficiary. The company is taking advantage of this volatility to buy back its discounted shares.

Southeastern Asset Management, Inc.
July 2023

Security (Domicile)	Nominal Holdings	Fair Value US$	% of Net Assets
Transferable Securities (December 2022: 90.79%)			
Common Stock (December 2022: 90.79%)			
Cosmetics & Personal Care (December 2022: 5.28%)			
L'Occitane International S.A. (Luxembourg)	1,037,250	2,493,848	4.26
Diversified Financial Services (December 2022: 8.27%)			
CK Hutchison Holdings Limited (Hong Kong)	332,000	2,027,335	3.47
CK Hutchison Holdings Limited ADR (Hong Kong)	41,725	254,105	0.43
Housing Development Finance Corporation Limited (India)	82,607	2,841,583	4.86
		5,123,023	**8.76**
Food Products (December 2023: 3.50%)			
Home Furnishings (December 2022: 3.32%)			
Gree Electric Appliances Inc. of Zhuhai (China)	483,460	2,429,929	4.15
JS Global Lifestyle Company Limited (Hong Kong)	2,755,000	478,152	0.82
		2,908,081	**4.97**
Hotels, Restaurants & Leisure (December 2022: 17.34%)			
H World Group Limited (China)	449,500	1,735,244	2.97
H World Group Limited ADR (China)	27,936	1,083,358	1.85
Melco International Development Limited (Hong Kong)	2,261,000	2,100,572	3.59
MGM China Holdings Limited (China)	3,455,600	4,030,652	6.89
		8,949,826	**15.30**
Internet Software & Services (December 2022: 27.91%)			
Alibaba Group Holding Limited (China)	230,820	2,391,856	4.09
Baidu Inc. (China)	205,956	3,490,423	5.97
NAVER Corporation (South Korea)	9,842	1,365,399	2.33
Oisix ra daichi Inc. (Japan)	153,000	2,606,286	4.46
Prosus N.V. (Netherlands)	21,897	1,603,527	2.74
Tencent Holding Limited (China)	58,800	2,488,270	4.25
Tongcheng-Elong Holdings Limited (China)	1,225,600	2,561,936	4.38
		16,507,697	**28.22**
Machinery (December 2022: 4.50%)			
Hitachi Limited (Japan)	46,200	2,848,298	4.87
Techtronic Industries Company Limited (Hong Kong)	292,500	3,178,455	5.43
		6,026,753	**10.30**
Real Estate Management & Development (December 2022: 4.00%)			
CK Asset Holdings Limited (Hong Kong)	379,000	2,099,107	3.59

Security (Domicile)	Nominal Holdings	Fair Value US$	% of Net Assets
Transferable Securities (December 2022: 90.79%) (continued)			
Common Stock (December 2022: 90.79%) (continued)			
Retail (December 2022: 16.67%)			
China Meidong Auto Holdings Limited (China)	1,429,000	1,650,389	2.82
Jollibee Foods Corporation (Philippines)	864,610	3,746,677	6.41
Man Wah Holdings Limited (Hong Kong)	2,528,400	1,687,536	2.89
Seria Limited (Japan)	97,600	1,552,996	2.66
		8,637,598	**14.78**
Total Common Stock		**52,745,933**	**90.18**
Total Transferable Securities (Cost $62,707,250)		**52,745,933**	**90.18**
Short Term Obligations (December 2022: 9.56%)			
State Street Repurchase Agreement State Street Bank 4.25% due 03/07/2023 (Collateral US$3,487,438 U.S Treasury Note 3.875% due 31/12/2027) (United States)	3,419,000	3,419,000	5.84
Total Short Term Obligations		**3,419,000**	**5.84**
Portfolio Of Investments (December 2022: 100.35%)		**56,164,933**	**96.02**
Cash and cash equivalents (December 2022: 0.00%)		516	0.00
Other Creditors (December 2022: (0.35)%)		2,326,949	3.98
Net Asset Value		**58,492,398**	**100.00**

Analysis of total assets	% of Total Current Assets
Transferable securities admitted to an official stock exchange listing or traded on a regulated market	89.77
Short term obligations	5.82
Other current assets	4.41
Total Assets	**100.00**

Statement of Changes in Composition of Portfolio

Asia Pacific Fund

	Acquisition Cost US$
Techtronic Industries Company Limited	3,593,095
JS Global Lifestyle Company Limited	2,927,018
China Meidong Auto Holdings Limited	2,067,935
NAVER Corporation	1,434,843
Seria Limited	850,130
JOYY Inc. ADR	720,399
Tencent Holding Limited	694,026
Gree Electric Appliances Inc. of Zhuhai	588,345
Hitachi Limited	514,114
WH Group Limited	448,120
L'Occitane International S.A.	389,171
Oisix ra daichi Inc.	380,604
Baidu Inc.	295,374
Tongcheng-Elong Holdings Limited	255,549
CK Hutchison Holdings Limited	243,876
Man Wah Holdings Limited	236,506
CK Asset Holdings Limited	218,667
Housing Development Finance Corporation Limited	175,153
Prosus N.V.	151,953
MGM China Holdings Limited	118,915

