Longleaf Partners Funds

Quarterly Summary Report

For the Quarter Ended
March 31, 2020

Longleaf Partners Funds

Longleaf Partners Fund

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Summary - March 31, 2020

1Q20

Longleaf Partners Fund

(800) 445-9469 / southeasternasset.com

Fund Profile

Investment Style	US mid-large cap value
Ticker	LLPFX
Inception Date	April 8, 1987
Net Assets	$1.2 billion
Expense Ratio (Gross/Net)	0.97% / 0.79%
Turnover (5 yr avg)	27%
Weighted Average Mkt. Cap	$69.8 billion

Holdings (17)

	Activity*	Weight
CenturyLink		11.3%
FedEx	+	7.8
Williams	+	6.3
Mattel	-	6.2
General Electric	+	6.2
United Technologies	+	6.1
Affiliated Managers Group	+	5.0
CK Hutchison	-	4.9
Alphabet	-	4.8
LafargeHolcim	+	4.8
DuPont	NEW	4.7
Fairfax Financial	-	4.7
Comcast	-	4.6
CNH Industrial		4.5
CNX Resources		4.3
Hyatt	NEW	4.2
Park Hotels & Resorts	+	1.9
Cash		7.7
Total		100.0 %

*Full eliminations include the following positions: Host Hotels & Resorts and CK Asset Holdings.

Holdings are subject to change and discussion of holdings are not a recommendation to buy or sell any security. Holdings are subject to risk. Funds distributed by ALPS Distributors, Inc.

Effective August 12, 2019, Southeastern has contractually committed to limit operating expenses (excluding interest, taxes, brokerage commissions and extraordinary expenses) to 0.79% of average net assets per year. This agreement is in effect through at least April 30, 2021 and may not be terminated before that date without Board approval.

LLP000946 expires July 31, 2020

Longleaf Partners Funds

Long-Term / Concentrated / Engaged / Value

Founded in 1975, Southeastern Asset Management is an independent, global investment firm managing $8.4 billion. Partnership is core to all that we do, and Southeastern's employees and related entities are the largest investors across the Longleaf Partners Funds. Our 15-person global investment team are generalists, tasked with finding the best bottom-up opportunities across the globe.

The Fund seeks to own a concentrated portfolio of our best 18-22 ideas that meet our Business, People, Price investment criteria. We invest with a 3-5 year investment horizon and take advantage of short-term volatility to own high quality businesses, run by capable management teams, whose stock prices are trading temporarily at a discount. Our extensive, global network allows us to engage with our management partners to help drive long-term value creation.

Sector Composition

Industrials	29.5%
Communication Services	20.7
Energy	10.6
Consumer Discretionary	10.4
Financials	9.7
Materials	9.5
Real Estate	1.9
Cash	7.7

Performance Contribution

Top Three	Portfolio Contribution	Return
Host Hotels & Resorts	0.00%	-15%
Hyatt	-0.22	-12
Alphabet	-0.55	-13

Bottom Three	Portfolio Contribution	Return
CenturyLink	-3.28%	-27%
CNH Industrial	-3.21	-48
Park Hotels & Resorts	-2.82	-68

Performance at 3/31/2020

	Total Return		Average Annual Return				
	QTR	One Year	Five Year	Ten Year	15 Year	20 Year	Since Inception
Partners Fund	-28.87%	-27.00%	-5.17%	2.76%	2.02%	4.66%	8.50%
S&P 500 Index	-19.60%	-6.98%	6.73%	10.53%	7.58%	4.79%	9.24%

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

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

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

S&P 500 Index – An index of 500 stocks are chosen for market size, liquidity and industry grouping, among other factors. The S&P is designed to be a leading indicating of U.S. equities and is meant to reflect the risk/return characteristics of the large cap universe. An index cannot be invested in directly.

April 9, 2020

Longleaf Partners Fund Commentary

1Q20

Longleaf Partners Fund declined -28.87% in the first quarter, while the S&P 500 Index fell -19.60%. As the largest shareholder group in the Fund, we are disappointed in both our absolute and relative results. While looking to the future does not lessen or excuse the near-term performance pain, we are more excited for the long-term prospects of our portfolio than we have been in over a decade. As global markets have been rocked by extreme uncertainty and fear in the last two months, we have seen a rapid rise in stock price volatility and a steep decline in investor sentiment. We have only seen this level of disruption a handful of times in our 45-year history. Each of the seven bear markets Southeastern has lived through has felt uniquely difficult, and at the time felt like it might never end. In each case, we stuck to our discipline and took advantage of market dislocations to upgrade the portfolio, which historically served us well with strong subsequent performance coming out of those periods. The drivers behind

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Average Annual Total Returns for the Longleaf Partners Fund (3/31/20): Since Inception (4/8/87): 8.50%, Ten Year: 2.76%, Five Year: -5.17%, One Year: -27.00%. Average Annual Total Returns for the S&P 500 (3/31/20): Since Inception (4/8/87): 9.24%, Ten Year: 10.53%, Five Year: 6.73%, One Year: -6.98%.

Returns reflect reinvested capital gains and dividends but not the deduction of taxes an investor would pay on distributions or share redemptions. Performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by visiting southeasternasset.com. The prospectus expense ratio before waivers is 0.97%. Effective August 12, 2019, Southeastern has contractually committed to limit operating expenses (excluding interest, taxes, brokerage commissions and extraordinary expenses) to 0.79% of average net assets per year. This agreement is in effect through at least April 30, 2021 and may not be terminated before that date without Board approval.

today's environment are unique, but our disciplined approach on how to navigate the turmoil remains the same.

Performance Review

The gap between Value and Growth widened in the quarter, as the S&P 500 Value fell -25.3%, dramatically underperforming the S&P 500 Growth's -14.5% decline and Momentum's -13.8% decline. In fact, Value was the worst performer in the US large cap universe. Momentum and Growth, which have become synonymous with the higher P/E (price to earnings) Information Technology (IT) companies that have fueled the broader market's growth for a decade, were the only factors that meaningfully outperformed the Index.

In this quarter, which has felt much longer than 91 days, growing fears over the now global COVID-19 pandemic, coupled with an oil price war, weighed on global markets, and governments responded with heightened stimulus, resulting in even lower interest rates and greater global political uncertainty. We saw the largest one-day market decline since Black Monday in 1987 twice in one week in early March. Similarly, the market volatility index (VIX) broke through its highest absolute level and posted its largest single intraday move since the global financial crisis (GFC).

As the table below shows, the spread between equity and bond yields is near an all-time high, with equities growing increasingly compelling versus the perceived safety of bonds. The multiple of earnings to treasury yield is significantly higher than in 2009, highlighting the extremely compelling absolute and relative case for active equity investing today. While some investors are looking to gain exposure today via the index or ETF trading in an effort to time and capture market beta, we believe this is a dangerous game. Now more than ever, there will be differences between winners and losers on an individual security basis. Our bottom-up work on Business, People and Price helps us distinguish between businesses trading at single digit multiples of free cash flow (FCF) that will grow versus low multiple stocks with poor underlying businesses or those that feel safer at higher multiples but don't have the right people at the helm to navigate the current market storm. Partners Fund trades for an average P/E of 10x and average earnings yield of 10%, an over 8% spread and over 7x multiple versus 30-year treasuries. As Warren Buffett said about US 10-year treasuries recently:

"If somebody came to you with a stock and said, you know, 'This is a terrific stock. It sells at 70 times earnings. The earnings can't go up for 10 years,' you'd say, 'Well, explain that to me again."

	S&P 500 LTM P/E	S&P 500 Earnings Yield	30-Year US Treasury Yield	Difference	Earnings Yield to Treasury Yield Multiple
1990	11.7	8.58%	9.08%	-0.50%	0.94
2002	16.8	5.94%	4.86%	1.08%	1.22
2009	8.3	12.06%	3.57%	8.49%	3.38
2020	16.7	5.97%	1.32%	4.66%	4.54

Source: Factset

LTM P/E is the trailing price to earnings (P/E) multiple using the last twelve months (LTM) of actual earnings; Earnings yield is the inverse of the P/E ratio.

Market Sentiment – Calculus, Statistics and History

While we are not market forecasters or medical professionals who can predict how long this situation will last, we do need to take a broader look at how best to build our portfolios going forward. We do not believe that everything will "return to normal" in a few months. But, it is amazing how dramatically sentiment has shifted in the last few weeks. We try to remember a few simple mathematical principles during this period of great uncertainty. First is that exponential growth can be hard to fathom when things are going up, but the stock market typically reacts most to the second derivative of a curve – are things accelerating, decelerating or flattening out? While the absolute number of cases and deaths will grow in the near term, there is a chance that the worldwide rate of growth could begin decelerating with aggressive global mitigation measures being taken. This could be perceived positively by markets, as in 2009 when there was plenty of bad news after early March, but the market turned upward after the first "green shoots" sprouted. The second mathematical concept we need to remember is that, as the number of cases and testing increases around the world, this larger sample size gives the world more data to analyze. This in turn leads to increased potential for breakthrough treatments and a better understanding of who has already had the virus and recovered. This must be tempered with the fact that many experts expect that COVID-19 may be seasonal with a second wave in the fall. The market hates uncertainty, so while more data very likely will lead to more immediate negatives, the fact that there will be fewer “unknown unknowns” in the months to come will likely be a positive. Additionally, the worldwide focus on developing a COVID-19 vaccine gives us confidence that, as we look into 2021 and beyond, the market should begin discounting a more “normal” world, even if the new definition of normal looks very different than it did in 2019.

In this environment, we are focused on companies that can make it through the next 6-12 months without needing to rely on the kindness of banks or consumers, but we are not going to run for the hills and only own those companies that feel the “safest” now. Taking a longer-term view, we could also see the pandemic leading to profound changes on three fronts that have hurt our portfolio in relative terms over the last 10+ years. First, printing trillions of dollars around the world to keep things afloat in this period could finally lead to some inflation, after over a decade of anemic interest rates. While the historical data is not 100% conclusive on the effects of inflation for value versus growth stocks, the extremes of the deflationary Great Depression (when growth won) and the inflationary 1974-early 1990s period (when value won) do suggest a potentially positive turn for our style of investing. Our businesses generally benefit from pricing power or gross profit royalties, which should help them thrive in a more inflationary environment. Second, as we move from fighting the coronavirus at all costs to figuring out how to pay the bill, we suspect we could see some profound changes in the US healthcare system. We have always had a hard time capitalizing the high returns of many healthcare players – for a life or death service – into perpetuity. The COVID-19 crisis is shining a hard light on the flawed system, where people are avoiding testing or treatment for a highly contagious disease because they are afraid of medical bills, resulting in a significantly worse public health crisis. Third, we expect to see an eventual rebalancing within Information Technology, the other sector that has dominated public and private markets for over a decade, outperforming even through this period of market distress. It feels somewhat counterintuitive today to make a case against the IT companies, as the world moves to remote working and turns to e-commerce apps and website, while we must abstain from other forms of direct commerce. However, a tougher environment and tighter financing terms will eventually compel these businesses to cut costs, raise prices and seek profits, thus ending the seemingly virtuous short-term customer satisfaction cycle of seeking higher volumes at all costs to meet increasingly challenging consumer demands, which ultimately punishes other industries. Finally, many IT giants have both the law of large numbers and worldwide regulators working to diminish future returns.

Confidence in What We Own: Stress Testing in a Stressful Period

Back to what we own today, we gain confidence in our portfolio in a number of ways. First and foremost, we look to our 45-year history as a reminder of how pay off patterns following large downturns can be quick and sizeable. In the three bear markets in the Partners Fund's lifetime we saw similar levels of short-term absolute and relative underperformance as markets declined. While always incredibly unpleasant, this is understandable because when markets crash, correlations head towards one. However, as shown in the chart below, our absolute and relative outperformance in the 12+ months following the low points was dramatic, as value imbalances have corrected in the recovery.

Return Following Bear Markets

Cumulative total return 12 months after a Bear Market bottom

Trough Date	Partners Fund	S&P 500 Index
12/4/1987	43.34%	22.52%
10/9/2002	43.36%	36.16%
3/9/2009	97.41%	72.29%
Average	**61.37%**	**43.66%**

Bear Market defined as a 20% or more decline in the S&P 500 from a market high.

In periods like today, we maintain an even more active, engaged dialogue with our investee partners across our global portfolios. In some cases, we are looking for ways to add value by encouraging our management teams to pursue intelligent, value-accretive capital allocation moves or people changes to upgrade governance and oversight. In these times, our behind-the-scenes approach to engagement is even more productive and appreciated, and we look forward to sharing the fruits of that engagement as we see progress. In many cases, we are acting as a sounding board or otherwise cheering on our management partners who are already taking steps to grow value and ultimately get that value recognized, like at CNX. Our partners were fully hedged at great prices going into this downturn, closed an asset backed financing at a 6-7% interest rate in March, and used the money raised to buy in debt trading at a high teens yield. Many of our companies offer unique insight into the macro situation, which helps us refine our bottom-up, company-specific assumptions and also informs our broader macro view. The economists at FedEx are a fantastic worldwide economic barometer. We also look closely at our management teams' behavior, which often speaks louder than words. As we write this letter, insiders at eight of the Fund's holdings have bought shares personally this quarter, signaling their confidence in their companies.

Additionally, we are reviewing each company that we own on a case-by-case basis to determine the potential value impact of this disaster and to ensure that our appraisal values are appropriately conservative as we face an uncertain future. We feel strongly that we own high-quality businesses with capable management teams that can adeptly navigate the current environment. However, long-term values are changing faster than we have ever seen, as near-term FCF has evaporated or decreased dramatically for certain regions and businesses.

As we wrote in our recent COVID-19 update, we broadly group our investments into three categories as we reassess our portfolio holdings:

1) Those where we expect minimal long-term impact and/or see the potential for the company to at least partially benefit from the current situation. We generally expect to see a small near-term value impact but significant long-term value growth potential from these businesses that can more than make up for today's pain. Just over 30% of the Partners Fund portfolio falls into this category, including CenturyLink, which is seeing increased demand for its fiber infrastructure as video-conferencing and streaming grow strongly around the world and end providers are running short on bandwidth, even as their Small and Medium Business customer base will see an impact. Canadian-based insurance conglomerate Fairfax Financial, led by Prem Watsa who dramatically grew the value of the company during the GFC with his conservative investing prowess, now has a large amount of liquidity to put to work in this environment.

Alphabet's Search and YouTube businesses benefit from significantly higher demand in this environment, even as its travel and local advertising has taken a near-term hit. Additionally, natural gas company CNX Resources and pipeline operator Williams should be net beneficiaries from sub-$30-40/barrel oil, as the growth in "associated gas" should slow dramatically as Permian basin oil drilling declines, creating a better future supply/demand balance for natural gas. Over 50% of Williams' value come from its stable, regulated utility interstate pipeline assets.

2) Those that we expect to feel a larger near-term hit (a low-to-mid-teens percentage decrease on average), but where we feel highly confident over the long term. This situation describes a majority of our holdings, approximately 55% of the Fund, just as it did in the GFC. We held onto and/or added to this category in the GFC, and those companies ultimately led the Fund's significant outperformance as we rebounded in 2009. We expect to see a similar pattern when we rebound from the current downturn. Classic toy company Mattel is now facing bigger headwinds in the current environment, but its supply chain is more flexible than ever, the company is producing positive FCF and is moving multiple non-earning assets through its content pipeline, and the stock trades at 5x our estimate of earnings power. United Technologies and General Electric will both be negatively impacted by aerospace supply chain issues, but UTX's Pratt and Whitney and GE Aviation's aircraft engine businesses are especially resilient, given the primary business is the recurring, contractual maintenance revenue, not new engine sales. Both companies have significant, uncorrelated, non-aerospace businesses, with GE's Medical business benefitting from worldwide demand for its products and UTX's split into Carrier, Otis and Defense/Aero which was completed shortly after quarter end. We were also able to sell our shares in Otis after quarter end at a price very close to our appraisal. Both GE and UTX have strong leaders with a great track record of capital allocation and operational execution and both trade at single digit multiples of earnings power.

3) Those where we expect to see a more material near-term hit and a potential long-term impairment to appraisal. While it is difficult to know how long the

current crisis will continue, we could potentially see some material value declines (20% or greater on average) in this much smaller group (6% of the portfolio), reminiscent of the GFC. There are two Fund holdings that fall into this category currently – Park Hotels and CNH Industrial. Park has been hit by a dramatic downturn in occupancy as a result of shutdowns around the US, but it also trades at an extreme discount to replacement value and had encouraging insider buying in March. CNH will still split into two companies to better highlight the value of each, but the timeline has been pushed out while the company is going through a management change that we believe controlling-owner EXOR will navigate well.