	Disposal Proceeds US$
WH Group Limited	2,630,234
JOYY Inc. ADR	2,027,675
Jollibee Foods Corporation	1,625,217
Hitachi Limited	1,229,757
Baidu Inc.	1,082,693
MGM China Holdings Limited	780,957
H World Group Limited ADR	636,006
L'Occitane International S.A.	634,244
Oisix ra daichi Inc.	628,465
Housing Development Finance Corporation Limited	561,300
Tencent Holding Limited	518,119
Techtronic Industries Company Limited	513,099
Alibaba Group Holding Limited	510,396
Tongcheng-Elong Holdings Limited	500,307
CK Asset Holdings Limited	497,123
Gree Electric Appliances Inc. of Zhuhai	486,562
Melco International Development Limited	469,685
China Meidong Auto Holdings Limited	457,054
CK Hutchison Holdings Limited	447,246
JS Global Lifestyle Company Limited	434,078
H World Group Limited	383,007
Man Wah Holdings Limited	359,048
Seria Limited	351,438
Prosus N.V.	332,155

Statement of Changes in Composition of Portfolio

Asia Pacific Fund

Significant portfolio changes are defined as the aggregate purchases of a security exceeding one per cent of the total value of purchases for the financial period and aggregate sales of a security exceeding one per cent of the total value of sales for the financial period. At a minimum, the 20 largest purchases and 20 largest sales must be shown.

Repurchase Agreements, which may be utilised for uninvested Fund cash and which usually mature the next business day, have been excluded from the Statement of Changes in Composition of Portfolio.

A list of all purchases and sales of the Fund during the six months ended 30 June 2023 can be obtained free of charge from the Swiss Representative, as noted in the Directory.

Statement of Comprehensive Income

Asia Pacific Fund

	Notes	For the six months ended 30 June 2023 US$	2022 US$
Income			
Dividend income		2,984,236	690,135
Net loss on investments at fair value through profit or loss	2	(5,543,350)	(8,796,189)
Net foreign exchange loss	2	(23,617)	(11,384)
Other income		18,225	-
Total net loss		(2,564,506)	(8,117,438)
Expenses			
Investment Management fees	8	(399,203)	(420,638)
Management fees	8	(18,813)	(18,865)
Administration fees		(20,858)	(21,899)
Depositary fees		(34,845)	(35,008)
Audit fees		(14,521)	(10,924)
Other operating expenses		(87,218)	(68,630)
Total operating expenses before reimbursement		(575,458)	(575,964)
Expense reimbursement from Investment Manager	8	18,813	18,865
Total operating expenses		(556,645)	(557,099)
Operating loss		(3,121,151)	(8,674,537)
Taxation			
Withholding tax	4	(34,197)	(33,817)
Capital gains tax		(16,725)	-
Decrease in net assets attributable to holders of redeemable participating units resulting from operations		(3,172,073)	(8,708,354)

Gains and losses arose solely from continuing operations.
There were no gains or losses other than those dealt with in the Statement of Comprehensive Income.

The notes to the financial statements form an integral part of these financial statements.

Statement of Financial Position

Asia Pacific Fund

	Notes	30 June 2023 US$	31 December 2022 US$
Current Assets			
Financial assets at fair value through profit or loss		56,164,933	66,463,762
Cash and cash equivalents		516	234
Receivable for fund units sold		44,883	5,053
Dividends receivable		2,535,233	41,655
Interest receivable		404	-
Other receivables		12,540	11,392
Total Current Assets		58,758,509	66,522,096
Current Liabilities			
Investment Management fees payable	8	(55,704)	(124,126)
Management fees payable	8	(9,764)	(8,595)
Administration fees payable		(20,005)	(16,634)
Depositary fees payable		(27,127)	(21,444)
Audit fees payable		(34,763)	(20,242)
Capital gain tax payable		(55,000)	(55,000)
Other liabilities		(63,748)	(45,763)
Total Current Liabilities (excluding net assets attributable to redeemable participating unitholders)		(266,111)	(291,804)
Net assets attributable to holders of redeemable participating units		58,492,398	66,230,292

Details of the NAV per unit are set out in Note 3.

The notes to the financial statements form an integral part of these financial statements.

Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Units

Asia Pacific Fund

	Notes	For the six months ended 30 June 2023 US$	2022 US$
Net assets attributable to holders of redeemable participating units at beginning of the financial period		66,230,292	75,263,778
Proceeds from the issuance of redeemable participating units	3	6,312,399	10,591,819
Payments on redemptions of redeemable participating units	3	(10,878,220)	(991,053)
Net (decrease)/increase from unit transactions		(4,565,821)	9,600,766
Decrease in net assets attributable to holders of redeemable participating units resulting from operations		(3,172,073)	(8,708,354)
Net assets attributable to holders of redeemable participating units at end of the financial period		58,492,398	76,156,190

The notes to the financial statements form an integral part of these financial statements.

Statement of Cash Flows

Asia Pacific Fund

	For the six months ended 30 June	
	2023	**2022**
	US$	**US$**
Cash flows from operating activities		
Loss for the financial period after interest and taxation	(3,172,073)	(8,708,354)
Adjustments to reconcile net decrease in net assets resulting from operations to net cash provided by/(used in) operating activities:		
Net loss on investments at fair value through profit or loss	5,610,667	8,796,788
Cash outflow due to purchases of investments during the financial period	(439,570,472)	(516,605,135)
Cash inflow due to sales of investments during the financial period	444,258,634	507,018,393
Increase in debtors	(2,495,130)	(178,863)
(Decrease)/increase in creditors	(25,693)	76,053
Net cash provided by/(used in) operating activities	4,605,933	(9,601,118)
Cash flows from financing activities		
Proceeds from the issuance of redeemable participating units	6,272,569	10,591,819
Payments on redemptions of redeemable participating units	(10,878,220)	(991,053)
Net cash (used in)/provided by financing activities	(4,605,651)	9,600,766
Increase/(decrease) in cash and cash equivalents	282	(352)
Cash and cash equivalents at beginning of the financial period	234	602
Cash and cash equivalents at end of the financial period	516	250
Dividends received	490,658	523,337
Interest received	66,913	572
Tax paid	(34,197)	(33,817)

The notes to the financial statements form an integral part of these financial statements.

1. Significant Accounting Policies

Organisation

Longleaf Partners Unit Trust (the "Trust") is organised as an open-ended umbrella unit trust under a Deed of Trust dated 24 October 2011, as amended and restated on 24 November 2014, and as further amended and restated on 18 November 2021, established pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended and Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings For Collective Investment In Transferable Securities) Regulations 2019, as amended (collectively the "UCITS Regulations"). The primary investment objective of the Trust is to deliver long term capital growth over time through the identification of and investment in undervalued companies located around the world.

The Trust has obtained the approval of the Central Bank of Ireland (the "Central Bank") for the establishment of two funds, namely, the Longleaf Partners Global UCITS Fund ("Global Fund"), and Longleaf Partners Asia Pacific UCITS Fund ("Asia Pacific Fund") (each a "Fund", together the "Funds").

The Trust is managed by the KBA Consulting Management Limited, manager of the Trust from 18 November 2021 (the "Manager").

a) Basis of Preparation

These condensed unaudited interim financial statements have been prepared on a historical cost basis, except for financial instruments classified at fair value through profit or loss that have been measured at fair value.

The condensed unaudited interim financial statements are presented in U.S. Dollars, the functional currency of the Trust. All subscriptions received are denominated in the currency of the respective unit class and converted to U.S. Dollars and any potential redemptions or distribution payments in the future would need to be paid out in the respective currency of each unit class. Subscriptions and redemptions are converted into the Trust's functional currency for financial reporting purposes at the prevailing currency/US Dollar rate on the date the subscription or redemption is received or paid.

These financial statements for the Funds are prepared on a going concern basis.

b) Statement of Compliance

The condensed unaudited interim financial statements have been prepared in accordance with International Accounting Standard 34, 'Interim financial reporting' ("IAS 34") issued by the Financial Reporting Council, and the UCITS Regulations.

These condensed unaudited interim financial statements do not contain all of the information and disclosures required in the full annual audited financial statements and should be read in conjunction with the financial statements of the Trust for the year ended 31 December 2022, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The accounting policies and methods of computation applied by the Trust in these condensed unaudited interim financial statements are the same as those applied by the Trust in its financial statements for the year ended 31 December 2022, as described in those annual financial statements.

2. Composition of Net Gain/(Loss) on Investments at Fair Value Through Profit or Loss and Other Gains

Global Fund	30 June 2023 US$	30 June 2022 US$
Realized loss on investments sold	(6,002,764)	(1,104,680)
Total change in unrealized gain/(loss) on investments	13,929,881	(17,706,822)
Interest income on investments at fair value through profit or loss	44,644	273
Net gain/(loss)on investments at fair value through profit or loss	7,971,761	(18,811,229)
Net foreign exchange gain	3,504	9,866

Asia Pacific Fund	30 June 2023 US$	30 June 2022 US$
Realized loss on investments sold	(5,329,952)	(5,091,480)
Total change in unrealized loss on investments	(280,715)	(3,705,308)
Interest income on investments at fair value through profit or loss	67,317	599
Net loss on investments at fair value through profit or loss	(5,543,350)	(8,796,189)
Net foreign exchange loss	(23,617)	(11,384)

3. Number of Units in Issue and Net Assets Attributable to Redeemable Participating Unitholders

Each of the units entitles the holder to participate equally on a pro-rata basis in the profits and dividends of the relevant Fund attributable to such units and to attend and vote at meetings of the Trust represented by those units. No class of units confers on the holder thereof any preferential or pre-emptive rights or any rights to participate in the profits and dividends of any other class of units or any voting rights in relation to matters relating solely to any other class of units.

Each unit represents an undivided beneficial interest in the relevant Fund of the Trust. The units are not debt obligations or guaranteed by the Depositary or the Manager. The return on an investment in the Fund will depend solely upon the investment performance of the assets in the Fund and the increase or decrease in the net asset value of the units. The amount payable to a unitholder in respect of each unit upon liquidation of the Trust will equal the net asset value per unit.

The Net Assets Attributable to Holders of Redeemable Participating Units represents a liability on the Statement of Financial Position, carried at the redemption amount that would be payable at the Statement of Financial Position date if the unitholder exercised the right to redeem its units to the relevant Fund.

The Trust Deed entitles the Manager to charge redeeming unitholders in the relevant Fund a redemption fee of up to 3% of the relevant redemption proceeds. The Manager does not currently intend to impose a redemption fee. Should it impose such a fee, the Manager will provide prior notice to each unitholder in the relevant Fund.

A summary of unitholder activity is detailed below. Monetary values are stated in the currency of the relevant unit class as opposed to the base currency of the Fund.