We are carefully weighing each individual business, revisiting our case for each. The “category 3” businesses could prove to be a “category 1 or 2,” particularly in the hands of the great people at each. However, our discipline dictates that we will not add to companies where our value has taken a permanent impairment until our values have stabilized and begun to grow again. If we believe that the long-term business case or competitive advantages of a business become impaired and/or that our management partners are not capable of taking action to grow the value, then we will take action to upgrade our portfolio.

We recognize that it can be easy to fall prey to simply holding onto or doubling down on the companies that we already own and know in an uncertain environment, and we also recognize that we built our portfolios in a very different environment than today. We are therefore looking at each existing company and comparing it against opportunities to upgrade the quality and durability of the portfolio with any new additions. What will matter most going forward are the individual stocks we own and the changes we are making to our portfolios.

Contributors/Detractors

(Q1 Investment return; Q1 Fund contribution)

CenturyLink (-27%, -3.28%), the fiber telecom company, was the largest detractor, despite reporting over $1 of FCF per share in the fourth quarter of 2019. Two sell-side analysts downgraded CenturyLink to a “sell” in the last few weeks of the quarter, with the primary points of concern being the long-challenged consumer and voice business and an expected decline in earnings before interest, tax, depreciation and amortization (EBITDA), as customers within the small and medium business (SMB) segment shut down in the current environment. Our case has always assumed that the "bad" consumer and voice business, comprising roughly one-third of EBITDA, continues to decline every year. The positive growth from the remaining "good" parts of the business comes from segments with long-term growth prospects, like Enterprise, SMB and International connectivity. The SMB business is challenged today by small business customers facing sudden existential threats, and we might see a one-time hit to EBITDA as the company addresses bad credit at these customers. However, this is positively offset by the Enterprise business seeing a significant increase in demand to support remote working and in-home streaming, illustrated in part by the growth of CenturyLink's video-chat customer Zoom. The company, like many others, has suspended guidance in the current environment, but we believe it is well positioned to come out even stronger than before. The company's net debt-to-EBITDA is in a much better position than in 2008-09, and it produces over $3 per share in FCF. As noted above, we have a 13-D filed at the company and are actively engaged with CEO Jeff Storey and the board to explore numerous strategic options to bridge the substantial gap between share price and long-term appraisal value.

CNH Industrial (CNH) (-48%, -3.21%), one of the world's largest agriculture machinery manufacturers, was another top detractor for the quarter. CNH reported a weak fourth quarter, which was in line with our expectations given challenging end markets due to US-China trade war, weather and soft commodity prices. However, the company disappointed by revising down the 2020 earnings per share (EPS) guidance by 16% versus what was communicated to the markets in late 2019. CNH has not executed well in recent months, leading to inventory build-up and delay in delivery of cost efficiency targets. The stock came under added selling pressure due to its dual-listing in Italy, which has been one of the worst performing markets in Europe year to date, even though its look-through revenue exposure to Italy is less than 12%. To the positive, the agricultural segment, which represents over 60% of the value, is a relatively essential and stable business that has already been through several years of lean times. Smart capital allocation and improved execution by the company will be key as it navigates through this period. The company made a management change that we support in naming Chairperson Suzanne Heywood interim CEO as they seek to replace Hubertus Muhlhauser and appointing Oddone Incisa as CFO to replace Max Chiara. Heywood also serves as Managing Director at CNH's majority owner EXOR, and we expect her, together with EXOR CEO John Elkann, to improve leadership and execution.

Park Hotels and Resorts (-68%, -2.82%), was another top detractor. Park saw its occupancy levels hit unprecedented lows due to travel reduction and conference cancellations as a result of COVID-19. Park responded by closing all or parts of the majority of its owned hotels. We have evaluated the company's debt (the next maturity is $700 million at the end of 2021) and liquidity (about $1.4 billion) and believe it will survive the crisis. CEO Tom Baltimore purchased shares personally after the stock's sharp decline but still well above where it trades. The stock was deeply discounted at quarter end, but our appraisal of the value has declined with the loss of cash-flow. As we said above, it is in the third bucket, and we did not add during the quarter. Park trades at an extremely wide discount to both relatively stable replacement cost (it trades at less than 20% of that metric) and a fast moving value, providing a large margin of safety at today's low price.

CK Hutchison (-31%, -2.35%), a conglomerate of telecommunications, health and beauty, infrastructure, global ports and energy, was another top detractor in the quarter. Its underlying stake in Husky Energy is facing strong headwinds in the current oil environment, but Husky only comprises a low single-digit percentage of CK Hutchison's overall appraisal. Health and beauty chain Watsons stores in China have already seen the impact of COVID-19 peaking in February, and it began a solid recovery in March as the country is gradually reviving. Its European retail chain Superdrug is seeing strong double-digit sales growth and is likely to remain open, even in a potential continent-wide lockdown, as it provides critical services. Telecom subsidiary 3 Group Europe reported a 17% year-over-year (YOY) increased in EBITDA, driven by successful growth at Italy Wind Tre. CK Hutchison net debt/EBITDA is below 2x, and all three credit rating agencies have maintained a stable A rating. The stock trades above a 6% dividend yield today. The Li Ka-shing family and other directors of the company bought 1.25mn shares in the quarter, signaling their strong confidence in the current uncertain environment.

Classic toy company Mattel (-35%, -2.20%), was also a detractor. In the fourth quarter of 2019 Mattel revenues fell 3%, but, more importantly, margins increased and CEO Ynon Kreiz announced new strategic plans to continue growing profits and monetizing intellectual property. The Dolls business (primarily Barbie) grew 3% in the face of tough Frozen 2 competition, Vehicles (Hot Wheels) grew 8%, and other brands continued stabilizing, while American Girl was more challenged in the period as it continued to shrink double digits. Mattel reported positive earnings in 2019 for the first time since 2016, and we expect much higher cash earnings in the years ahead despite the sharp COVID-19 retail disruption, as Mattel sells through a variety of channels, including online. Leading toy brands have historically been resilient during tougher economic times (Mattel 2009 cash flow was roughly similar to 2007 levels, and overall toy industry sales were only down 1% from ’08 to ’09). Mattel’s intellectual property is seeing a significant uptick in demand from children and streaming platforms today.

Portfolio Activity

We started the year with relatively high levels of cash, which we have used as dry powder to improve our portfolios. The fund added two new positions – DuPont, which we have owned twice successfully in the past, and Hyatt, which is an industry that we know well and where we have successfully invested in several previous downturns.

After selling Dow DuPoint in early 2019 as it reached our appraisal value, we initiated a new position in DuPont in February and added heavily during the March sell-off. After spinning its commodity chemicals business Dow in April 2019 and its seeds and agriculture chemicals business Corteva in June 2019, DuPont has a collection of high-return assets in nutrition, electronics and construction. CEO Ed Breen has a strong history of smart capital allocation, cost cutting and value additive M&A activity, and we believe he can lead the company effectively through this difficult period. We were especially encouraged by the announcement late last year that DuPont is spin-merging its Nutrition segment with International Flavors and Fragrances, creating a powerhouse business and improving DuPont’s balance sheet even further when the deal closes later this year.

We bought global hotel company Hyatt for less than half of our appraisal value in March, as travel industry stocks faced indiscriminate selling. The business combines many of the qualities we look for in every new investment: a safe balance sheet, owner-partners with a great track record, a proven brand with loyal customers, high-margin royalty income and owned real estate with a high replacement cost. The pandemic will freeze many of the company's operations for a large part of this year, but the business is positioned to withstand even a protracted shutdown and prosper on the other side. The balance sheet has lower net leverage than virtually all its competitors, and a majority of the value comes from capital-light franchise fees. We have had a long history of successfully investing in this industry, typically initiating our investment during times of significant industry disruption. Notably, the Fund has invested in global hotel operators in three primary periods in our recent history: InterContinental during the Eurozone crisis in 2011-12, Marriott and InterContinental in the GFC in 2008-09 and Marriott, Host Marriott and Hilton in 2000, increasing exposure after the 9-11 attacks in 2001-03. In each case, the environment felt highly uncertain, revenue per available room (REVPAR) was declining and the near-term outlook for travel amid a potential recessionary environment felt bleak. However, in each case, we felt confident in the financial strength of each business, as well as management teams' abilities to go on offense to steer the individual businesses through a difficult period.

We sold our position in CK Asset to focus on other opportunities listed in the US. We trimmed several companies that have held in better than most at higher price-to-value (P/V) and price-to-FCF ratios. We have increased our positions in multiple holdings that are in groups 1 and 2, described above. Our cash is now down to 8%, and we continue to monitor our current holdings and our on-deck list for new opportunities to upgrade.

Southeastern's COVID-19 Business Plan

While we have discussed at great length the investment opportunity that the market disruption has created, we are deeply saddened by the devastating loss of life and dangerous health impact the COVID-19 pandemic has had for so many globally. The health and safety of our employees, their families, our clients and the community around us remain our top priority. We have been heartened to see some of our companies taking steps to help where they can, such as General Electric working to help develop thousands of ventilators to aid coronavirus patients.

Southeastern is closely monitoring the rapidly-developing situation and following WHO and local government guidelines and best practices. We shifted employees to a remote working scenario over the course of the quarter and have temporarily restricted all business travel and conference attendance for all employees. All teams are coordinating to ensure maximum productivity with this arrangement and have managed with minimal disruption. We have a robust business continuity plan (BCP) and remote connectivity platform in place, and our global research team are used to communicating across multiple locations and time zones. The transition has been seamless, with no material issues with connectivity or disruptions to daily business activities.

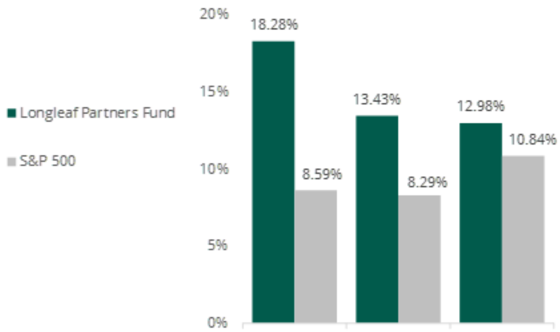
Outlook

As we wrote at the beginning of this letter, our long-term outlook for the portfolio is the strongest it has been in over a decade. Although we expect to see some continued near-term volatility before we see a sustained upswing, we believe our portfolio is well positioned to weather the storm. We do not know when, but the COVID-19 situation will eventually stabilize, and global businesses will recover. When they do, equities should vastly outperform bonds, which are poised to lose capital in a meaningful way, as interest rates cannot go much lower. We believe our companies will outperform the market as they have in prior recovery periods because they are more heavily discounted today, despite being strong, high quality businesses. Our management partners are exceptional and are taking the necessary steps to create significant value while navigating their businesses through this uncertain period to be even stronger in the future.

Southeastern employees have been adding to our investment in the Fund with the largest collective insider buying (outside of seeding a new strategy) since the GFC. We believe it is a great time for our partners to be adding as well. Cash in the portfolio is now 8%, and P/V is mid-40s%, a level only seen once in our history of tracking the metric, during the GFC. As shown in the chart below, we have historically seen strong relative and absolute outperformance in the subsequent 12+ months following periods of P/V below 60%.

Partners Fund

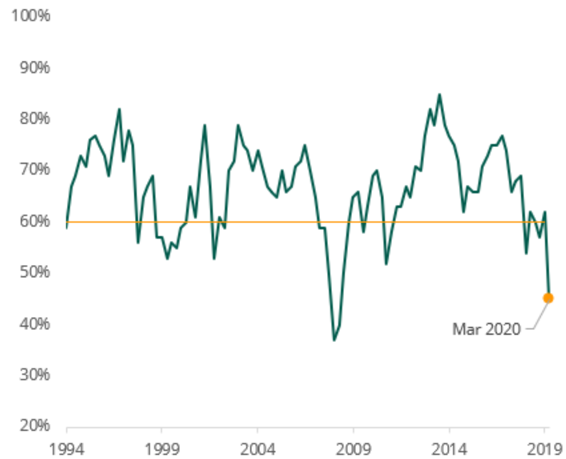
Average Annualized Total Return Following P/V Less Than 60%



	Annualized		
	1 Year	3 Year	5 Year
+/- Index	**9.68%**	**5.14%**	**2.14%**
# of Quarterly Observations	20	19	19

Quarterly Price-to-Value Ratio

Current P/V is mid-40s%



Additionally, our on-deck list of qualified new potential holdings has more than doubled in the quarter. The opportunities are not limited to a single industry or region, as selling has opened opportunities across a broad spectrum of companies. Some of the more interesting opportunities where we are looking closely include "groups of people" stocks, primarily in the travel and entertainment space, that are competitively advantaged to weather the storm; misunderstood companies where the market is applying a 2008 scenario even though the business has changed significantly since the GFC; and industries or businesses that are great long-term value growers but are subject to short-term volatility. For example, we have been following a former retail holding for a long time, and it has finally flipped back into being an on-deck after a recently misunderstood set of results. We talked with a diversified industrial company that we regret missing in 2011-2012 the first time we did the work. We might now have another shot. We are now talking with users at a company that is undergoing a transition to more of a software business. We have done the work and are waiting on price at a blue-chip former winner with all-time great capital allocation. We still believe that many Consumer Branded Goods, Utilities and Health Care companies remain broadly fair-to-overpriced, given their perceived defensiveness, but we would love to own some of these businesses at the right price and are closely monitoring them. We are avoiding undifferentiated companies with over-leveraged balance sheets no matter how statistically cheap they are, such as balance-sheet-heavy financials, oil (which we do not consider high enough quality, despite the large price drop), airlines, etc.

We have stepped up our communications with you over the last several weeks, and you should expect additional outreach from us as long as this crisis lasts. We hope that you have found our Podcast and FAQ helpful, and we encourage you to reach out to us at info@SEasset.com or podcast@SEasset.com with your questions and topics that you would like to see us cover in future communications. We thank you for your continued partnership and patience. We believe it will be rewarded with strong future performance.

See following page for important disclosures.

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

RISKS

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

The S&P 500 Index is an index of 500 stocks chosen for market size, liquidity and industry grouping, among other factors. The S&P is designed to be a leading indicator of U.S. equities and is meant to reflect the risk/return characteristics of the large cap universe. An index cannot be invested in directly.

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

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

VIX is the CBOE Volatility Index, which reflects the market's expectation of near-term S&P 500 volatility based on a range of index options.

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

Earnings per share (EPS) is the portion of a company's net income allocated to each share of common stock.

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

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

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

As of March 31, 2020, the top ten holdings for the Longleaf Partners Fund: CenturyLink, 11.3%; FedEx, 7.8%; Williams, 6.3%; Mattel, 6.2%; GE, 6.2%; United Technologies, 6.1%; Affiliated Managers Group, 5.0%; CK Hutchison, 4.9%;.Alphabet, 4.8%; LafargeHolcim, 4.8%. Fund holdings are subject to change and holdings discussions are not recommendations to buy or sell any security. Current and future holdings are subject to risk.

Funds distributed by ALPS Distributors, Inc.
LLP001017
Expires 7/31/2020

Longleaf Partners Small-Cap Fund

Longleaf Partners Funds

Summary - March 31, 2020

1Q20

Longleaf Partners Small-Cap Fund

(800) 445-9469 / southeasternasset.com

Fund Profile

Investment Style	US small-cap value
Ticker	LLSCX
Inception Date	February 21, 1989
Net Assets	$2.0 billion
Expense Ratio	0.92%
Turnover (5 yr avg)	32%
Weighted Average Mkt. Cap	$3.7 billion

Holdings (20)

	Activity*	Weight
Eastman Kodak *(preferreds/ common/bonds)*		12.0%
CenturyLink		11.0
Mattel		6.6
Formula One Group	+	6.3
PotlatchDeltic		6.1
Graham Holdings	-	4.8
CNX Resources		4.7
Lazard		4.7
Enerpac Tools (Actuant)	-	4.4
GCI Liberty	-	4.3
ViaSat	+	3.9
LANXESS	NEW	3.5
Dillard's	-	3.5
Neiman Marcus *(bonds)*	+	3.3
OCI	-	3.3
Empire State Realty	NEW	3.0
Realogy		2.5
Univar Solutions	NEW	2.4
Park Hotels & Resorts	+	2.1
Hyatt	NEW	1.8
Cash		5.8
Total		100.0 %

*Full eliminations include the following positions: None.