Global Fund	**For the six months ended 30 June 2023**		
	Class I U.S. Dollar	Class I Euro	Class I British Pound
Units in issue at the beginning of financial period	2,579,122	248,864	75,047
Units redeemed	(405,232)	(247,145)	(46,731)
Units in issue at the end of financial period	2,173,890	1,719	28,316
Net Asset Value	US$39,800,355	€28,480	£405,152
Number of Units in Issue	2,173,890	1,719	28,316
Net Asset Value per Unit	US$18,31	€16,57	£14,31

Global Fund	**For the financial year ended 31 December 2022**		
	Class I U.S. Dollar	Class I Euro	Class I British Pound
Units in issue at the beginning of financial year	4,689,618	322,716	177,699
Units issued	23,854	1,151	1,345
Units redeemed	(2,134,350)	(75,003)	(103,997)
Units in issue at the end of financial year	2,579,122	248,864	75,047
Net Asset Value	US$39,748,225	€3,538,626	£949,806
Number of Units in Issue	2,579,122	248,864	75,047
Net Asset Value per Unit	US$15.41	€14.22	£12.66

Global Fund	**For the six months ended 30 June 2022**		
	Class I U.S. Dollar	Class I Euro	Class I British Pound
Units in issue at the beginning of financial period	4,689,618	322,716	177,699
Units issued	23,854	1,151	1,345
Units redeemed	(304,839)	(1,700)	(88,428)
Units in issue at the end of financial period	4,408,633	322,167	90,616
Net Asset Value	US$71,350,029	€4,913,468	£1,196,033
Number of Units in Issue	4,408,633	322,167	90,616
Net Asset Value per Unit	US$16.18	€15.25	£13.20

Asia Pacific Fund	**For the six months ended 30 June 2023**	
	Class I U.S. Dollar	Class I British Pound
Units in issue at the beginning of financial period	5,472,789	34,495
Units issued	493,656	-
Units redeemed	(931,789)	-
Units in issue at the end of financial period	5,034,656	34,495
Net Asset Value	US$58,096,183	£311,980
Number of Units in Issue	5,034,656	34,495
Net Asset Value per Unit	US$11.54	£9.04

Asia Pacific Fund	For the financial year ended 31 December 2022	
	Class I U.S. Dollar	Class I British Pound
Units in issue at the beginning of financial year	5,683,399	57,672
Units issued	1,039,796	-
Units redeemed	(1,250,406)	(23,177)
Units in issue at the end of financial year	5,472,789	34,495
Net Asset Value	US$65,817,360	£341,562
Number of Units in Issue	5,472,789	34,495
Net Asset Value per Unit	US$12.03	£9.90

Asia Pacific Fund	For the six months ended 30 June 2022	
	Class I U.S. Dollar	Class I British Pound
Units in issue at the beginning of financial period	5,683,399	57,672
Units issued	910,990	-
Units redeemed	(61,792)	(23,177)
Units in issue at the end of financial period	6,532,597	34,495
Net Asset Value	US$75,758,004	£327,106
Number of Units in Issue	6,532,597	34,495
Net Asset Value per Unit	US$11.60	£9.48

Significant unitholders

The following table details the number of unitholders with significant holdings of at least 20 per cent of the relevant Fund and the percentage of that holding as at 30 June 2023 and 31 December 2022.

Fund	Number of significant unitholders 30 Jun 2023	Total Units held as at 30 Jun 2023	Total Unitholding as a % of the Fund as at 30 Jun 2023	Number of significant unitholders 31 Dec 2022	Total Units held as at 31 Dec 2022	Total Unitholding as a % of the Fund as at 31 Dec 2022
Global Fund	1	1,112,080	50.46	1	1,112,080	38.31
Asia Pacific Fund	1*	1,212,045	23.75	1*	2,071,891	37.62

*Related party of the Investment Manager, see note 8 "Related Party Transactions" for further details.

4. Taxation

Under current law and practice, the Trust qualifies as an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997, as amended. On that basis, it is not chargeable to Irish tax on its income or gains.

However, Irish tax may arise on the happening of a "chargeable event". A chargeable event includes any distribution payments to unitholders, any encashment, redemption, cancellation or transfer of units and the holding of units at the end of each eight year period beginning with the acquisition of such units.

No Irish tax will arise on the Trust in respect of chargeable events in respect of:

a) a unitholder who is neither Irish resident nor ordinarily resident in Ireland for tax purposes, at the time of the chargeable event, provided appropriate valid declarations in accordance with the provisions of the Taxes Consolidation Act, 1997, as amended, are held by the Trust or the Trust has been authorised by the Irish Revenue to make gross payments in the absence of appropriate declarations; and
b) certain exempted Irish tax resident unitholders who have provided the Trust with the necessary signed statutory declarations.

Dividends, interest and capital gains (if any) received on investments made by the relevant Fund in the Trust may be subject to taxes imposed by the country from which the investment income/gains are received and such taxes may not be recoverable by the Fund or its unitholders.

5. Financial Instruments

The Trust's financial risk management objectives and policies applied during the financial period ended 30 June 2023 are consistent with those disclosed in the Trust's annual audited financial statements as at 31 December 2022.

Fair Valuation Hierarchy

IFRS 13 requires the Trust to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

• Level 1 - Quoted market price in an active market for an identical instrument that the entity can access at the measurement point.
• Level 2 - Valuation techniques based on observable inputs. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
• Level 3 - Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs could have a significant impact on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The level in the fair value hierarchy within which the fair value measurement is categorized in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement.

Equities are classified as Level 1.

Short Term Obligations are classified as Level 2.

If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement.

Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The financial assets and liabilities at 30 June 2023 and 31 December 2022 are classified as follows:

Global Fund

	at 30 June 2023 US$			
	Level 1	Level 2	Level 3	Total
Transferable securities	39,253,353	-	-	39,253,353
Short Term Obligations	-	1,009,000	-	1,009,000
	39,253,353	1,009,000	-	40,262,353

	at 31 December 2022 US$			
	Level 1	Level 2	Level 3	Total
Transferable securities	44,254,347	-	-	44,254,347
Short Term Obligations	-	545,000	-	545,000
	44,254,347	545,000	-	44,799,347

Asia Pacific Fund

	at 30 June 2023 US$			
	Level 1	Level 2	Level 3	Total
Transferable securities	52,745,933	-	-	52,745,933
Short Term Obligations	-	3,419,000	-	3,419,000
	52,745,933	3,419,000	-	56,164,933

	at 31 December 2022 US$			
	Level 1	Level 2	Level 3	Total
Transferable securities	60,128,762	-	-	60,128,762
Short Term Obligations	-	6,335,000	-	6,335,000
	60,128,762	6,335,000	-	66,463,762

Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the period and are deemed to have occurred when the pricing source or methodology used to price an investment has changed which triggers a change in level as defined under IFRS 13. There were no transfers between Level 1, Level 2 and Level 3 of the fair value hierarchy during the financial period ended 30 June 2023 and financial year ended 31 December 2022.

For each class of assets and liabilities not measured at fair value in the Statement of Financial Position but for which fair value is disclosed, IFRS 13 requires the Trust to disclose the level within the fair value hierarchy which the fair value measurement would be categorised and a description of the valuation technique and inputs used in the technique.

The assets and liabilities not carried at fair value but for which fair value is disclosed at 30 June 2023 and 31 December 2022 are classified as follows:

Global Fund

	At 30 June 2023			
Assets	Level 1	Level 2	Level 3	Total US$
Cash and Cash Equivalents	5,589	-	-	5,589
Other Assets	-	309,491	-	309,491
Total	5,589	309,491	-	315,080
Liabilities				
Payable for Investment Purchased	-	(57,992)	-	(57,992)
Fees Payable and Other	-	(173,465)	-	(173,465)
Net assets attributable to holders of redeemable participating units	-	(40,345,976)	-	(40,345,976)
Total	-	(40,577,433)	-	(40,577,433)

Global Fund

	At 31 December 2022			
Assets	Level 1	Level 2	Level 3	Total US$
Cash and Cash Equivalents	533	-	-	533
Other Assets	-	67,198	-	67,198
Total	533	67,198	-	67,731
Liabilities				
Fees Payable and Other	-	(182,664)	-	(182,664)
Net assets attributable to holders of redeemable participating units	-	(44,684,414)	-	(44,684,414)
Total	-	(44,867,078)	-	(44,867,078)

Asia Pacific Fund

	At 30 June 2023			
Assets	Level 1	Level 2	Level 3	Total US$
Cash and Cash Equivalents	516	-	-	516
Other Assets	-	2,593,060	-	2,593,060
Total	516	2,593,060	-	2,593,576
Liabilities				
Fees Payable and Other	-	(266,111)	-	(266,111)
Net assets attributable to holders of redeemable participating units	-	(58,492,398)	-	(58,492,398)
Total	-	(58,758,509)	-	(58,758,509)

Asia Pacific Fund

	At 31 December 2022			
Assets	Level 1	Level 2	Level 3	Total US$
Cash and Cash Equivalents	234	-	-	234
Other Assets	-	58,100	-	58,100
Total	234	58,100	-	58,334
Liabilities				
Fees Payable and Other	-	(291,804)	-	(291,804)
Net assets attributable to holders of redeemable participating units	-	(66,230,292)	-	(66,230,292)
Total	-	(66,522,096)	-	(66,522,096)

Global Exposure

The Investment Manager uses the commitment approach to evaluate the global exposure of the Funds.

6. Exchange Rates

Where applicable the Administrator translated foreign currency amounts, fair value of investments and other assets and liabilities into U.S. Dollars at the financial period end rates for each US$:

	30 June 2023	31 December 2022	30 June 2022
Australian Dollar	N/A	N/A	1.448750
British Pound	0.787402	0.827164	0.821490
China Yuan Renminbi	7.264050	6.951700	6.694300
Danish Krone	N/A	6.946800	N/A
Euro	0.916422	0.934187	0.954244
Hong Kong Dollar	7.836000	7.805450	7.846800
Indian Rupee	82.036250	82.730000	78.972500
Japanese Yen	144.295000	131.240000	135.680000
Korean Won	1,317.650000	N/A	N/A
Philippine Peso	55.199500	55.727500	54.985000
Swedish Krone	10.785350	10.434850	10.229750

7. Efficient Portfolio Management

To the extent that the Trust may use techniques and instruments for efficient portfolio management, the Manager, on behalf of the Trust, would comply with the conditions and limits laid down from time to time by the Central Bank under the UCITS Regulations and as set out in Appendix II of the Trust's Prospectus. Transactions entered into for efficient portfolio management purposes would be entered into to enhance investment returns or for one or more of the following specified aims: the reduction of risk; the reduction of cost or the generation of additional capital or income for the Trust with a level of risk that is consistent with the risk profile of the Trust and the risk diversification rules set out in the UCITS Regulations.

As at 30 June 2023 and 31 December 2022, the Funds did not hold any derivative positions.

As at 30 June 2023 and 31 December 2022, the Funds held Repurchase Agreements as detailed in the Schedules of Investments. No material revenues arose and no direct or indirect costs were incurred for the Repurchase Agreements for the financial period ended 30 June 2023 and financial year ended 31 December 2022.