Holdings are subject to change and discussion of holdings are not a recommendation to buy or sell any security. Holdings are subject to risk. Funds distributed by ALPS Distributors, Inc.

LLP000945 expires July 31, 2020

Longleaf Partners Funds

Long-Term / Concentrated / Engaged / Value

Founded in 1975, Southeastern Asset Management is an independent, global investment firm managing $8.4 billion. Partnership is core to all that we do, and Southeastern's employees and related entities are the largest investors across the Longleaf Partners Funds. Our 15-person global investment team are generalists, tasked with finding the best bottom-up opportunities across the globe.

The Fund seeks to own a concentrated portfolio of our best 18-22 ideas that meet our Business, People, Price investment criteria. We invest with a 3-5 year investment horizon and take advantage of short-term volatility to own high quality businesses, run by capable management teams, whose stock prices are trading temporarily at a discount. Our extensive, global network allows us to engage with our management partners to help drive long-term value creation.

Sector Composition

Communication Services	21.6%
Consumer Discretionary	20.0
Information Technology	15.9
Real Estate	13.7
Materials	6.8
Industrials	6.8
Energy	4.7
Financials	4.7
Cash	5.8

Performance Contribution

Top Three	Portfolio Contribution	Return
Hyatt	-0.36%	-19%
Univar Solutions	-0.52	-27
Empire State Realty	-0.53	-21

Bottom Three	Portfolio Contribution	Return
Realogy	-4.05%	-69%
Graham Holdings	-2.98	-47
CenturyLink	-2.79	-27

Performance at 3/31/2020

	Total Return		Average Annual Return				
	QTR	One Year	Five Year	Ten Year	15 Year	20 Year	Since Inception
Small Cap Fund	-35.93%	-30.62%	-3.56%	6.00%	5.61%	7.94%	9.01%
Russell 2000 Index	-30.62%	-23.99%	-0.25%	6.90%	5.71%	5.28%	8.17%

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

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

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

The Russell 2000 Index measures the performance of the 2,000 smallest companies in the Russell 3,000 Index, which represents approximately 10% of the total market capitalization of the Russell 3000 Index. An index cannot be invested in directly.

April 9, 2020

Longleaf Partners Small-Cap Fund Commentary

1Q20

Longleaf Partners Small-Cap Fund declined -35.93% in the first quarter, while the Russell 2000 Index fell -30.62%. As one of the largest shareholder groups in the Funds, we are disappointed in both our absolute and relative results. While looking to the future does not lessen or excuse the near-term performance pain, we are more excited for the long-term prospects of our portfolio than we have been in over a decade, or even two. As global markets have been rocked by extreme uncertainty and fear in the last few months, we have seen a rapid rise in stock price volatility and a steep decline in investor sentiment. We have only seen this level of disruption a handful of times in Southeastern's 45-year history. Each of the seven bear markets Southeastern has lived through has felt uniquely difficult and at the time like it might never end. In each case, we stuck to our discipline and took advantage of market dislocations to upgrade the portfolio, which historically served us well with strong subsequent performance coming out of those periods. The drivers behind today's environment are unique, but our disciplined approach on how to navigate the turmoil remains the same.

Average Annual Total Returns for the Longleaf Partners Small-Cap Fund (3/31/20): Since Inception (2/21/89): 9.01%, Ten Year: 6.00%, Five Year: -3.56%, One Year: -30.62%. Average Annual Total Returns for the Russell 2000 (3/31/20): Since Inception (2/21/89): 8.17%, Ten Year: 6.90%, Five Year: -0.25%, One Year: -23.99%. *Returns reflect reinvested capital gains and dividends but not the deduction of taxes an investor would pay on distributions or share redemptions. Performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by visiting southeasternasset.com.* ***As reported in the Prospectus dated May 1, 2019, the total expense ratios for the Longleaf Partners Small-Cap Fund is 0.92%.***

Performance Review

The gap between Value and Growth widened in the quarter, as the Russell 2000 Value fell -35.7%, dramatically underperforming the Russell 2000 Growth's -25.8% decline. In fact, Value was the worst performer in the US small cap universe. Growth, which has become synonymous with the higher P/E (price to earnings) Information Technology (IT) companies that have fueled the broader market's growth for a decade, was one of only two factors that meaningfully outperformed the Index.

In this quarter, which has felt much longer than 91 days, growing fears over the now global COVID-19 pandemic, coupled with an oil price war, weighed on global markets, and governments responded with heightened stimulus, resulting in even lower interest rates and greater global political uncertainty. The market volatility index (VIX) broke through its highest absolute level and posted its largest single intraday move since the global financial crisis (GFC).

As the table below shows, the spread between equity and bond yields is near an all-time high, with equities growing increasingly compelling versus the perceived safety of bonds. The multiple of earnings to treasury yield is significantly higher than in 2009, highlighting the extremely compelling absolute and relative case for active equity investing today. While some investors are looking to gain exposure today via the index or ETF trading in an effort to time and capture market beta, we believe this is a dangerous game. Now more than ever, there will be differences between winners and losers on an individual security basis. Our bottom-up work on Business, People and Price helps us distinguish between businesses trading at single digit multiples of free cash flow (FCF) that will grow versus low multiple stocks with poor underlying businesses or those that feel safer at higher multiples but don't have the right people at the helm to navigate the current market storm. The Small-Cap Fund trades for an average P/E of 9x and average earnings yield of 11%, an almost 10% spread and over 9x multiple versus 30-year treasuries. As Warren Buffett said about US 10-year treasuries recently: "If somebody came to you with a stock and said, you know, 'This is a terrific stock. It sells at 70 times earnings. The earnings can't go up for 10 years,' you'd say, 'Well, explain that to me again."

	Russell 2000 LTM P/E	Russell 2000 Earnings Yield	30-Year US Treasury Yield	Difference	Earnings Yield to Treasury Yield Multiple
1990	14.1	7.09%	9.08%	-1.99%	0.78
2002	29.9	3.34%	4.86%	-1.52%	0.69
2009	17.0	5.88%	3.57%	2.31%	1.65
2020	12.5	8.02%	1.32%	6.70%	6.09

Source: Factset

LTM P/E is the trailing price to earnings (P/E) multiple using the last twelve months (LTM) of actual earnings; Earnings yield is the inverse of the P/E ratio.

Market Sentiment – Calculus, Statistics and History

While we are not market forecasters or medical professionals who can predict how long this situation will last, we do need to take a broader look at how best to build our portfolios going forward. We do not believe that everything will "return to normal" in a few months. But, it is amazing how dramatically sentiment has shifted in the last few weeks. We try to remember a few simple mathematical principles during this period of great uncertainty. First is that exponential growth can be hard to fathom when things are going up, but the stock market typically reacts most to the second derivative of a curve – are things accelerating, decelerating or flattening out? While the absolute number of cases and deaths will grow in the near term, there is a chance that the worldwide rate of growth could begin decelerating with aggressive global mitigation measures being taken. This could be perceived positively by markets, as in 2009 when there was plenty of bad news after early March, but the market turned upward after the first "green shoots" sprouted. The second mathematical concept we need to remember is that, as the number of cases and testing increases around the world, this larger sample size gives the world more data to analyze. This in turn leads to increased potential for breakthrough treatments and a better understanding of who has already had the virus and recovered. This must be tempered with the fact that many experts expect that COVID-19 may be seasonal with a second wave in the fall. The market hates uncertainty, so while more data very likely will lead to more immediate negatives, the fact that there will be fewer "unknown unknowns" in the months to come will likely be a positive. Additionally, the worldwide focus on developing a COVID-19 vaccine gives us confidence that, as we look into 2021 and beyond, the market should begin discounting a more “normal” world, even if the new definition of normal looks very different than it did in 2019.

In this environment, we are focused on companies that can make it through the next 6-12 months without needing to rely on the kindness of banks or consumers, but we are not going to run for the hills and only own those companies that feel the “safest” now. Taking a longer-term view, we could also see the pandemic leading to profound changes on three fronts that have hurt our portfolio in relative terms over the last 10+ years. First, printing trillions of dollars around the world to keep things afloat in this period could finally lead to some inflation, after over a decade of anemic interest rates. While the historical data is not 100% conclusive on the effects of inflation for value versus growth stocks, the extremes of the deflationary Great Depression (when growth won) and the inflationary 1974-early 1990s period (when value won) do suggest a potentially positive turn for our style of investing. Our businesses generally benefit from pricing power or gross profit royalties, which should help them thrive in a more inflationary environment. Second, as we move from fighting the coronavirus at all costs to figuring out how to pay the bill, we suspect we could see some profound changes in the US healthcare system. We have always had a hard time capitalizing the high returns of many healthcare players – for a life or death service – into perpetuity. The COVID-19 crisis is shining a hard light on the flawed system, where people are avoiding testing or treatment for a highly contagious disease because they are afraid of medical bills, resulting in a significantly worse public health crisis. Third, we expect to see an eventual rebalancing within Information Technology, the other sector that has dominated public and private markets for over a decade, outperforming even through this period of market distress. It feels somewhat counterintuitive today to make a case against the IT companies, as the world moves to remote working and turns to e-commerce apps and website, while we must abstain from other forms of direct commerce. However, a tougher environment and tighter financing terms will eventually compel these businesses to cut costs, raise prices and seek profits, thus ending the seemingly virtuous short-term customer satisfaction cycle of seeking higher volumes at all costs to meet increasingly challenging consumer demands, which ultimately punishes other industries. Finally, many IT giants have both the law of large numbers and worldwide regulators working to diminish future returns.

Confidence in What We Own: Stress Testing in a Stressful Period

Back to what we own today, we gain confidence in our portfolio in a number of ways. First and foremost, we look to our 45-year history as a reminder of how pay off patterns following large downturns can been quick and sizeable. We have historically seen short-term absolute and relative underperformance as markets declined. While always incredibly unpleasant, this is understandable, because when markets crash, correlations head towards one. Value names are generally shunned in a crash's initial flight to quality. However, our performance in the 12+ months following the low points has been dramatic, as value imbalances have corrected in the recoveries.

In periods like today, we maintain an even more active, engaged dialogue with our investee partners across our global portfolios. In some cases, we are looking for ways to add value by encouraging our management teams to pursue intelligent, value-accretive capital allocation moves or people changes to upgrade governance and oversight. In these times, our behind-the-scenes approach to engagement is even more productive and appreciated, and we look forward to sharing the fruits of that engagement as we see progress. In many cases, we are acting as a sounding board or otherwise cheering on our management partners, who are already taking steps to grow value and ultimately get that value recognized, like at CNX. Our partners were fully hedged at great prices going into this downturn, closed an asset backed financing at a 6-7% interest rate in March, and used the money raised to buy in debt trading at a high teens yield. Many of our companies offer unique insight into the macro situation, which helps us refine our bottom-up, company-specific assumptions and also informs our broader macro view. The economists at FedEx are a fantastic worldwide economic barometer. We also look closely at our management teams' behavior, which often speaks louder than words. As we write this letter, insiders at nine of the Fund's holdings have bought shares personally this quarter, signaling their confidence in their companies.

Additionally, we are reviewing each company that we own on a case-by-case basis to determine the potential value impact of this disaster and to ensure that our appraisal values are appropriately conservative as we face an uncertain future. We feel strongly that we own high-quality businesses with capable management teams that can adeptly navigate the current environment. However, long-term values are changing faster than we have ever seen, as near-term FCF has evaporated or decreased dramatically for certain regions and businesses.

As we wrote in our recent COVID-19 update, we broadly group our investments into three categories as we reassess our portfolio holdings:

1) Those where we expect minimal long-term impact and/or see the potential for the company to at least partially benefit from the current situation. We generally expect to see a small near-term value impact but significant long-term value growth potential from these businesses that can more than make up for today's pain. Approximately 20% of the Small-Cap Fund portfolio falls into this category, including CenturyLink, which is seeing increased demand for its fiber infrastructure as video-conferencing and streaming grow strongly around the world and end providers are running short on bandwidth, even as their Small and Medium Business customer base will see an impact. Natural gas company CNX Resources should be a net beneficiary from sub-$30-40/barrel oil, as the growth in "associated gas" should slow dramatically as Permian basin oil drilling declines, creating a better future supply/demand balance for natural gas. Satellite communications company ViaSat should benefit from decreased competition, with OneWeb declaring bankruptcy and Starlink running into trouble. Although ViaSat's airline broadband business (which represents less than 10% of revenues) will see deferred volumes, its Exede residential business is stronger in the current environment and will be able to make use of the airline broadband business's capacity somewhat, while its Government segment feels little impact.

2) Those that we expect to feel a larger near-term hit (a mid-teens percentage decrease on average), but where we feel highly confident over the long term. This situation describes a majority of our holdings, approximately 60% of the Fund, similar to what we saw in the GFC. We held onto and/or added to this category in the GFC, and those companies ultimately led the Fund's significant outperformance as we

rebounded in 2009. We expect to see a similar pattern when we rebound from the current downturn. For example, German specialty chemical business Lanxess's more economically sensitive businesses, primarily auto which accounts for mid-teens percent of revenue, will suffer in the current environment, but its other business lines should prove more resilient. The company is well positioned, given its outstanding balance sheet health. The company took advantage of weakness to repurchase shares opportunistically. CEO Matthias Zachert also has a strong track record of accretive bolt-on M&A, and this environment is likely to create some compelling opportunities. Classic toy company Mattel is now facing bigger headwinds in the current environment, but its supply chain is more flexible than ever, the company is producing positive FCF and is moving multiple non-earning assets through its content pipeline, and the stock trades at 5x our estimate of earnings power. Timber company PotlatchDeltic has shown great value stability in times like today. However, the company's mill assets, which comprise less than 15% of the value, will be negatively impacted by a near-term decline in housing demand. The company is well-capitalized with a great, experienced management team and trades at less than 60% of what a private buyer would pay for the timber assets.

3) Those where we expect to see a more material near-term hit and a potential long-term impairment to appraisal. While it is difficult to know how long the current crisis will continue, we could potentially see some material value declines (20% or greater on average) in this smaller group of businesses, representing approximately 15% of the portfolio, reminiscent of the GFC. This includes a handful of businesses with the combination of operating and financial risk we discussed in 2008 and/or perceived dilution or bankruptcy risk, which is further weighing down the share price. Park Hotels has seen dramatic occupancy plunges in the current environment, as it closed a majority of its properties. It had a level of leverage going into this that seemed normal for its industry, but with near-term losses from these closures, the situation has changed.

Park has been hit by a dramatic downturn in occupancy as a result of shutdowns around the US, but it also trades at an extreme discount to replacement value and had encouraging insider buying in March. Nitrogen fertilizer company OCI has a significant amount of FX and commodity pricing risk (as it tends to track with oil prices) outside of its control, combined with debt that would be fine during normal or even slightly stressed times but might be a bit higher than the company would want if they could start fresh today. However, the company has been able to move to maintenance capex and generate FCF in this environment. Real estate owner and department store operator Dillard's benefits from an industry-leading balance sheet and ownership of 90% of its still valuable, prime real estate, but it has closed stores and is currently facing near-term losses. Luxury retailer Neiman Marcus has over 30% of its revenue online, but it is facing another debt restructuring that will hopefully lead to a more constructive path forward. Finally, real estate brokerage franchise Realogy has seen a dramatic slowdown in new home sales, which could continue through the key spring/summer selling season. The share price has dropped by over 75% in the last month, but the business endured a similar stress test in the GFC, when its debt traded down to 10 cents on the dollar before ultimately rebounding to pay off its private equity owners.

We are carefully weighing each individual business, revisiting our case for each. In some cases, "category 3" businesses are likely to prove to actually be a "category 1 or 2," as outlined above. However, our discipline dictates that we will not add to companies where our value has taken a permanent impairment until our values have stabilized and begun to grow again. If we believe that the long-term business case or competitive advantages of a business become impaired and/or that our management partners are not capable of taking action to grow the value, then we will take action to upgrade our portfolio.

We recognize that it can be easy to fall prey to simply holding onto or doubling down on the companies that we already own and know in an uncertain environment, and we also recognize that we built our portfolios in a very different environment than today. We are therefore looking at each existing company and comparing it against opportunities to upgrade the quality and durability of the portfolio with any new additions. What will matter most going forward are the individual stocks we own and the changes we are making to our portfolios.