8. Related Party Transactions

In accordance with IAS 24, "Related Party disclosures", the following are the related parties and related party transactions during the financial period.

Transactions with entities with significant influence:

Southeastern Asset Management, Inc. has been appointed by the Directors of the Manager to serve as the Investment Manager for the Trust. The Investment Manager is entitled to receive an Investment Management Fee payable out of the assets of the Funds accruing daily and payable monthly in arrears at an annual percentage rate of 1.0% of the average daily Net Asset Value for Class I Units of the Global Fund and at an annual percentage rate of 1.15% of the average daily Net Asset Value for Class I Units of the Asia Pacific Fund. For the Global Fund, the Investment Manager earned a fee of US$235,682 (June 2022: US$467,882) of which US$32,284 (December 2022: US$76,267) was outstanding at the financial period end. For the Asia Pacific Fund, the Investment Manager earned a fee of US$399,203 (June 2022: US$420,638) of which US$55,704 (December 2022: US$124,126) was outstanding at the financial period end.

KBA Consulting Management Limited serves as the Manager to the Trust. The management fee is payable out of the assets of the Funds accruing daily and payable monthly in arrears at an annual percentage rate of the average daily Net Asset Value of the relevant Fund, per the table below:

Size of the Trust	% of the average daily Net Asset Value of the Trust
Up to €250 million	0.03%
Between €250 million and €500 million	0.025%
Between €500 million and €1 billion	0.02%
Above €1 billion	0.015%

The Manager will be entitled to a minimum fee of €50,000 per annum and €15,000 per annum for each additional Fund. For the Global Fund, the Manager earned a fee of US$18,813 of which US$8,837 was outstanding at the financial period end. For the Asia Pacific Fund, the Manager earned a fee of US$18,813 of which US$9,764 was outstanding at the financial period end.

Clifton Fund Consulting Limited which is part of the same economic group as the Manager, charged consultancy fees to the Funds in relation to the Money Laundering Reporting Officer services provided and beneficial ownership fees. For the Global Fund, a fee of US$6,630 was charged of which US$1,178 was outstanding at the financial period end. For the Asia Pacific Fund, a fee of US$6,630 was charged of which US$1,178 was outstanding at the financial period end.

The Manager, Investment Manager and the Board of Directors of the Manager are related parties of the Trust.

The Manager pays the independent Directors of the Manager a fixed fee per annum.

The Investment Manager has voluntarily agreed to reimburse or waive such portion of its fees as is necessary to ensure that the total expense ratio attributable to the Class I Units shall not exceed 1.15% of the Net Asset Value of the Global Fund or 1.75% of the Net Asset Value of the Asia Pacific Fund. Additionally, the Investment Manager has agreed to reimburse the Funds for the Manager Fees charged. For the Global Fund, a fee reimbursement of US$103,087 (June 2022: US$95,490) was made by the Investment Manager of which US$7,939 (December 2022: US$15,863) was receivable at financial period end. For the Asia Pacific Fund, a fee reimbursement of US$18,813 (June 2022: US$18,865) was made by the Investment Manager of which US$Nil (December 2022: US$Nil) was receivable at financial period end.

Transactions with other related parties:
Employees and other affiliates of the Investment Manager owned approximately 5.8% (December 2022: 4.4%) and 42.6% (December 2022: 55.1%) of the Global and Asia Pacific Funds at 30 June 2023 respectively.

9. Dealing with Connected Parties

Regulation 43 of the UCITS Regulations "Restrictions of transactions with connected persons" states that "A responsible person shall ensure that any transaction between a UCITS and connected persons conducted a) at arm's length; and b) in the best interest of the unit-holders of the UCITS". As required under UCITS Regulation 43, the Directors of the Manager, as responsible persons are satisfied that there are in place arrangements, evidenced by written procedures, to ensure that the obligations that are prescribed by Regulation 43(1) are applied to all transactions with a connected party; and all transactions with connected parties that were entered into during the period to which the report relates complied with the obligations that are prescribed by Regulation 43(1).

10. Soft Commission Arrangements

There were no soft commission arrangements entered into by the Investment Manager, on behalf of the Trust, during the financial period ended 30 June 2023 or the financial year ended 31 December 2022.

11. Contingent Liability

There are no contingent liabilities at 30 June 2023 or 31 December 2022.

12. Committed Deals

There are no commitments at 30 June 2023 or 31 December 2022.

13. Distribution policy

The Manager is empowered to declare and pay dividends on any class of units in the Trust. The Manager did not declare any dividends during the financial period ended 30 June 2023 and financial year ended 31 December 2022.

14. Significant Events During the Financial Period

Noelle White was appointed to the Board on 2 March 2023.

The Board of Directors of the Manager have noted the ongoing situation in the Ukraine and the sanctions being imposed on Russia by many countries as a result. Given the absence of exposure in the region, the Board of Directors' of the Manager view is that this situation and sanctions are unlikely to have a significant direct adverse impact on the Trust.

There were no other significant events during the financial period ended 30 June 2023.

15. Significant Events Since the Financial Period End

There were no significant events since the financial period ended 30 June 2023.

16. Approval of the Financial Statements

The Board of Directors of the Manager approved these financial statements on 24 August 2023.