Contributors/Detractors

(Q1 Investment return; Q1 Fund contribution)

Realogy (-69%, -4.05%), the real-estate brokerage franchise, was the largest detractor in the quarter. In February, the company reported a strong fourth quarter with franchise revenues up 7%. With Compass no longer capable of poaching agents with irrationally large compensation packages, Realogy's problems appeared behind it. The COVID-19 pandemic has since completely paused the U.S. housing market. As a result, Realogy, despite a liquidity position that was adequate for a more normal downturn, is now in danger of breaching debt covenants later this year. CEO Ryan Schneider, a significant owner of the stock, announced the sale of the company's relocation business at a great price last year, which would allow Realogy to de-lever its balance sheet and focus more on its cash-generative franchising fee business, but this deal has yet to close. Realogy's history gives us confidence, as the business endured a similar stress test through the GFC, when its debt traded down to 10-cents on the dollar. Realogy's strong brand and licensing relationships make it worth much more alive than dead for its lenders, who were motivated to help the company survive and ultimately produce positive equity returns for its owners. We expect a similar outcome from here under the strong leadership of Schneider, who is taking every step within his control to close the large price-to-value gap. Because of the rapid change in the company's value, we have not added to our position and are closely monitoring the situation.

Graham Holdings (-47%, -2.98%), the media and education conglomerate, weighed on returns in the quarter. In February, the company reported strong 5% growth from its TV stations and mixed performance in Kaplan education and its manufacturing subsidiaries. The coronavirus is negatively impacting the company's TV revenues from local advertisers whose businesses have collapsed. Kaplan International programs have also been disrupted by the virus's impact on cross-border travel. The company's net cash balance sheet and overfunded pension are positive offsets that will allow the company to both weather the storm and potentially go on offense, as the company has a history of strong capital allocation moves, including intelligent share buybacks at advantageous prices and value accretive M&A.

CenturyLink (-27%, -2.79%), the fiber telecom company, was another top detractor, despite reporting over $1 of FCF per share in the fourth quarter of 2019. Two sell-side analysts downgraded CenturyLink to a "sell" in the last few weeks of the quarter, with the primary points of concern being the long-challenged consumer and voice business and an expected decline in earnings before interest, tax, depreciation and amortization (EBITDA), as customers within the small and medium business (SMB) segment shut down in the current environment. Our case has always assumed that the "bad" consumer and voice business, comprising roughly one-third of EBITDA, continues to decline every year. The positive growth from the remaining "good" parts of the business comes from segments with long-term growth prospects, like Enterprise, SMB and International connectivity. The SMB business is challenged today by small business customers facing sudden existential threats, and we might see a one-time hit to EBITDA as the company addresses bad credit at these customers. However, this is positively offset by the Enterprise business seeing a significant increase in demand to support remote working and in-home streaming, illustrated in part by the growth of CenturyLink's video-chat customer Zoom. The company, like many others, has suspended guidance in the current environment, but we believe it is well positioned to come out even stronger than before. The company's net debt-to-EBITDA is in a much better position than in 2008-09, and it produces over $3 per share in FCF. As noted above, we have a 13-D filed at the company and are actively engaged with CEO Jeff Storey and the board to explore numerous strategic options to bridge the substantial gap between share price and long-term appraisal value.

Park Hotels and Resorts (-68%, -2.61%), was another top detractor. As with the rest of the industry, the coronavirus took occupancy levels to unprecedented lows. Park responded by closing all or parts of many of its owned hotels. We evaluated the company’s debt (the next maturity is $700 million at the end of 2021) and liquidity (about $1.4 billion) and believe it will survive the crisis. CEO Tom Baltimore purchased shares personally after the stock’s sharp decline but still well above where it trades. The stock was deeply discounted at quarter end, but our appraisal of the value has declined with the loss of cash-flow. Park trades at an extremely wide discount to both relatively stable replacement cost (it trades at less than 20% of that metric) and a fast moving value, providing a large margin of safety at today’s low price.

The fund’s Neiman Marcus bonds (-41%, -2.55%), detracted after the retailer closed stores in mid-March in response to the coronavirus outbreak. Recent headlines reported discussions between the company and its lenders to file for bankruptcy protection. We underestimated the extent and speed of the impact that coronavirus disruption, coupled with oil price weakness negatively impacting its Texas customers, would have on the business. We have followed companies through bankruptcy before, and we believe a new debt and ownership structure could be a long-term positive for the company. The bonds’ collateral includes MyTheresa, a growing e-commerce subsidiary, and Neiman’s locations in strong retail destinations across the US, especially the Bergdorf Goodman and the new Neiman Marcus Hudson Yards store. We made several trades during the quarter to swap from the more junior third-lien notes to the more senior second-lien notes, which improves our position in a bankruptcy situation.

Portfolio Activity

We started the year with relatively high levels of cash, which we have used as dry powder to improve our portfolios. The fund initiated two new positions – Hyatt Hotels and Univar Solutions – and two “recycled” businesses that we have successfully owned before (Empire State Realty Trust) and/or already owned in another portfolio (Lanxess).

We bought global hotel company Hyatt for less than half of our appraisal value in March, as travel industry stocks faced indiscriminate selling. The business combines many of the qualities we look for in every new investment: a safe balance sheet, owner-partners with a great track record, a proven brand with loyal customers, high-margin royalty income and owned real estate with a high replacement cost. The pandemic will freeze many of the company’s operations for a large part of this year, but the business is positioned to withstand even a protracted shutdown and prosper on the other side. The balance sheet has lower net leverage than virtually all its competitors, and 60% of the value comes from capital-light franchise fees. We have had a long history of successfully investing in this industry, typically initiating and/or increasing our investment during times of significant industry disruption. We once again bought Empire State Realty Trust (ESRT), which owns the Empire State Building and other properties in the New York metropolitan area. Its share price has declined dramatically as it closed the Empire State Building Observatory due to the coronavirus, and its Manhattan office property business may be negatively impacted in the near-to-medium term. We have a great partner in CEO Tony Malkin, who refinanced debt at attractive rates in late March, adding $300 million in net incremental cash proceeds to its balance sheet. The current environment could provide some compelling share repurchase and/or M&A opportunities.

We bought specialty chemical company Lanxess, which we already owned in the International Fund and discussed above as a strong “category 2” business that stands to effectively navigate the current market storm. We also owned part of their assets previously via Chemtura, a successful investment in the Small Cap Fund in recent years. Historically, the business was more cyclical and reliant on commodity products, led by a heavy emphasis on rubber production for tires. Since returning to Lanxess in 2014, CEO Matthias Zachert has migrated the focus to specialty chemicals with stronger, less volatile growth prospects. The sale of the rubber business at a very attractive price, the 2017 acquisition of Chemtura, a focus on costs and efficiencies and opportunistic share buybacks at value-accretive prices have highlighted Zachert’s ability to drive long-term business value. We also initiated a position in the leading global chemicals distributor Univar Solutions, after it reported disappointing Q4 earnings as a result of weakness in its energy and commodity chemicals businesses and with market concerns about shareholder overhang. Univar, competitively positioned with a diverse global client base, is essentially a gross profit royalty on the chemical industry, without the same kind of fixed plant investment as its customers. Long-term, like-minded investors TCI and Baupost are significant owners at the company, representing 16% of outstanding shares. In the last week of the quarter, the company reaffirmed balance sheet strength, and we are confident the business will generate free cash flow even in this tough year.

We trimmed several companies to re-allocate cash to new and existing ideas. Our main increases at existing holdings were Liberty Formula One and ViaSat, both high-quality companies in groups 1 and 2, as described above. Our cash is now down to 6%, and we continue to monitor our current holdings and our on-deck list for new opportunities to upgrade.

Southeastern's COVID-19 Business Plan

While we have discussed at great length the investment opportunity that the market disruption has created, we are deeply saddened by the devastating loss of life and dangerous health impact the COVID-19 pandemic has had for so many globally. The health and safety of our employees, their families, our clients and the community around us remain our top priority. We have been heartened to see some of our companies taking steps to help where they can, such as Formula One teams working to help develop ventilators and other breathing aids for coronavirus patients.

Southeastern is closely monitoring the rapidly-developing situation and following WHO and local government guidelines and best practices. We shifted employees to a remote working scenario over the course of the quarter and have temporarily restricted all business travel and conference attendance for all employees. All teams are coordinating to ensure maximum productivity with this arrangement and have managed with minimal disruption. We have a robust business continuity plan (BCP) and remote connectivity platform in place, and our global research team is used to communicating across multiple locations and time zones. The transition has been seamless, with no material issues with connectivity or disruptions to daily business activities.

Re-Opening the Fund and Outlook

We closed the Small-Cap Fund to new investors in August 1997 to manage our size against any potential liquidity constraints that would limit the opportunity set and to avoid diluting our shareholders, given rising cash at that time. The Fund has remained closed to new investors for more than two decades over the course of various market conditions.

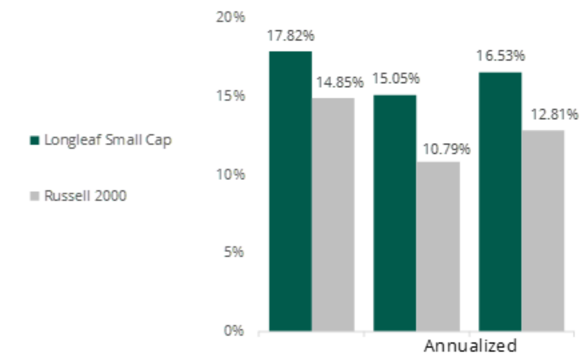
Throughout that period, our long-term, likeminded clients have opportunistically added at compelling times and taken cash when the opportunity set was more limited. We always strive to communicate our views on the opportunity set and what we are doing with our own capital as transparently as possible. In the first quarter, Southeastern employees have added to our investment in the Fund with the largest collective insider buying since the GFC. And we believe it is a great time for our partners to be adding as well.

Today, the opportunity set for US Small-Cap is even more compelling than in 2008-09. The smaller-cap universe started the year at a more attractively discounted level than the US large-cap market and has become even more attractive amid indiscriminate selling. After much consideration, we have decided to temporarily re-open the Small-Cap Fund to new investors. We are currently targeting an assets under management (AUM) level of $2.5 billion and will continue to monitor this target as the situation develops. We will be diligent in managing the Fund's size to ensure that we remain small enough to be nimble and to take advantage of compelling smaller businesses that are highly discounted today.

Our long-term outlook for the portfolio is the strongest it has been in over a decade. Although we expect to see some continued near-term volatility before we see a sustained upswing, we believe our portfolio is well positioned to weather the storm. We do not know when, but the COVID-19 situation will eventually stabilize, and global businesses will recover. When they do, equities should vastly outperform bonds, which are poised to lose capital in a meaningful way, as interest rates cannot go much lower. We believe our companies will outperform the market, as they have in prior recovery periods because they are more heavily discounted today, despite being strong, high quality businesses. Our management partners are exceptional and are taking the necessary steps to create significant value while navigating their businesses through this uncertain period to re-emerge even stronger in the future. Cash in the portfolio is 6%, the lowest in almost a decade, and the price to value (P/V) is in the low-40s%, a level only seen once in our history of tracking the metric, during the GFC. As shown in the chart below, we have historically seen strong relative and absolute outperformance in the subsequent 12+ months following periods of P/V below 60%.

Longleaf Small Cap Fund

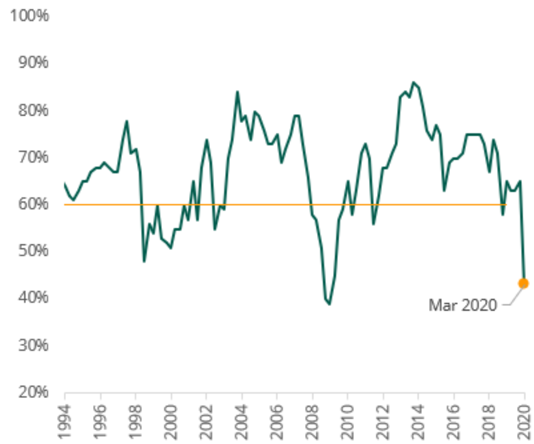
Average Total Return Following P/V Less Than 60%



	1 Year	3 Year	5 Year
+/- Index	**2.97%**	**4.26%**	**3.72%**
# of Quarterly Observations	23	22	22

Quarterly Price-to-Value Ratio

Current P/V is low-40s%



Our on-deck list of qualified new potential holdings has more than doubled over the first quarter. The opportunities are not limited to a single industry or region, as selling has opened opportunities across a broad spectrum of companies. Some of the more interesting opportunities we are considering include "groups of people" stocks, primarily in the travel and entertainment space, that are competitively advantaged to weather the storm; misunderstood companies where the market is applying a 2008 scenario even though the business has changed significantly since the GFC; and industries or businesses that are great long-term value growers but are subject to short-term volatility. While many of these businesses are more cyclical or consumer-dependent in the short term, they pose a similar opportunity today to the companies that we bought after 9-11 in 2001-02 and in the GFC in 2008-09, which led our strong subsequent outperformance.

For example, we are getting back up to speed on one of our former winners for the Fund that is in both the media and real estate industries. We are working on a retailer with a hidden new business that we believe the market is missing. We have conviction in a unique industrial that we have followed for a long time but avoided because of the management team that now has a new leader in place, whom we are meeting to reassess our case. We have visited a services business that we believe has a long runway for growth and a great balance sheet, but is overlooked by the market as it has no direct public competitors. The list goes on.

We believe that many Consumer Branded Goods, Utilities and Health Care companies remain broadly fair-to-overpriced, given their perceived defensiveness, but we would love to own some of these businesses at the right price and are closely monitoring them. We are avoiding undifferentiated companies with over-leveraged balance sheets no matter how statistically cheap they are, such as balance-sheet-heavy financials, oil (which we do not consider high enough quality, despite the large price drop), airlines, etc.

We have stepped up our communications with you over the last several weeks, and you should expect additional outreach from us as long as this crisis lasts. We hope that you have found our Podcast and FAQ helpful, and we encourage you to reach out to us at info@SEasset.com or podcast@SEasset.com with your questions and topics that you would like to see us cover in future communications. We thank you for your continued partnership, trust and patience. We believe it will be rewarded with strong future performance.

See following page for important disclosures.

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

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

The Russell 2000 Index measures the performance of the 2,000 smallest companies in the Russell 3,000 Index, which represents approximately 10% of the total market capitalization of the Russell 3000 Index. An index cannot be invested in directly.

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

VIX is the CBOE Volatility Index, which reflects the market's expectation of near-term S&P 500 volatility based on a range of index options.

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

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

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

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

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

"Margin of Safety" is a reference to the difference between a stock's market price and Southeastern's calculated appraisal value. It is not a guarantee of investment performance or returns.

As of March 31, 2020, the top ten holdings for the Longleaf Partners Small-Cap Fund: Kodak, 12.0%; CenturyLink, 11.0%; Mattel, 6.6%; Formula One, 6.3%; PotlatchDeltic, 6.1%; Graham Holdings, 4.8%; CNX Resources, 4.7%; Lazard, 4.7%; Enerpac Tool, 4.4%; GCI Liberty, 4.3%. Fund holdings are subject to change and holding discussions are not recommendations to buy or sell any security. Current and future holdings are subject to risk.

Funds distributed by ALPS Distributors, Inc.

LLP001018
Expire 7/31/2020

Longleaf Partners International Fund

Longleaf Partners Funds

Summary - March 31, 2020

1Q20

Longleaf Partners International Fund

(800) 445-9469 / southeasternasset.com

Longleaf Partners Funds

Long-Term / Concentrated / Engaged / Value

Founded in 1975, Southeastern Asset Management is an independent, global investment firm managing $8.4 billion. Partnership is core to all that we do, and Southeastern's employees and related entities are the largest investors across the Longleaf Partners Funds. Our 15-person global investment team are generalists, tasked with finding the best bottom-up opportunities across the globe.

The Fund seeks to own a concentrated portfolio of our best 18-22 ideas that meet our Business, People, Price investment criteria. We invest with a 3-5 year investment horizon and take advantage of short-term volatility to own high quality businesses, run by capable management teams, whose stock prices are trading temporarily at a discount. Our extensive, global network allows us to engage with our management partners to help drive long-term value creation.

Fund Profile

Investment Style	International value
Ticker	LLINX
Inception Date	October 26, 1998
Net Assets	$0.9 billion
Expense Ratio (Gross/Net)	1.18% / 1.15%
Turnover (5 yr avg)	34%
Weighted Average Mkt. Cap	$15.6 billion

Holdings (21)

	Activity*	Weight
EXOR		9.5%
Domino's Pizza Group (UK)	-	7.5
Melco International	+	6.3
MinebeaMitsumi		5.5
LANXESS		5.0
Prosus	NEW	5.0
Baidu	-	4.9
LafargeHolcim		4.7
CK Asset Holdings		4.6
CK Hutchison	-	4.3
Lazard		4.3
Richemont	+	4.2
Bolloré		4.2
Fairfax Financial		4.0
Becle	-	3.8
Millicom	+	3.4
Glanbia	NEW	3.2
C&C Group	-	2.7
Great Eagle	-	2.7
GRUMA		2.4
OCI	-	1.6
Cash		6.2
Total		100.0 %

*Full eliminations include the following positions: None.

The total expense ratio for the Longleaf Partners International Fund is 1.18% (gross) and 1.15% (net). The International Fund's expense ratio is subject to a fee waiver to the extent the Fund's normal annual operating expenses exceed 1.15% of average annual net assets.

Holdings are subject to change and discussion of holdings are not a recommendation to buy or sell any security. Holdings are subject to risk. Funds distributed by ALPS Distributors, Inc.

Sector Composition

Consumer Discretionary	23.0%
Financials	17.8
Communication Services	12.5
Consumer Staples	12.1
Materials	11.3
Industrials	9.8
Real Estate	7.3
Cash	6.2

Regional Composition

Europe Ex-UK	43.5%
Asia Ex-Japan	22.8
North America	14.5
UK	7.5
Japan	5.5
Cash	6.2

Performance Contribution

Top Three	Portfolio Contribution	Return
Prosus	0.66%	0%
Glanbia	-0.15	-4
GRUMA	-0.59	-25

Bottom Three	Portfolio Contribution	Return
Melco International	-3.71%	-49%
EXOR	-3.33	-33
C&C Group	-2.58	-55

Performance at 3/31/2020

	Total Return		Average Annual Return				
	QTR	One Year	Five Year	Ten Year	15 Year	20 Year	Since Inception
International Fund	-32.13%	-27.61%	-0.49%	1.34%	1.72%	4.35%	5.65%
MSCI EAFE Index	-22.83%	-14.38%	-0.62%	2.72%	3.06%	1.99%	3.42%

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

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

RISKS - The Fund is subject to stock market risk, meaning stocks in the Fund may fluctuate in response to developments at individual companies or due to general market and economic conditions. Also, because the Fund generally invests in 15 to 25 companies, share value could fluctuate more than if a greater number of securities were held. Investing in non-U.S. securities may entail risk due to non-U.S. economic and political developments, exposure to non-U.S. currencies, and different accounting and financial standards. These risks may be higher when investing in emerging markets.
MSCI EAFE Index (Europe, Australasia, Far East) is a broad based, unmanaged equity market index designed to measure the equity market performance of 22 developed markets, excluding the US & Canada. An index cannot be invested in directly.

April 9, 2020

Longleaf Partners International Fund Commentary

1Q20

Longleaf Partners International Fund declined -32.13% in the first quarter, underperforming the MSCI EAFE, which fell -22.83%. As the largest shareholder group in the Fund, we are disappointed in both our absolute and relative results. While looking to the future does not lessen or excuse the near-term performance pain, we are more excited for the long-term prospects of our portfolio than we have been in over a decade. As global markets have been rocked by extreme uncertainty and fear in the last two months, we have seen a rapid rise in stock price volatility and a steep decline in investor sentiment. We have only seen this level of disruption a handful of times in our 45-year history. Each of the seven bear markets Southeastern has lived through has felt uniquely difficult and at the time felt like it might never end. In each case, we stuck to our discipline and took advantage of market dislocations to upgrade the portfolio, which historically served us well with strong subsequent performance

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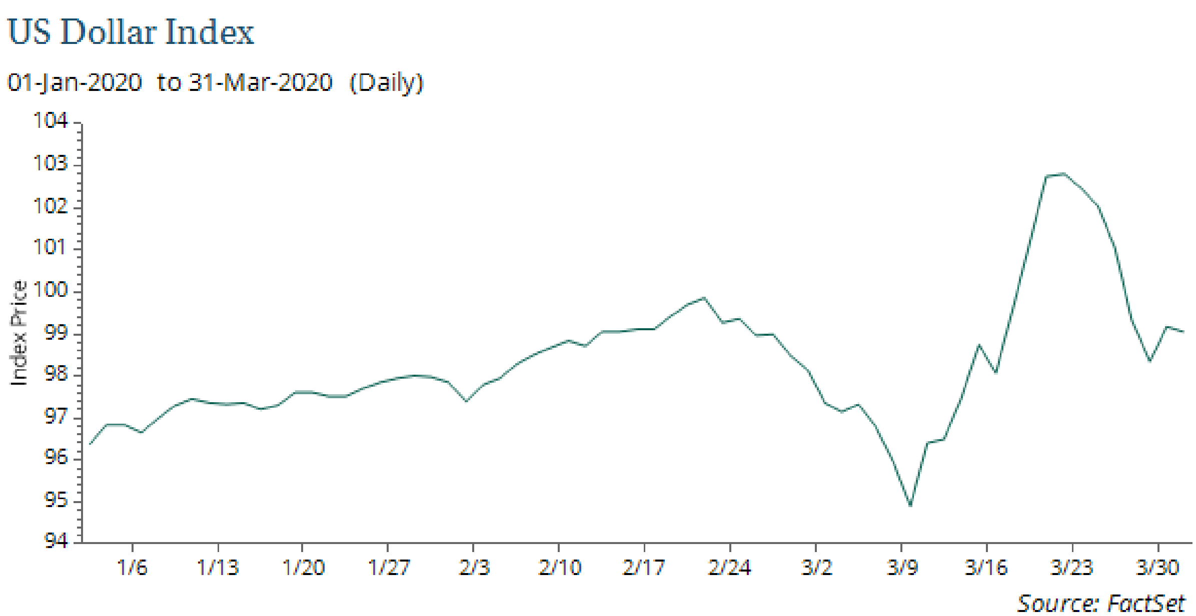
Average Annual Total Returns (3/31/20) Longleaf Partners International Fund: Since Inception (10/26/98): 5.65%, Ten Year: 1.34%, Five Year: -0.49, Three Year: -4.75%, One Year: -27.61%. MSCI EAFE Index: Since (10/26/98): 3.42%, Ten Year: 2.72%, Five Year: -0.62%, Three Year: -1.82%, One Year: -14.38%.

Returns reflect reinvested capital gains and dividends but not the deduction of taxes an investor would pay on distributions or share redemptions. Performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by visiting southeasternasset.com. ***As reported in the prospectus, dated May 1, 2019, the total expense ratio for the Longleaf Partners International Fund is 1.19% (gross) and 1.15% (net). The expense ratio is subject to fee waiver to the extent normal annual operating expenses exceed 1.15% of average annual net assets.*** *Southeastern has contractually committed to limit operating expenses (excluding interest, taxes, brokerage commissions and extraordinary expenses) to 1.15% of average net assets per year. This agreement is in effect through at least May 1, 2020 and may not be terminated before that date without Board approval.*

coming out of those periods. The drivers behind today's environment are unique, but our disciplined process and approach to navigating the turmoil remains the same.

Performance Review

We saw a continuation of the Growth outperforming Value, US outperforming all other markets and ever-stronger US dollar (USD) themes that have dominated the market narrative – and most of our Fund commentaries – for the last decade-plus. The MSCI EAFE Value Index fell -28.2%, dramatically underperforming the MSCI EAFE Growth's -17.5% decline. In fact, Value was the worst performer in the Non-US universe. Momentum and Growth, which have become synonymous with the higher P/E (price to earnings) Information Technology (IT) companies that have fueled the broader market's growth for a decade, meaningfully outperformed the Index. US markets saw the same wide gap between Value and Growth, but the S&P 500 held up relatively better than the MSCI EAFE, dropping -19.60% versus the MSCI EAFE's -22.83% decline. The USD strengthened against every major currency, and the translation effect in the portfolio was a 2.3% drag on performance in the quarter.



In this quarter, which has felt much longer than 91 days, growing fears over the now global COVID-19 pandemic, coupled with an oil price war, weighed on global markets, and governments responded with heightened stimulus, resulting in even lower interest rates and greater global political uncertainty. Now more than ever, we are focused on companies that can make it through the next 6-12 months without needing to rely on the kindness of banks or consumers, but we are not going to run for the hills and only own those companies that feel the "safest." Taking a longer-term view, we could also see the pandemic leading to profound changes on several fronts that have hurt our portfolio in relative terms over the last 10+ years. First, printing trillions of dollars around the world to keep things afloat in this period could finally lead to some inflation, after over a decade of anemic interest rates. While the historical data is not 100% conclusive on the effects of inflation for Value versus Growth stocks, the extremes of the deflationary Great Depression (when Growth won) and the inflationary 1974-early 1990s period (when Value won) do suggest a potentially positive environment for our style of investing. Our businesses generally benefit from pricing power or gross profit royalties, which should help them thrive in a more inflationary environment.

Second, we expect to see an eventual rebalancing within IT, the other sector that has dominated public and private markets for over a decade, outperforming even through this period of market distress. It feels somewhat counterintuitive today to make a case against the IT companies, as the world moves to remote working and turns to e-commerce apps and website, while we must abstain from other forms of direct commerce. However, a tougher environment and tighter financing terms will eventually compel these businesses to cut costs, raise prices and seek profits, thus ending the seemingly virtuous short-term customer satisfaction cycle of seeking higher volumes at all costs to meet increasingly challenging consumer demands, which ultimately punishes other industries. Many IT giants have both the law of large numbers and worldwide regulators working to diminish future returns.

Third, we are pondering the long-term structural implications of a world that has been locked down for months at a time, which could lead to a reduction of globalization and increased friction across borders. It seems likely that small private and public companies will be relatively more stressed than larger entities with better access to capital and economies-of-scale-driven cash flow to support them through this period. We could see a rise in the recent trend of increasing returns to scale. These two potential outcomes highlight the benefits of owning global businesses with local and regional competitive advantages within a larger global umbrella with resulting economies of scale and capital access. An interesting example in our portfolio is LafargeHolcim, a leading global cement and aggregates company with local oligopolistic businesses across multiple markets. From a geopolitical perspective, we are keeping an eye on Europe and the current disagreements on how the European Union (EU) should address this crisis via “coronabonds” or other fiscal pooling of liabilities. The situation could lead to a resurgence of EU break up fear scenarios, similar to what we saw in 2010-11.

Confidence in What We Own: Stress Testing in a Stressful Period

Turning to what we own, we gain confidence in our portfolio in a number of ways. First and foremost, we look to our 45-year history as a reminder of how pay off patterns following large downturns can been quick and sizeable. We have historically seen short-term absolute and relative underperformance as markets declined. While always incredibly unpleasant, this is understandable, because when markets crash, correlations head towards one. Value names are generally shunned in a crash’s initial flight to quality. However, our performance in the 12+ months following the low points has been dramatic, as value imbalances have corrected in the recoveries.

In periods like today, we maintain an even more active, engaged dialogue with our investee partners across our global portfolios. In some cases, we are looking for ways to add value by encouraging our management teams to pursue intelligent, value-accretive capital allocation moves or people changes to upgrade governance and oversight. Domino’s Pizza Group (DPG) is a prime example, where shareholder engagement helped lead to three new directors joining the board, who have taken control of the governance and management succession process, appointing a top-notch Chairman in Matt Shattock, CEO in Dominic Paul and CFO in Neil Smith, all within the last several weeks. We believe the future is bright for DPG under new leadership that can create and unlock substantial value at this company. In many cases, we are acting as a sounding board or otherwise cheering on our management partners who are already taking steps to grow value and ultimately get that value recognized, like at EXOR, where CEO John Elkann has announced two value accretive deals over the last several months. Companies that are financially well positioned to go on offense and create value via intelligent share repurchases at the right price and targeted M&A at attractive risk-adjusted returns have a great opportunity currently. We also look closely at our management teams' individual behavior, which often speaks louder than words. As we write this letter, insiders at seven of the Fund's holdings have bought shares personally this quarter, signaling their confidence in their companies.

Additionally, we are reviewing each company that we own on a case-by-case basis to determine the potential value impact of this disaster and to ensure that our appraisal values are appropriately conservative as we face an uncertain future. We feel strongly that we own high-quality businesses with capable management teams that can adeptly navigate the current environment. However, long-term values are changing faster than we have ever seen, as near-term free cash flow (FCF) has evaporated or decreased dramatically for certain regions and businesses. We came into this downturn with a strong portfolio that was already trading at a big discount, especially versus the overpriced index.

As we wrote in our recent COVID-19 update, we broadly group our investments into three categories as we reassess our portfolio holdings:

1) Those where we expect minimal long-term impact and/or see the potential for the company to at least partially benefit from the current situation. We generally expect to see a small near-term value impact but significant long-term value growth potential from these businesses that can more than make up for today's pain. Over 25% of the International Fund portfolio falls into this category, including Canadian-based insurance conglomerate Fairfax Financial, led by Prem Watsa who dramatically grew the value of the company during the GFC with his conservative investing prowess, now has a large amount of liquidity to put to work in this environment. Mexican-based Becle and Gruma are two leading consumer packaged goods businesses with rock-solid balance sheets that have been largely overlooked given their Mexican listings. Becle's Cuervo tequila brands are benefitting from reduced costs in pesos, as over two-thirds of their revenue comes from outside of Mexico. Similarly, Gruma's tortilla brands (primarily Mission) have a strong majority of their value in the US and will likely benefit on pricing from a shift in demand from their food-service customers to the higher price-per-unit retail customers in the short term. UK-listed Domino's

Pizza Group is seeing elevated demand for pizza delivery for those in isolation and now has, in our view, best-in-class management and oversight with its newly upgraded board and executive team, as discussed above. Irish-listed nutrition and supplements business Glanbia's online channel and grocery sales are growing and stand to benefit throughout the crisis. Prosus is a holding company whose main asset is a 31% stake in Tencent, the dominant Chinese video games and messaging company. Tencent owns a group of competitively advantaged assets like WeChat which are growing in the current environment, while the company has a rock-solid balance sheet and top-notch management.

2) Those that we expect to feel a larger near-term hit (a low-to-mid teens percentage decrease on average), but where we feel highly confident over the long term. This situation describes a majority of our holdings, approximately 64% of the Fund. A prime example in this category is Asian casino and resort holding company Melco International, as it is beginning to show initial positive signs of recovery from the extreme lows in late February. While our value has declined this year in-line with gross gaming revenue (GGR) declines, Melco is seeing a meaningful reduction in its cash burn, and it is competitively well-positioned with its majority mass gaming business mix and CEO Lawrence Ho, who has a strong track record of creating value in challenging times. German specialty chemical business Lanxess's more economically sensitive businesses, primarily auto which accounts for mid-teens percent of revenue, will suffer in the current environment, but its other business lines should prove more resilient. The company is well positioned, given its outstanding balance sheet health. The company took advantage of weakness to repurchase shares opportunistically. CEO Matthias Zachert also has a strong track record of accretive bolt-on M&A, and this environment is likely to create some compelling opportunities. Minebea Mitsumi's ball bearings business, which was expected to grow over 10% organically going into the year, may see a near-term decrease in demand, but this is likely to be deferred, not lost. Meanwhile, the company is increasing its share for the iPhone's camera actuator business, while maintaining its share for the iPhone LCD backlight business, which has not yet been impacted in the current environment. While we have categorized EXOR

within this bucket, it could quickly move to the first category if the two recently announced deals – the merger of FCA and Peugeot and the sale of PartnerRe to Covea - continue as planned. Our appraisal values are not predicated on the deals closing, and CEO John Elkann remains a great partner for navigating a time like this.

3) Those where we expect to see a more material near-term hit and a potential long-term impairment to appraisal. While it is difficult to know how long the current crisis will continue, we could potentially see some material value declines (20% or greater) in this much smaller group (less than 5% of the portfolio), reminiscent of the GFC. Both companies – C&C and OCI – are highly dependent on the duration of the economic lockdown. Nitrogen fertilizer company OCI has a significant amount of FX and commodity pricing risk (as it tends to track with oil prices) outside of its control, combined with debt that would be fine during normal or even slightly stressed times but might be a bit higher than the company would want if they could start fresh today. However, the company has been able to move to maintenance capex and generate FCF in this environment. C&C has suffered as the UK and Ireland closed pubs, the source of over half of the company's profits. We reduced our weighing in both OCI and C&C before the Coronavirus impact hit, and both ended the quarter in the 1.5-2.5% weight range. We are in active discussions with management at both companies.