Background to Longleaf Partners Unit Trust

The Trust is an umbrella type open-ended unit trust established in Ireland as an Undertaking for Collective Investment in Transferable Securities pursuant to the UCITS Regulations. The Trust is organised under a Deed of Trust dated 24 October 2011, as amended and restated on 24 November 2014 and Restated Trust Deed as of 18 November 2021.

The Trust is organized in the form of an umbrella fund and due to the nature of Trust law, has segregated liability between Funds. The Prospectus provides that there may be more than one class of Units allocated to each Fund. The Trust had obtained the approval of the Central Bank for the establishment of three Funds, namely, the Longleaf Partners Global UCITS Fund (“Global Fund”), the Longleaf Partners U.S. UCITS Fund (“U.S. Fund”) and Longleaf Partners Asia Pacific UCITS Fund (“Asia Pacific Fund”) (each a “Fund”, together the “Funds”). The U.S. Fund commenced operations on 9 May 2012, fully redeemed on 27 March 2018 and the Central Bank’s approval for the The U.S. Fund and was withdrawn on 28 February 2019. The Global Fund commenced operations on 4 January 2010. The Asia Pacific Fund commenced operations on 2 December 2014. Additional Funds may be established by the Trust with the prior approval of the Central Bank.

At 30 June 2023, the Class I U.S. Dollar, the Class I GBP and the Class I Euro Units of the Global Fund and the Class I U.S. Dollar and the Class I GBP Units of the Asia Pacific Fund were active. Further classes of units may be issued on advance notification to, and in accordance with the requirements of the Central Bank.

The investment objective and policy of the Funds is summarized below. For a complete description of the objectives and policies of the Funds, an investor should read the Prospectus.

Investment Objective and Policy

Global Fund
The Global Fund seeks to provide long-term capital growth.

The Fund seeks to achieve its investment objective by purchasing securities of certain companies traded, domiciled or operating in global developed countries which the Investment Manager deems eligible.

The Fund will generally be invested in equity securities of eligible companies. In addition, investments may include collective investment schemes which should give returns in line with the target returns of the Fund. No more than 10% of the Fund’s net assets will be invested in collective investment schemes. If investments meeting the Fund’s criteria are not available, the Fund may invest the Fund’s assets temporarily in obligations of the U.S. government and its agencies, such as treasury bills or treasury bonds or in money market instruments such as commercial papers and certificates of deposit.

No more than 30% of the Fund’s net assets will be invested in countries which the Investment Manager considers to be emerging markets.

In addition, and to the extent only that the Investment Manager deems consistent with the investment policies of the Fund, the Fund may utilize financial derivative instruments to enhance investment returns or for the purposes of efficient portfolio management. A Risk Management Process document is on file with the Central Bank in relation to the use of such instruments.

Minimum Subscription Amount/Minimum Holding
The minimum subscription amount and minimum holding of each Unit Class is as follows:

Classes	Minimum initial application	Minimum Holding
Class I U.S. Dollar Units	US$1,000,000	US$100,000
Class I Euro Units	EUR equivalent of US$1,000,000	EUR equivalent of US$100,000
Class I GBP Units	GBP equivalent of US$1,000,000	GBP equivalent of US$100,000
Class A U.S. Dollar Units	US$500,000	US$100,000
Class A Euro Units	EUR equivalent of US$500,000	EUR equivalent of US$100,000
Class A Swiss Franc Units	CHF equivalent of US$500,000	CHF equivalent of US$100,000

Asia Pacific Fund
The investment objective of Longleaf Partners Asia Pacific UCITS Fund is to deliver long-term capital growth.

The Fund seeks to achieve its investment objective primarily by purchasing equity and debt securities of certain companies located in any country or market, including both developed, and emerging markets, in Asia or the Pacific region, including Australia and New Zealand (the “Asia Pacific Region”) which the Investment Manager deems eligible.

The Fund will generally be investing in equity securities of eligible companies. In addition, investments may include collective investment schemes which should give returns in line with the target returns of the Fund. No more than 10% of the Fund’s net assets will be invested in collective investment schemes. If investments meeting the Fund’s criteria are not available, the Fund may invest the Fund’s assets temporarily in obligations of the U.S. government and its agencies, such as treasury bills or treasury bonds or in money market instruments such as commercial paper and certificates of deposit.

In addition, and to the extent only that the Investment Manager deems consistent with the investment policies of the Fund, the Fund may utilize financial derivative instruments to enhance investment returns or for the purposes of efficient portfolio management. A Risk Management Process document is on file with the Central Bank in relation to the use of such instruments.

Minimum Subscription Amount/Minimum Holding
The minimum subscription amount of each Unit Class is as follows:

Classes	Minimum initial application	Minimum Holding
Class I U.S. Dollar Units	US$1,000,000	US$100,000
Class I GBP Units	GBP equivalent of US$1,000,000	GBP equivalent of US$100,000

Calculation of Net Asset Value
The Administrator shall determine the net asset value per unit of each class of the Funds on each dealing day (i.e. each day on which the relevant trading markets in Dublin and New York are open for normal business or as the Directors of the Manager determine (“Business Day”)) on the basis set forth below and in accordance with the Trust Deed.

The net asset value per unit of the Funds is determined by dividing the net asset value of the relevant class of units in the Funds by the total number of units outstanding in the relevant class of units of the Funds in issue.

The net asset value of the relevant Fund will be equal to all its assets less all of its liabilities as at the valuation point on each Business Day plus any interest accrued on underlying assets between the valuation point and the time of calculation of the net asset value on the dealing day.