We are carefully weighing each individual business, revisiting our case for each. The "category 3" businesses could prove to be a "category 1 or 2," particularly in the hands of the great people at each. However, our discipline dictates that we will not add to companies where our value has taken a permanent impairment until our values have stabilized and begun to grow again. If we believe that the long-term business case or competitive advantages of a business become impaired and/or that our management partners are not capable of taking action to grow the value, then we will take action to upgrade our portfolio.

We recognize that it can be easy to fall prey to simply holding onto or doubling down on the companies that we already own and know in an uncertain environment, and we also recognize that we built our portfolios in a very different environment than today. We are therefore looking at each existing company and comparing it against opportunities to upgrade the quality and durability of the portfolio with any new additions. What will matter most going forward are the individual stocks we own and the changes we are making to our portfolios.

Contributors/Detractors

(Q1 Investment return; Q1 Fund contribution)

Prosus (0%, 0.66%), the Fund's newest position, held up strongly in the quarter and was the only positive contributor. Prosus is a Netherlands-listed holding company that was spun out of South African company Naspers in September 2019. It presents a rare opportunity to buy Tencent, one of the world's strongest franchises that is growing above 20%, at a highly discounted price. The company's 31% ownership in Tencent represents over 90% of our Prosus appraisal value. While COVID-19 is hurting a lot of industries and companies, Tencent is one of the few that benefits. Tencent's WeChat is the world's largest and most active social network with monthly active users (MAU) of over 1.1 billion and is embedded in people's lives across online games, video, music, travel, ecommerce and financial services. Tencent is also a top global gaming company with a dominant position in China, having developed five of the top 10 most popular international mobile games worldwide. Tencent's top games have seen a rapid acceleration in daily average users (DAU) and downloads in the quarter, as people are confined at home. Prosus has a net cash balance sheet, and its stake in Tencent alone represents around 130% of Prosus's market cap with Tencent at market price. We believe exposure via Prosus is far more attractive than when it was held by Naspers because it is listed in a developed market with no South African currency or political risk worries, and a much more liquid exchange. Prosus is the largest shareholder at Tencent with two board seats at the company. While Tencent does not look particularly cheap on a standalone basis, trading at 25x earnings, the company has several non-earning assets (NEAs) in the form of businesses in the investment phase that are still unprofitable or under-earning. However, if they were separately listed, they would be worth a lot today. If we exclude the value of its NEAs, we are buying Tencent at less than 10x FCF via our Prosus stake, for a business that is expected to continue compounding at over 20% annually. Beyond the Tencent exposure, we have great management partners and disciplined capital allocators in Bob van Dijk and Pat Kolek, who have experience leading dominant franchises in Classifieds, Food Delivery and Payment verticals in emerging markets, and are focused on closing the discount to value. While these businesses are small as a percent of value today, they represent free options at today's Prosus price, are expected to grow at double-digit rates with low capital intensity and will potentially be listed in time to help with value discovery.

Melco International (-49%, -3.71%), the Asian casino and resort holding company, was the top detractor in the quarter. Subsidiary Melco Resorts (Melco) achieved record high luck-adjusted EBITDA (earnings before interest, taxes, depreciation and amortization) in the fourth quarter and the full year for 2019, with growth in both mass and VIP gaming well ahead of its peer set. The first three weeks of January were off to a record start, but both Macau visitation and GGR collapsed around Chinese New Year on the back of the COVID-19 outbreak. In February, Macau's GGR fell by 88% year-over-year (YOY), as the Macau government ordered the shutdown of casinos for 15 days, and the Chinese government suspended the issuance of IVS (individual visitor scheme) and group tours, causing all casino operators to sell off. Melco was not immune to the declines, but we are confident Melco, which derives over 90% of its Macau EBITDA from non-VIP business, will continue to compound value per share as a principal beneficiary of the structural growth in mass gaming. Melco is well-positioned financially, with its $1 billion dollar debt well supported by its 56% stake in Melco Resorts, which is currently worth around $3.8 billion, and paid about $180 million of dividends to Melco International last year. Melco Resorts has $1.5 billion in cash on hand, and its $1.75 billion credit facility is virtually undrawn. The recovery of the operation amid COVID-19 has been slow, with steady improvement in March. With renewed border controls by Macau and neighboring Guangdong province in late March, we expect April to get worse from March levels. Real recovery back to normalized earnings power will only happen once visa and quarantine restrictions are lifted. Although we are likely to see continued volatility in the near-term, our long-term outlook for the business remains strong. Over our many years of partnership with Lawrence Ho and his team, we have seen them adeptly navigate through tough times and allocate capital well, especially during downturns.

EXOR (-33%, -3.33%), a European holding company of the Agnelli family, was a detractor in the period, with the largest drag on its price coming from its dual-listing in Italy, one of the hardest-hit global markets in the quarter, despite the company's moving its headquarters to the Netherlands and listing on the Dutch stock exchange several years ago. The look-through revenue exposure to Italy is in the mid-single digits. While Fiat Chrysler (FCA) is a more cyclical business, it is competitively advantaged versus its US auto peers to survive the challenging environment given its strong liquidity position. Earlier in the quarter, EXOR agreed to the sale of global re-insurance business PartnerRe to Covea, a leading French mutual insurer for a total cash consideration of $9.0 billion plus a cash dividend of $50 million. Last year, the company announced a planned merger between France's PSA, which owns Peugeot, and Fiat Chrysler (FCA), which would create the world's fourth-largest carmaker and reshape the automotive sector. These deals are still expected to move forward as planned, despite today's more challenging environment. EXOR has also likely suffered as holding company structures often become more heavily discounted in a market sell-off. In our experience, a holding company structure is a magnifier of underlying management quality, and superior owner-operators, like CEO and Chairman John Elkann, who has a proven track record of strong capital allocation and portfolio management, are able go on offense in this environment to emerge even stronger than before. We have what we believe to be a best-in-class collection of assets with Case New Holland (CNH), FCA, *The Economist*, Juventus and Ferrari control stakes under the strong leadership of Elkann and Managing Director Suzanne Heywood. In the interim, the balance sheet has strengthened by the lowering interest rates trend globally.

C&C Group (-55%, -2.58%), manufacturer and distributor of branded beer, cider, wine, soft drinks and bottled water in the UK and Ireland, was another top detractor in the quarter. As discussed above, pubs and restaurants closed in March for an indefinite period in the UK and Ireland in response to COVID-19, severely impacting on-trade sales in each of C&C's markets. The company's balance sheet remains robust, with net debt/EBITDA below the 2.0x target at the end of February and over €130 million of cash on hand. The company further strengthened its liquidity position, drawing down a further €210 million from its revolving credit facility and is issuing its first US private placement. We sold approximately half our position in C&C early in the quarter when the company announced CEO Stephen Glancey's unexpected departure due to health reasons. We have always held Stephen in high regard, and he has been a great partner and guardian of shareholder value. We remain highly engaged with the company and are assessing all options.

Lazard (-40%, -2.22%), the investment management and financial advisory company, was a top detractor in the period. Fourth quarter 2019 results were solid, with strong performance in European M&A banking complimenting 8% AUM growth in investment management from market appreciation and net inflows. Since then, the stock's price and our appraisal of the value have both declined due to the global stock market collapse and the company's mark-to-market sensitivities. However, the stock now trades for less than half our reduced appraisal. When global markets and banking activity rebound, we expect that gap to close quickly. Lazard Asset Management specializes in emerging markets, which now appears to be the cheapest area of global equity and overdue for strong future outperformance. Lazard Financial Advisory is a leader in bankruptcy and restructuring, which stands to benefit from the current environment this year. CEO Ken Jacobs has a strong capital allocation track record, including buying back shares at heavily-discounted prices.

CK Hutchison (-32%, -2.16%), a conglomerate of telecommunications, health and beauty, infrastructure, global ports and energy, was another top detractor in the quarter. Its underlying stake in Husky Energy is facing strong headwinds in the current oil environment, but Husky only comprises a low single-digit percentage of CK Hutchison's overall appraisal. Health and beauty chain Watsons' stores in China have already seen the impact of COVID-19 peaking in February, and it began a solid recovery in March as the country is gradually reviving. Its European retail chain Superdrug is seeing strong double-digit sales growth and is likely to remain open, even in a potential continent-wide lockdown, as it provides critical services. Telecom subsidiary 3 Group Europe reported a 17% YOY increased in EBITDA, driven by successful growth at Italy Wind Tre. CK Hutchison net debt/EBITDA is below 2x, and all three credit rating agencies have maintained a stable A rating. The stock trades above a 6% dividend yield today. The Li Ka-shing family and other directors of the company bought 1.25mn shares in the quarter, signaling their strong confidence in the current uncertain environment.

Portfolio Activity

The Fund began the year with relatively low cash levels of 7% and a portfolio of high-quality businesses that we felt were already trading at a compelling discount. As the opportunity set developed even more dramatically over the course of the quarter, we trimmed C&C, Baidu, CK Hutchison and OCI and used proceeds from these trims to opportunistically add to heavily discounted positions in group 2 above, including Richemont, Melco and Millicom. We also initiated two new positions in group 1, Prosus and Glanbia, both of which are discussed in more detail above. We continue to monitor our current holdings and our on-deck list for new opportunities to upgrade.

Southeastern's COVID-19 Business Plan

While we have discussed at great length the investment opportunity that the market disruption has created, we are deeply saddened by the devastating loss of life and dangerous health impact the COVID-19 pandemic has had for so many globally. The health and safety of our employees, their families, our clients and the community around us remain our top priority. We have been heartened to see some of our companies taking steps to help where they can, such as Exor and the Agnelli family making donations of funds and medical supplies to hospitals.

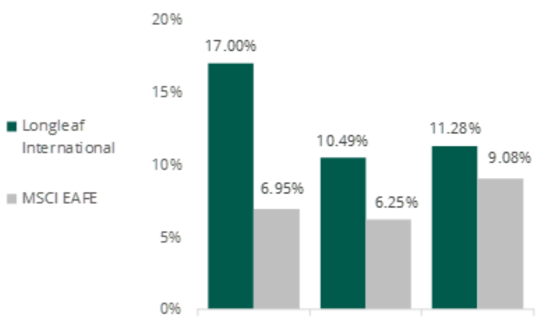
Southeastern is closely monitoring the rapidly-developing situation and following WHO and local government guidelines and best practices. We shifted employees to a remote working scenario over the course of the quarter and have temporarily restricted all business travel and conference attendance for all employees. All teams are coordinating to ensure maximum productivity with this arrangement and have managed with minimal disruption. We have a robust business continuity plan (BCP) and remote connectivity platform in place, and our global research team is used to communicating across multiple locations and time zones. The transition has been seamless, with no material issues with connectivity or disruptions to daily business activities.

Outlook

As we wrote at the beginning of this letter, our long-term outlook for the portfolio is the strongest it has been in over a decade, even as forming a definitive near-term outlook for markets is exceptionally difficult today. While we expect to see continued near-term volatility before we see a sustained upswing, we believe our portfolio is well positioned to weather the storm. Southeastern employees have been adding to our investments in the Fund with the largest collective insider buying since the GFC. We believe it is a great time for our partners to be adding as well. Cash in the portfolio is now 6%, and P/V is in the low-50s%, a level rarely seen in our history of tracking the metric. As shown in the chart below, we have historically seen strong relative and absolute outperformance in the subsequent 12+ months following periods of P/V below 60%.

International Fund

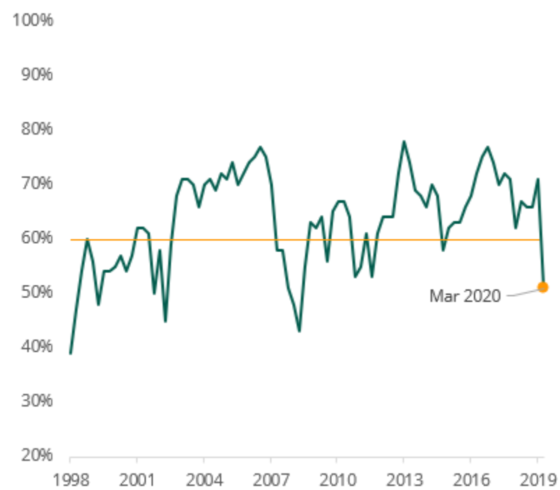
Average Total Return Following P/V Less Than 60%



	Annualized		
	1 Year	3 Year	5 Year
+/- Index	**10.06%**	**4.24%**	**2.20%**
# of Observations	26	26	25

Quarterly Price-to-Value Ratio

Current P/V is low-50s%



Additionally, our on-deck list of qualified new potential holdings has more than doubled in the quarter. The opportunities are not limited to a single industry or region, as selling has opened opportunities across a broad spectrum of companies. Some of the more interesting opportunities where we are looking closely include "groups of people" stocks, primarily in the travel and entertainment space, that are competitively advantaged to weather the storm; misunderstood companies where the market is applying a 2008 scenario even though the business has changed significantly since the GFC; and industries or businesses that are great long-term value growers but are subject to short-term volatility. We are avoiding undifferentiated companies with over-leveraged balance sheets no matter how statistically cheap they are, such as balance-sheet-heavy financials, oil (which we do not consider high enough quality, despite the large price drop), airlines, etc. We still believe that many Consumer Branded Goods, Utilities and Health Care companies remain broadly fair-to-overpriced, given their perceived defensiveness. Environments such as this provide an opportunity to demand the highest quality businesses that are rarely priced at a discount. One of our favorite business models is a gross profit royalty on a market with structural, organic growth tailwinds. Within that space, we include our wish list of travel and leisure-focused companies, equipment and service providers to travel-related industries and franchisors running asset-light business models. We find ourselves sifting between owned and on-deck companies that are cheap and good and stacking them up versus cheap and great. The list is long and interesting, and we look forward to making the tough decisions required at a portfolio manager level.

We have stepped up our communications with you over the last several weeks, and you should expect additional outreach from us as long as this crisis lasts. We hope that you have found our Podcast and FAQ helpful, and we encourage you to reach out to us at info@SEasset.com or podcast@SEasset.com with your questions and topics that you would like to see us cover in future communications. We thank you for your continued partnership and patience. We believe it will be rewarded with strong future performance.

See following page for important disclosures.

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

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

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

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

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

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

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

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

Capital Expenditure (capex) is the amount spent to acquire or upgrade productive assets in order to increase the capacity or efficiency of a company for more than one accounting period.

As of March 31, 2020, the top ten holdings for the Longleaf Partners International Fund: EXOR, 9.5%; Domino's, 7.5%; Melco, 6.3%; MinebeaMitsumi, 5.5%; LANXESS, 5.0%; Prosus, 5.0%; Baidu, 4.9%; LafargeHolcim, 4.7 %; CK Asset, 4.6%; CK Hutchison, 4.3%. Fund holdings are subject to change and holding discussions are not recommendations to buy or sell any security. Current and future holdings are subject to risk.

Longleaf Partners Global Fund

Longleaf Partners Funds

Summary - March 31, 2020

1Q20

Longleaf Partners Global Fund

(800) 445-9469 / southeasternasset.com

Longleaf Partners Funds

Long-Term / Concentrated / Engaged / Value

Founded in 1975, Southeastern Asset Management is an independent, global investment firm managing $8.4 billion. Partnership is core to all that we do, and Southeastern's employees and related entities are the largest investors across the Longleaf Partners Funds. Our 15-person global investment team are generalists, tasked with finding the best bottom-up opportunities across the globe.

The Fund seeks to own a concentrated portfolio of our best 18-22 ideas that meet our Business, People, Price investment criteria. We invest with a 3-5 year investment horizon and take advantage of short-term volatility to own high quality businesses, run by capable management teams, whose stock prices are trading temporarily at a discount. Our extensive, global network allows us to engage with our management partners to help drive long-term value creation.

Fund Profile

Investment Style	Global value
Ticker	LLGFX
Inception Date	December 27, 2012
Net Assets	$0.2 billion
Expense Ratio (Gross/Net)	1.33% / 1.20%
Turnover (5 yr avg)	34%
Weighted Average Mkt. Cap	$67.4 billion

Holdings (20)

	Activity*	Weight
CenturyLink		8.6%
EXOR		8.0
FedEx	+	7.1
General Electric	-	6.0
Williams	+	5.9
CK Hutchison	-	5.1
Melco International		4.9
Prosus	NEW	4.6
DuPont	NEW	4.2
CK Asset Holdings		4.2
Alphabet	-	4.2
MinebeaMitsumi		4.1
United Technologies	+	4.1
CNX Resources		3.9
Fairfax Financial		3.9
Comcast		3.8
LafargeHolcim		3.7
CNH Industrial		2.0
OCI	-	1.9
Millicom	+	1.5
Cash		8.3
Total		100.0 %

*Full eliminations include the following positions: None

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

Holdings are subject to change and discussion of holdings are not a recommendation to buy or sell any security. Holdings are subject to risk. Funds distributed by ALPS Distributors, Inc.

Sector Composition

Industrials	28.4%
Communication Services	18.1
Financials	11.9
Energy	9.8
Materials	9.8
Consumer Discretionary	9.5
Real Estate	4.2
Cash	8.3

Regional Composition

North America	51.7%
Europe Ex-UK	21.7
Asia Ex-Japan	14.2
Japan	4.1
Cash	8.3

Performance Contribution

Top Three	Portfolio Contribution	Return
Prosus	0.12%	-4%
FedEx	-0.48	-18
Alphabet	-0.57	-13

Bottom Three	Portfolio Contribution	Return
Melco International	-3.47%	-49%
EXOR	-3.30	-33
CenturyLink	-2.80	-27

Performance at 3/31/2020

	Total Return		Average Annual Return				
	QTR	One Year	Five Year	Ten Year	15 Year	20 Year	Since Inception
Global Fund	-29.27%	-24.39%	-1.03%	na%	na%	na%	1.71%
MSCI World Index	-21.05%	-10.39%	3.25%	na%	na%	na%	6.68%

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

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

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

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

LLP000947 expires July 31, 2020

April 9, 2020

Longleaf Partners Global Fund Commentary

1Q20

Longleaf Partners Global Fund declined -29.27% in the first quarter, while the MSCI World Index fell -21.05%. As the largest shareholder group in the Fund, we are disappointed in both our absolute and relative results. While looking to the future does not lessen or excuse the near-term performance pain, we are more excited for the long-term prospects of our portfolio than we have been in over a decade. As global markets have been rocked by extreme uncertainty and fear in the last two months, we have seen a rapid rise in stock price volatility and a steep decline in investor sentiment. We have only seen this level of disruption a handful of times in our 45-year history. Each of the seven bear markets Southeastern has lived through has felt uniquely difficult, and at the time felt like it might never end. In each case, we stuck to our

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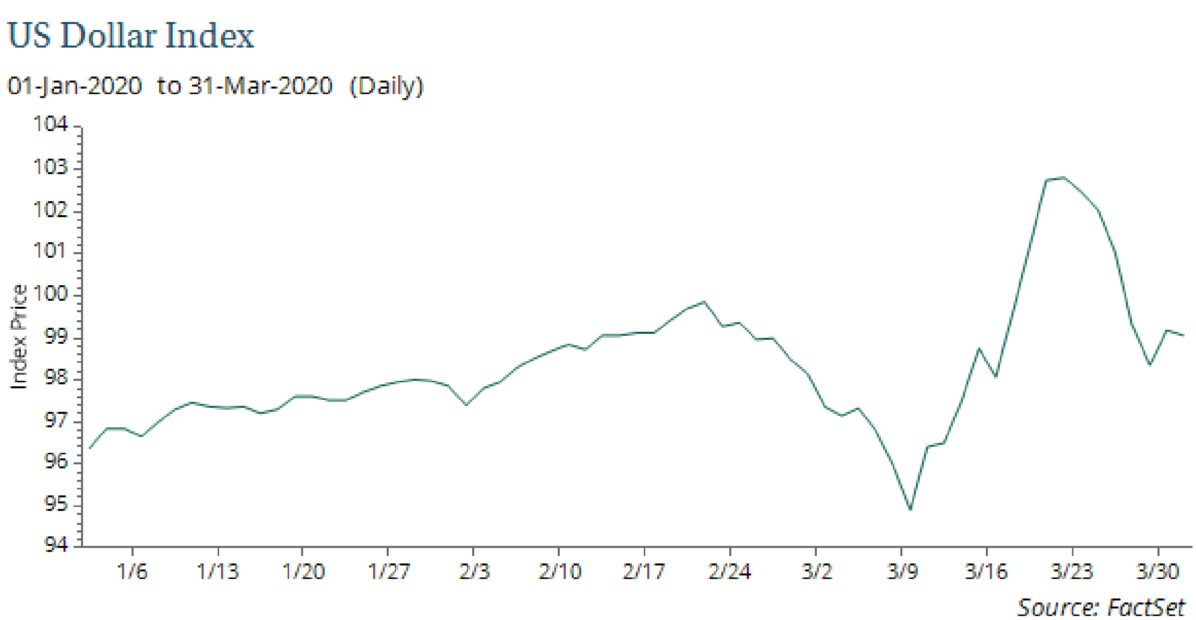
Average Annual Total Returns (3/31/20): Longleaf Partners Global Fund: Since Inception (12/27/12): 1.71%, Ten Year: na, Five Year: -1.03%, One Year: -24.39%. MSCI World: Since (12/27/12): 6.68%, Ten Year: na, Five Year: 3.25%, One Year: -10.39%.

Returns reflect reinvested capital gains and dividends but not the deduction of taxes an investor would pay on distributions or share redemptions. Performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by visiting southeasternasset.com. ***As reported in the Prospectus dated May 1, 2019, the total expense ratio for the Longleaf Partners Global Fund is 1.33% (gross) and 1.20% (net). The expense ratio is subject to fee waiver to the extent normal annual operating expenses exceed 1.20% of average annual net assets.*** *Southeastern has contractually committed to limit operating expenses (excluding interest, taxes, brokerage commissions and extraordinary expenses) to 1.20% of average net assets per year. This agreement is in effect through at least May 1, 2020 and may not be terminated before that date without Board approval.*

discipline and took advantage of market dislocations to upgrade the portfolio, which historically served us well with strong subsequent performance coming out of those periods. The drivers behind today's environment are unique, but our disciplined approach on how to navigate the turmoil remains the same.

Performance Review

We saw a continuation of the Growth outperforming Value, US outperforming all other markets and ever-stronger US dollar (USD) themes that have dominated the market narrative – and most of our Fund commentaries – for the last decade-plus. The MSCI World Value fell -26.96%, dramatically underperforming the MSCI World Growth's -15.20% decline. In fact, Value was the worst performer in the Global universe. Momentum and Growth, which have become synonymous with the higher P/E (price to earnings) Information Technology (IT) companies that have fueled the broader market's growth for a decade, meaningfully outperformed the Index. US markets saw the same wide gap between Value and Growth, but the S&P 500 (-19.60% in the quarter) held up relatively better than the MSCI EAFE (-22.83%) or MSCI World (-21.05). Additionally, the USD strengthened against every major currency in the quarter.



In this quarter, which has felt much longer than 91 days, growing fears over the now global COVID-19 pandemic, coupled with an oil price war, weighed on global markets, and governments responded with heightened stimulus, resulting in even lower interest rates and greater global political uncertainty. We saw the largest one-day market decline since Black Monday in 1987 twice in one week in early March. Similarly, the market volatility index (VIX) broke through its highest absolute level and posted its largest single intraday move since the global financial crisis (GFC).

As the table below shows, the spread between equity and bond yields is near an all-time high, with equities growing increasingly compelling versus the perceived safety of bonds. The multiple of earnings to treasury yield is significantly higher than in 2009, highlighting the extremely compelling absolute and relative case for active equity investing today. While some investors are looking to gain exposure today via the index or ETF trading in an effort to time and capture market beta, we believe this is a dangerous game. Now more than ever, there will be differences between winners and losers on an individual security basis. Our bottom-up work on Business, People and Price helps us distinguish between businesses trading at single digit multiples of free cash flow (FCF) that will grow versus low multiple stocks with poor underlying businesses or those that feel safer at higher multiples but don't have the right people at the helm to navigate the current market storm. The Global Fund trades for an average P/E of 11x and average earnings yield of 9%, an almost 8% spread and approximately 7x multiple versus 30-year treasuries. As Warren Buffett said about US 10-year treasuries recently: "If somebody came to you with a stock and said, you know, 'This is a terrific stock. It sells at 70 times earnings. The earnings can't go up for 10 years,' you'd say, 'Well, explain that to me again."

	MSCI World LTM P/E	MSCI World Earnings Yield	30-Year US Treasury Yield	Difference	Earnings Yield to Treasury Yield Multiple
2002	24.5	4.08%	4.86%	-0.78%	0.84
2009	9.6	10.46%	3.57%	6.89%	2.93
2020	15.7	6.36%	1.32%	5.05%	4.83

Source: Factset

LTM P/E is the trailing price to earnings (P/E) multiple using the last twelve months (LTM) of actual earnings; Earnings yield is the inverse of the P/E ratio.

Market Sentiment – Calculus, Statistics and History

While we are not market forecasters or medical professionals who can predict how long this situation will last, we do need to take a broader look at how best to build our portfolios going forward. We do not believe that everything will "return to normal" in a few months. But, it is amazing how dramatically sentiment has shifted in the last few weeks. We try to remember a few simple mathematical principles during this period of great uncertainty. First is that exponential growth can be hard to fathom when things are going up, but the stock market typically reacts most to the second derivative of a curve – are things accelerating, decelerating or flattening out? While the absolute number of cases and deaths will grow in the near term, there is a chance that the worldwide rate of growth could begin decelerating with aggressive global mitigation measures being taken. This could be perceived positively by markets, as in 2009 when there was plenty of bad news after early March, but the market turned upward after the first "green shoots" sprouted. The second mathematical concept we need to remember is that, as the number of cases and testing increases around the world, this larger sample size gives the world more data to analyze. This in turn leads to increased potential for breakthrough treatments and a better understanding of who has already had the virus and recovered. This must be tempered with the fact that many experts expect that COVID-19 may be seasonal with a second wave in the fall. The market hates uncertainty, so while more data very likely will lead to more immediate negatives, the fact that there will be fewer "unknown unknowns" in the months to come will likely be a positive. Additionally, the worldwide focus on developing a COVID-19 vaccine gives us confidence that, as we look into 2021 and beyond, the market should begin discounting a more "normal" world, even if the new definition of normal looks very different than it did in 2019.

In this environment, we are focused on companies that can make it through the next 6-12 months without needing to rely on the kindness of banks or consumers, but we are not going to run for the hills and only own those companies that feel the "safest" now. Taking a longer-term view, we could also see the pandemic leading to profound changes on three fronts that have hurt our portfolio in relative terms over the last 10+ years. First, printing trillions of dollars around the world to keep things afloat in this period could finally lead to some inflation, after over a decade of anemic interest rates.

While the historical data is not 100% conclusive on the effects of inflation for value versus growth stocks, the extremes of the deflationary Great Depression (when growth won) and the inflationary 1974-early 1990s period (when value won) do suggest a potentially positive turn for our style of investing. Our businesses generally benefit from pricing power or gross profit royalties, which should help them thrive in a more inflationary environment. Second, as we move from fighting the coronavirus at all costs to figuring out how to pay the bill, we suspect we could see some profound changes in the US healthcare system. We have always had a hard time capitalizing the high returns of many healthcare players – for a life or death service – into perpetuity. The COVID-19 crisis is shining a hard light on the flawed system, where people are avoiding testing or treatment for a highly contagious disease because they are afraid of medical bills, resulting in a significantly worse public health crisis. Third, we expect to see an eventual rebalancing within Information Technology, the other sector that has dominated public and private markets for over a decade, outperforming even through this period of market distress. It feels somewhat counterintuitive today to make a case against the IT companies, as the world moves to remote working and turns to e-commerce apps and website, while we must abstain from other forms of direct commerce. However, a tougher environment and tighter financing terms will eventually compel these businesses to cut costs, raise prices and seek profits, thus ending the seemingly virtuous short-term customer satisfaction cycle of seeking higher volumes at all costs to meet increasingly challenging consumer demands, which ultimately punishes other industries. Finally, many IT giants have both the law of large numbers and worldwide regulators working to diminish future returns.

Confidence in What We Own: Stress Testing in a Stressful Period

Turning to what we own, we gain confidence in our portfolio in a number of ways. First and foremost, we look to our 45-year history as a reminder of how pay off patterns following large downturns can been quick and sizeable. We have historically seen short-term absolute and relative underperformance as markets declined. While always incredibly unpleasant, this is understandable because when markets crash, correlations head towards one. Value names are generally shunned in a crash's initial flight to quality. However, the absolute and relative outperformance in the 12+ months following the low points tends to be dramatic, as value imbalances generally correct in the recovery. While the Global Fund's relatively short history (just over seven years) means it did not live through the GFC or other bear markets, this has been true for our longer-tenured Longleaf Funds.*

In periods like today, we maintain an even more active, engaged dialogue with our investee partners across our global portfolios. In some cases, we are looking for ways to add value by encouraging our management teams to pursue intelligent, value-accretive capital allocation moves or people changes to upgrade governance and oversight. In these times, our behind-the-scenes approach to engagement is even more productive and appreciated, and we look forward to sharing the fruits of that engagement as we see progress. In many cases, we are acting as a sounding board or otherwise cheering on our management partners who are already taking steps to grow value and ultimately get that value recognized, like at CNX. Our partners were fully hedged at great prices going into this downturn, closed an asset backed financing at a 6-7% interest rate in March, and used the money raised to buy in debt trading at a high teens yield. Many of our companies offer unique insight into the macro situation, which helps us refine our bottom-up, company-specific assumptions and also informs our broader macro view. The economists at FedEx are a fantastic worldwide economic barometer. We also look closely at our management teams' behavior, which often speaks louder than words. As we write this letter, insiders at seven of the Fund's holdings have bought shares personally this quarter, signaling their confidence in their companies. Additionally, we are reviewing each company that we own on a case-by-case basis to determine the potential value impact of this disaster and to ensure that our appraisal values are appropriately conservative as we face an uncertain future. We feel strongly that we own high-quality businesses with capable management teams that can adeptly navigate the current environment. However, long-term values are changing faster than we have ever seen, as near-term FCF has evaporated or decreased dramatically for certain regions and businesses.

As we wrote in our recent COVID-19 update, we broadly group our investments into three categories as we reassess our portfolio holdings:

1) Those where we expect minimal long-term impact and/or see the potential for the company to at least partially benefit from the current situation. We generally

expect to see a small near-term value impact but significant long-term value growth potential from these businesses that can more than make up for today's pain. Just over 30% of the Global Fund portfolio falls into this category, including CenturyLink, which is seeing increased demand for its fiber infrastructure as video-conferencing and streaming grow strongly around the world and end providers are running short on bandwidth, even as their Small and Medium Business customer base will see an impact. Canadian-based insurance conglomerate Fairfax Financial, led by Prem Watsa who dramatically grew the value of the company during the GFC with his conservative investing prowess, now has a large amount of liquidity to put to work in this environment. Alphabet, whose Search and YouTube businesses benefit from significantly higher demand in this environment, even as its travel and local advertising has taken a near-term hit. Additionally, natural gas company CNX Resources and pipeline operator Williams should be net beneficiaries from sub-$30-40/barrel oil, as the growth in "associated gas" should slow dramatically as Permian basin oil drilling declines, creating a better future supply/demand balance for natural gas. Over 50% of Williams' value come from its stable, regulated utility interstate pipeline assets. Prosus is a holding company whose main asset is a 31% stake in Tencent, the dominant Chinese video games and messaging company. Tencent owns a group of competitively advantaged assets like WeChat which are growing in the current environment, while the company has a rock-solid balance sheet and top-notch management.

2) Those that we expect to feel a larger near-term hit (a low-to-mid-teens percentage decrease on average), but where we feel highly confident over the long term. This situation describes a majority of our holdings, approximately 57% of the Fund, just as it did in the GFC. We held onto and/or added to this category in the GFC, and those companies ultimately led the Fund's significant outperformance as we rebounded in 2009. We expect to see a similar pattern when we rebound from the current downturn. A prime example in this category is Asian casino and resort holding company Melco International, as it is beginning to show initial positive signs of recovery from the extreme lows in late February. While our value has declined this year in-line with gross gaming

revenue (GGR) declines, Melco is seeing a meaningful reduction in its cash burn, and it is competitively well-positioned with its majority mass gaming business mix and CEO Lawrence Ho, who has a strong track record of creating value in challenging times. United Technologies and General Electric will both be negatively impacted by aerospace supply chain issues, but UTX's Pratt and Whitney and GE Aviation's aircraft engine businesses are especially resilient, given the primary business is the recurring, contractual maintenance revenue, not new engine sales. Both companies have significant, uncorrelated, non-aerospace businesses, with GE's Medical business benefitting from worldwide demand for its products and UTX's split into Carrier, Otis and Defense/Aero which was completed shortly after quarter end. We were also able to sell our shares in Otis after quarter end at a price very close to our appraisal. Both GE and UTX have strong leaders with a great track record of capital allocation and operational execution and both trade at single digit multiples of earnings power. While we have categorized EXOR within this bucket, it could quickly move to the first category if the two recently announced deals – the merger of FCA and Peugeot and the sale of PartnerRe to Covea - continue as planned. Our appraisal values are not predicated on the deals closing, and CEO John Elkann remains a great partner for navigating a time like this.