Sustainable Finance Disclosure Regulation
Regulation EU/2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability related disclosures in the financial services sector, as may be supplemented, consolidated, substituted in any form or otherwise modified from time to time Sustainable Finance Disclosure Regulation ("SFDR"), (the Taxonomy Regulation) came into force on 1 January 2022.

The Funds are classified as Article 6 pursuant to the SFDR. Accordingly, SFDR does not require the Trust to provide any ongoing disclosures in the Semi-Annual or Annual Report for the Funds. For the purpose of the Taxonomy Regulation, it should be noted that the investments underlying each Fund do not take into account the EU criteria for environmentally sustainable economic activities.

Directory

Manager
KBA Consulting Management Limited
35 Shelbourne Road
4th Floor
Ballsbridge, Dublin, D04 A4E
Ireland

Directors of the Manager
Tim Madigan (Chairperson)†
Peadar de Barra
John Oppermann†
Andrew Kehoe
Barry Harrington
Noelle White[1]

Investment Manager
Southeastern Asset Management, Inc.
6410 Poplar Avenue
Suite 900
Memphis, TN 38119
United States of America

Administrator, Registrar and Transfer Agent
State Street Fund Services (Ireland) Limited
78 Sir John Rogerson's Quay
Dublin 2
Ireland

Registered office
35 Shelbourne Road
4th Floor
Ballsbridge, Dublin, D04 A4E
Ireland

Depositary
State Street Custodial Services (Ireland) Limited
78 Sir John Rogerson's Quay
Dublin 2
Ireland

Legal Advisers as to Irish law
Dechert
5 Earlsfort Terrace
Dublin 2
Ireland

Secretary
Clifton Fund Consulting Limited
35 Shelbourne Road
4th Floor
Ballsbridge, Dublin, D04 A4E
Ireland

Swiss Representative and Distributor
FundRock Switzerland SA
Route de Cité-Ouest 2
1196 Gland
Switzerland

Swiss Paying Agent
NPB Neue Private Bank AG
Limmatquai 1
PO Box 8024 Zurich
Switzerland

Independent Auditors
PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
One Spencer Dock
North Wall Quay
Dublin 1
Ireland

†Denotes Independent Director
[1]from 2 March 2023

Information for Investors in Switzerland

1. **The Country of Domicile**
   The country of domicile of the Funds is Ireland.

2. **Representative in Switzerland**
   FundRock Switzerland SA., Route de Cité-Ouest 2, 1196 Gland, Switzerland is the representative in Switzerland for the Units distributed in Switzerland.

3. **Paying Agent in Switzerland**
   NPB Neue Private Bank AG., Limmatquai 1, PO Box 8024 Zurich, Switzerland is the paying agent in Switzerland for the Units distributed in Switzerland.

4. **Place where the relevant documents may be obtained**
   The Prospectus, the Key Investor Information Document (KIID), the Trust Deed as well as the annual, semi-annual reports and a full listing of purchases and sales may be obtained free of charge from the representative in Switzerland.

5. **Publications**
   Publications in respect of the Trust and the Funds must be made in Switzerland.

6. **Performance Data**
   Details of the net asset value per unit are reported in Note 3 of the financial statements. The Investment Manager's report also contains the cumulative returns for the financial period.

7. **Total Expense Ratios**
   The Total Expense Ratios ("TER") are calculated according to the specifications of the "Guidelines on the calculation and disclosure of the TER and PTR" issued by the Swiss Funds & Asset Management Association, SFAMA.

   The average Total Expense Ratio table shows the actual operational expenses incurred by the respective Unit Classes of the Funds from 1 January 2023 to 30 June 2023 expressed as an annualised percentage of the average net asset value (NAV) of each Unit Class of that Fund.

	Global Fund	Asia Pacific Fund
Total Expense Ratio		
Class I U.S. Dollar Units	1.15	1.55
Class I Euro Units	1.15	N/A
Class I GBP Units	1.15	1.55

Appendix 1 – Securities Financing Transactions Regulation

Article 13 of Regulation (EU) 2015/2365 on transparency of securities financing transactions (SFTs) and of reuse and amending Regulation (EU) No 648/2012, requires UCITS investment companies to provide the following information in their annual and semi-annual reports, on the use made of SFTs. The SFT's held by the Funds at 30 June 2023 consisted of repurchase agreements as detailed hereunder:

Global Fund

Fair value	US$1,009,000
% of Net Assets	2.50%
Counterparty Name	State Street Bank
Counterparty Country of Establishment	U.S.A
Maturity Date	03/07/2023
Settlement	Bilateral
Collateral Description	U.S. Treasury Note 3.875% due 31/12/2027
	Total collateral value US$1,029,196

Asia Pacific Fund

Fair value	US$3,419,000
% of Net Assets	5.84%
Counterparty Name	State Street Bank
Counterparty Country of Establishment	U.S.A
Maturity Date	03/07/2023
Settlement	Bilateral
Collateral Description	U.S. Treasury Note 3.875% due 31/12/2027
	Total collateral value US$3,487,438

Safekeeping of Collateral

The Funds' repurchase agreements are secured by collateral. State Street Corporation is responsible for the safekeeping of collateral received. The Funds did not reuse collateral received in relation to repurchase agreements. The Funds did not pledge collateral in relation to repurchase agreements.

Income and Costs

The Funds earned US$109,549 interest income from the repurchase agreements during the financial period ended 30 June 2023. Transaction costs are embedded in the price of the instruments and are not separately disclosed.