3) Those where we expect to see a more material near-term hit and a potential long-term impairment to appraisal. While it is difficult to know how long the current crisis will continue, we could potentially see some material value declines (20% or greater on average) in this much smaller group (4% of the portfolio), reminiscent of the GFC. There are two Fund holdings that fall into this category currently – OCI and CNH Industrial. Nitrogen fertilizer company OCI has a significant amount of FX and commodity pricing risk (as it tends to track with oil prices) outside of its control, combined with debt that would be fine during normal or even slightly stressed times but might be a bit higher than the company would want if they could start fresh today. However, the company has been able to move to maintenance capex and generate FCF in this environment. CNH will still split into two companies to better highlight the value of each, but

the timeline has been pushed out while the company is going through a management change that we believe controlling-owner EXOR will navigate well.

We are carefully weighing each individual business, revisiting our case for each. The "category 3" businesses could prove to be a "category 1 or 2," particularly in the hands of the great people at each. However, our discipline dictates that we will not add to companies where our value has taken a permanent impairment until our values have stabilized and begun to grow again. If we believe that the long-term business case or competitive advantages of a business become impaired and/or that our management partners are not capable of taking action to grow the value, then we will take action to upgrade our portfolio.

We recognize that it can be easy to fall prey to simply holding onto or doubling down on the companies that we already own and know in an uncertain environment, and we also recognize that we built our portfolios in a very different environment than today. We are therefore looking at each existing company and comparing it against opportunities to upgrade the quality and durability of the portfolio with any new additions. What will matter most going forward are the individual stocks we own and the changes we are making to our portfolios.

Contributors/Detractors

(Q1 Investment return; Q1 Fund contribution)

Prosus (-4%, 0.12%), the Fund's newest position, held up strongly in the quarter and was the only positive contributor. Prosus is a Netherlands-listed holding company that was spun out of South African company Naspers in September 2019. It presents a rare opportunity to buy Tencent, one of the world's strongest franchises that is growing above 20%, at a highly discounted price. The company's 31% ownership in Tencent represents over 90% of our Prosus appraisal value. While COVID-19 is hurting a lot of industries and companies, Tencent is one of the few that benefits. Tencent's WeChat is the world's largest and most active social network with monthly active users (MAU) of over 1.1 billion and is embedded in people's lives across online games, video, music, travel, ecommerce and financial services. Tencent is also a top global gaming company with a dominant position in China, having developed five of the top 10 most popular international mobile games worldwide. Tencent's top games have seen a rapid acceleration in daily average users (DAU) and downloads in the quarter, as people are confined at home. Prosus has a net cash balance sheet, and its stake in Tencent alone represents around 130% of Prosus's market cap with Tencent at market price. We believe exposure via Prosus is far more attractive than when it was held by Naspers because it is listed in a developed market with no South African currency or political risk worries, and a much more liquid exchange. Prosus is the largest shareholder at Tencent with two board seats at the company. While Tencent does not look particularly cheap on a standalone basis, trading at 25x earnings, the company has several non-earning assets (NEAs) in the form of businesses in the investment phase that are still unprofitable or under-earning. However, if they were separately listed, they would be worth a lot today. If we exclude the value of its NEAs, we are buying Tencent at less than 10x FCF via our Prosus stake, for a business that is expected to continue compounding at over 20% annually. Beyond the Tencent exposure, we have great management partners and disciplined capital allocators in Bob van Dijk and Pat Kolek, who have experience leading dominant franchises in Classifieds, Food Delivery and Payment verticals in emerging markets, and are focused on closing the discount to value. While these businesses are small as a percent of value today, they represent free options at today's Prosus price, are expected to grow at double-digit rates with low capital intensity and will potentially be listed in time to help with value discovery.

Melco International (-49%, -3.47%), the Asian casino and resort holding company, was the top detractor in the quarter. Subsidiary Melco Resorts (Melco) achieved record high luck-adjusted EBITDA (earnings before interest, taxes, depreciation and amortization) in the fourth quarter and the full year for 2019, with growth in both mass and VIP gaming well ahead of its peer set. The first three weeks of January were off to a record start, but both Macau visitation and GGR collapsed around Chinese New Year on the back of the COVID-19 outbreak. In February, Macau's GGR fell by 88% year-over-year (YOY), as the Macau government ordered the shutdown of casinos for 15 days, and the Chinese government suspended the issuance of IVS (individual visitor scheme) and group tours, causing all casino operators to sell off. Melco was not immune to the declines, but we are confident Melco, which derives over 90% of its Macau EBITDA from non-VIP business, will continue to compound value per share as a principal beneficiary of the structural growth in mass gaming. Melco is well-positioned financially, with its $1 billion dollar debt well supported by its 56% stake in Melco Resorts, which is currently worth around $3.8 billion, and paid about $180 million of dividends to Melco International last year. Melco Resorts has $1.5 billion in cash on hand, and its $1.75 billion credit facility is virtually undrawn. The recovery of the operation amid COVID-19 has been slow, with steady improvement in March. With renewed border controls by Macau and neighboring Guangdong province in late March, we expect April to get worse from March levels. Real recovery back to normalized earnings power will only happen once visa and quarantine restrictions are lifted. Although we are likely to see continued volatility in the near-term, our long-term outlook for the business remains strong. Over our many years of partnership with Lawrence Ho and his team, we have seen them adeptly navigate through tough times and allocate capital well, especially during downturns.

EXOR (-33%, -3.30%), a European holding company of the Agnelli family, was a detractor in the period, with the largest drag on its price coming from its dual-listing in Italy, one of the hardest-hit global markets in the quarter, despite the company's moving its headquarters to the Netherlands and listing on the Dutch stock exchange several years ago The look-through revenue exposure to Italy is in the mid-single digits. While Fiat Chrysler (FCA) is a more cyclical business, it is competitively advantaged versus its US auto peers to survive the challenging environment given its strong liquidity position. Earlier in the quarter, EXOR agreed to the sale of global re-insurance business PartnerRe to Covea, a leading French mutual insurer for a total cash consideration of $9.0 billion plus a cash dividend of $50 million. Last year, the company announced a planned merger between France's PSA, which owns Peugeot, and Fiat Chrysler (FCA), which would create the world's fourth-largest carmaker and reshape the automotive sector. These deals are still expected to move forward as planned, despite today's more challenging environment. EXOR has also likely suffered as holding company structures often become more heavily discounted in a market sell-off. In our experience, a holding company structure is a magnifier of underlying management quality, and superior owner-operators, like CEO and Chairman John Elkann, who has a proven track record of strong capital allocation and portfolio management, are able go on offense in this environment to emerge even stronger than before. We have what we believe to be a best-in-class collection of assets with Case New Holland (CNH), FCA, *The Economist*, Juventus and Ferrari control stakes under the strong leadership of Elkann and Managing Director Suzanne Heywood. In the interim, the balance sheet has strengthened by the lowering interest rates trend globally.

CenturyLink (-27%, -2.80%), the fiber telecom company, was another detractor, despite reporting over $1 of FCF per share in the fourth quarter of 2019. Two sell-side analysts downgraded CenturyLink to a “sell” in the last few weeks of the quarter, with the primary points of concern being the long-challenged consumer and voice business and an expected decline in earnings before interest, tax, depreciation and amortization (EBITDA), as customers within the small and medium business (SMB) segment shut down in the current environment. Our case has always assumed that the “bad” consumer and voice business, comprising roughly one-third of EBITDA, continues to decline every year. The positive growth from the remaining “good” parts of the business comes from segments with long-term growth prospects, like Enterprise, SMB and International connectivity. The SMB business is challenged today by small business customers facing sudden existential threats, and we might see a one-time hit to EBITDA as the company addresses bad credit at these customers. However, this is positively offset by the Enterprise business seeing a significant increase in demand to support remote working and in-home streaming, illustrated in part by the growth of CenturyLink’s video-chat customer Zoom. The company, like many others, has suspended guidance in the current environment, but we believe it is well positioned to come out even stronger than before. The company’s net debt-to-EBITDA is in a much better position than in 2008-09, and it produces over $3 per share in FCF. As noted above, we have a 13-D filed at the company and are actively engaged with CEO Jeff Storey and the board to explore numerous strategic options to bridge the substantial gap between share price and long-term appraisal value.

CK Hutchison (-30%, -1.97%), a conglomerate of telecommunications, health and beauty, infrastructure, global ports and energy, was another top detractor in the quarter. Its underlying stake in Husky Energy is facing strong headwinds in the current oil environment, but Husky only comprises a low single-digit percentage of CK Hutchison’s overall appraisal. Health and beauty chain Watsons stores in China have already seen the impact of COVID-19 peaking in February, and it began a solid recovery in March as the country is gradually reviving. Its European retail chain Superdrug is seeing strong double-digit sales growth and is likely to remain open, even in a potential continent-wide lockdown, as it provides critical services. Telecom subsidiary 3 Group Europe reported a 17% year-over-year increase in EBITDA, driven by successful growth at Italy Wind Tre. CK Hutchison net debt/EBITDA is below 2x, and all three credit rating agencies have maintained a stable A rating. The stock trades above a 6% dividend yield today. The Li Ka-shing family and other directors of the company bought 1.25mn shares in the quarter, signaling their strong confidence in the current uncertain environment.

Portfolio Activity

We started the year with relatively high levels of cash, which we have used as dry powder to improve our portfolios. The fund added two new positions – Prosus, which we discussed in detail above and DuPont.

We initiated a new position in DuPont in February and added heavily during the March sell-off. After spinning its commodity chemicals business Dow in April 2019 and its seeds and agriculture chemicals business Corteva in June 2019, DuPont has a collection of high-return assets in nutrition, electronics and construction. CEO Ed Breen has a strong history of smart capital allocation, cost cutting and value additive M&A activity, and we believe he can lead the company effectively through this difficult period. We were especially encouraged by the announcement late last year that DuPont is spin-merging its Nutrition segment with International Flavors and Fragrances, creating a powerhouse business and improving DuPont's balance sheet even further when the deal closes later this year.

We trimmed several companies that have held in better than most at higher price-to-value (P/V) and price-to-FCF ratios. We have increased our positions in multiple holdings that are in groups 1 and 2, described above. Our cash is now down to 8%, and we continue to monitor our current holdings and our on-deck list for new opportunities to upgrade.

Southeastern's COVID-19 Business Plan

While we have discussed at great length the investment opportunity that the market disruption has created, we are deeply saddened by the devastating loss of life and dangerous health impact the COVID-19 pandemic has had for so many globally. The health and safety of our employees, their families, our clients and the community around us remain our top priority. We have been heartened to see some of our companies taking steps to help where they can, such as General Electric working to help develop thousands of ventilators to aid coronavirus patients or EXOR and the Agnelli family making donations of funds and medical supplies to hospitals.

Southeastern is closely monitoring the rapidly-developing situation and following WHO and local government guidelines and best practices. We shifted employees to a remote working scenario over the course of the quarter and have temporarily restricted all business travel and conference attendance for all employees. All teams are coordinating to ensure maximum productivity with this arrangement and have managed with minimal disruption. We have a robust business continuity plan (BCP) and remote connectivity platform in place, and our global research team is used to communicating across multiple locations and time zones. The transition has been seamless, with no material issues with connectivity or disruptions to daily business activities.

Outlook

As we wrote at the beginning of this letter, our long-term outlook for the portfolio is the strongest it has been in over a decade. Although we expect to see some continued near-term volatility before we see a sustained upswing, we believe our portfolio is well positioned to weather the storm. We do not know when, but the COVID-19 situation will eventually stabilize, and global businesses will recover. When they do, equities should vastly outperform bonds, which are poised to lose capital in a meaningful way, as interest rates cannot go much lower. We believe our companies will outperform the market, as they have in prior recovery periods because they are more heavily discounted today, despite being strong, high quality businesses. Our management partners are exceptional and are taking the necessary steps to create significant value while navigating their businesses through this uncertain period to be even stronger in the future.

Southeastern employees have been adding to our investment in the Fund with the largest collective insider buying (outside of seeding a new strategy) since the Fund's inception. We believe it is a great time for our partners to be adding as well. Cash in the portfolio is now 8%, and P/V is high-40s%, a rare level only seen once in our history of tracking the metric in our longer-lived Funds, during the GFC. We have historically seen strong absolute and relative performance in our longer-lived Funds in the subsequent 12+ months following periods of P/V below 60%.

Additionally, our on-deck list of qualified new potential holdings has more than doubled in the quarter. The opportunities are not limited to a single industry or region, as selling has opened opportunities across a broad spectrum of companies. Some of the more interesting opportunities where we are looking closely include "groups of people" stocks, primarily in the travel and entertainment space, that are competitively advantaged to weather the storm; misunderstood companies where the market is applying a 2008 scenario even though the business has changed significantly since the GFC; and industries or businesses that are great long-term value growers but are subject to short-term volatility. For example, we have been following a former retail holding for a long time, and it has finally flipped back into being an on-deck after a recently misunderstood set of results. We talked with a diversified industrial company that we regret missing in 2011-2012 the first time we did the work. We might now have another shot. We are now talking with users at a company that is undergoing a transition to more of a software business. We have done the work and are waiting on price at a blue-chip former winner with all-time great capital allocation. We have followed for a long time a misunderstood financial with a strong franchise, and now we are waiting on price. We believe that many Consumer Branded Goods, Utilities and Health Care companies remain broadly fair-to-overpriced, given their perceived defensiveness, but we would love to own some of these businesses at the right price and are closely monitoring them. We are avoiding undifferentiated companies with over-leveraged balance sheets no matter how statistically cheap they are, such as balance-sheet-heavy financials, oil (which we do not consider high enough quality, despite the large price drop), airlines, etc.

We have stepped up our communications with you over the last several weeks, and you should expect additional outreach from us as long as this crisis lasts. We hope that you have found our Podcast and FAQ helpful, and we encourage you to reach out to us at info@SEasset.com or podcast@SEasset.com with your questions and topics that you would like to see us cover in future communications. We thank you for your continued partnership and patience. We believe it will be rewarded with strong future performance.

See following page for important disclosures.

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

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

**Quarter-ends since 1993 were identified where the Longleaf Partners Fund's "price-to value ratio" (P/V) was less than 60%. From each quarter end identified, the 1, 3, and 5 year cumulative returns for the Fund and the S&P 500 were calculated. Those returns were then averaged and the 3 and 5 year returns were annualized. The results were: 18.28% for 1 year, 13.43% for 3 year, and 12.98% for 5 year for the Partners Fund and 8.59%, 8.29%, and 10.84% for the S&P 500. In addition, quarter-ends since 1998 were identified where the Longleaf Partners International Fund's "price-to-value ratio" (P/V) was less than 60%. From each quarter end identified, the 1, 3, and 5 year cumulative returns for the Fund and the MSCI EAFE were calculated. Those returns were then averaged and the 3 and 5 year returns were annualized. The results were: 17.00% for 1 year, 10.49% for 3 year, and 11.28% for 5 year for the International Fund and 6.95%, 6.25% and 9.08% for the EAFE Current circumstances may not be comparable.*

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

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

VIX is the CBOE Volatility Index, which reflects the market's expectation of near-term S&P 500 volatility based on a range of index options.

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

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

Capital Expenditure (capex) is the amount spent to acquire or upgrade productive assets in order to increase the capacity or efficiency of a company for more than one accounting period.

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

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

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

As of March 31, 2020, the top ten holdings for the Longleaf Partners Global Fund: CenturyLink, 8.6%; EXOR, 8.0%; FedEx, 7.1%; GE, 6.0%; Williams, 5.9%; CK Hutchison, 5.1%; Melco, 4.9%; Prosus, 4.6%; DuPont, 4.2%, CK Asset, 4.2%. Fund holdings are subject to change and holding discussions are not recommendations to buy or sell any security. Current and future holdings are subject to risk.