Longleaf Partners International Fund

Quarterly Summary Report

For the Quarter Ended
June 30, 2022

Longleaf Partners Funds

LLP001336 expires October 31, 2022

Summary – June 30, 2022

2Q22

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	$0.7 billion
Expense Ratio (Gross)	1.17%
Expense Ratio (Net)	1.15%
Turnover (5 yr avg)	29%
Weighted Average Market Cap	$28.2 billion

Holdings (24)

	Activity*	Weight
EXOR		6.7%
Glanbia		5.4
WH Group		5.0
Applus Services		4.9
CK Hutchison		4.9
Prosus		4.8
GRUMA		4.8
Lazard		4.7
Accor		4.6
Premier Foods		4.3
GREE		4.2
Fairfax Financial		4.2
Domino's Pizza Group (UK)	+	4.0
Richemont		3.8
Melco International		3.7
Millicom	+	3.7
Jollibee		3.5
LANXESS		3.4
Alibaba		3.0
Juventus		2.8
adidas	NEW	2.5
Kering	NEW	2.4
flatexDEGIRO	+	2.3
Housing Development Finance Corp	NEW	2.2
Cash		4.2
Total		100.0%

*Full eliminations include the following positions: Holcim and Seria

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

The total expense ratio for the Longleaf Partners International Fund is 1.17% (Gross) and 1.15% (net). The International Fund's expense ratio is subject to a contractual fee waiver to the extent the Fund's normal annual operating expenses exceed 1.15% of average annual net assets.

Sector Composition

Consumer Discretionary	36.5%
Financials	20.1
Consumer Staples	19.5
Industrials	9.8
Communication Services	6.5
Materials	3.4
Health Care	--
Information Technology	--
Energy	--
Utilities	--
Real Estate	--
Cash	4.2

Regional Composition

Europe Ex-UK	47.3%
Asia Ex-Japan	26.5
North America	13.7
UK	8.3
Cash	4.2

Performance Contribution

Top Three	Portfolio Contribution	Return
WH Group	0.94%	26%
Prosus	0.78	20
Alibaba	0.14	5

Bottom Three	Portfolio Contribution	Return
flatexDEGIRO	-2.26%	-53%
Domino's Pizza Group (UK)	-1.48	-31
Millicom	-1.41	-30

Performance at 6/30/2022

	Total Return (%)			Average Annual Return (%)				
	2Q	YTD	One Year	Five Year	Ten Year	15 Year	20 Year	Since Inception
International Fund	-11.03	-21.74	-28.18	-2.09	3.69	-0.12	3.48	5.64
MSCI EAFE	-14.51	-19.57	-17.77	2.20	5.40	1.42	5.27	4.07

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

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

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

July 2022

Longleaf Partners International Fund Commentary

2Q22

Longleaf Partners Funds

Fund Characteristics

P/V Ratio	Low-50s%
Cash	4.20%
# of Holdings	24

				Annualized Total Return			
As of 6/30/2022	2Q (%)	YTD (%)	1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)	Since Inception * (%)
International Fund	-11.03	-21.74	-28.18	-6.74	-2.09	3.69	5.64
MSCI EAFE	-14.51	-19.57	-17.77	1.07	2.20	5.40	4.07
MSCI EAFE Value	-12.41	-12.12	-11.95	0.18	0.52	4.25	4.65

*Inception date 10/26/1998

Longleaf Partners International Fund declined 11.03% in the second quarter, outperforming the MSCI EAFE Index, which declined 14.51% and the MSCI EAFE Value, which fell 12.41% in the period. The Fund's position in Hong Kong/China, which drove relative and absolute underperformance in the last year, was the largest driver of outperformance in the second quarter. Sentiment around Chinese equities started recovering from the extreme pessimism we witnessed in the first quarter as COVID lockdowns eased, regulatory pressure abated, and government crackdowns were replaced with stimulus. Top-down China fears around government regulation and ongoing COVID lockdowns reached a peak in March, but as geopolitical and macro pressures began to ease in the second quarter, sentiment improved, and stock prices

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began to re-rate in the period. Weakness in international currencies — particularly the euro and the Japanese yen – was the largest single performance detractor in the quarter, accounting for nearly one-third of the quarter's negative returns, as interest rate and inflation differentials between the US, European and Asian countries increased. The euro is now almost at parity with the US dollar for the first time since 2002, driven by fear of a deep recession in the eurozone caused by higher inflation and declining export demand. These factors are weighing heavily on the share prices of many of our European businesses, which comprised our top detractors in the period. The Japanese yen hit a 24-year low against the US dollar as the Bank of Japan continued to suppress the Japanese yield curve, while the US yield curve climbed in response to rising inflation and quantitative tightening, making it compelling for investors to take advantage of the yen carry trade and creating some potentially interesting investment opportunities in Japan. Today the US dollar is nearly three standard deviations more than yen and more than two time versus the euro – an overstretched level that we believe is unsustainable and will likely become a performance tailwind in the near-to-medium term.

We encourage you to watch our video with Portfolio Managers Ken Siazon, Josh Shores and Staley Cates for a more detailed review of the quarter.

Contribution To Return

2Q Top Five

Company Name	Total Return (%)	Contribution to Return (%)	Portfolio Weight (%) (6/30/22)
WH Group	26	0.94	5.0
Prosus	20	0.78	4.8
Alibaba	5	0.14	3.0
Juventus	5	0.14	2.8
GREE	2	0.11	4.2

2Q Bottom Five

Company Name	Total Return (%)	Contribution to Return (%)	Portfolio Weight (%) (6/30/22)
flatexDEGIRO	-53	-2.26	2.3
Domino's	-31	-1.48	4.0
Millicom	-30	-1.41	3.7
EXOR	-17	-1.24	6.7
Applus Services	-16	-0.85	4.9

Holdings are subject to change. Past performance does not guarantee future results

- WH Group – Global pork packaged meat company WH Group was the top contributor for the quarter after reporting strong first-quarter results with double-digit EBITDA net profit growth ahead of expectations, driven primarily by the solid performance of its Smithfield US operations. Despite input cost headwinds, we remain optimistic about the company's outlook. The company can more than offset input cost inflation by increasing prices and shifting its product mix. Unlike the US packaged meat business that grew year over year, its China packaged meat business saw single-digit revenue declines in the face of COVID-related logistics disruptions but double-digit operating profit growth.
- Prosus – Prosus, the holding company for Tencent and other digital investments, was a top contributor in the quarter. Prosus announced it would sell Tencent stock to repurchase its own discounted shares with authorization for up to a 50% buyback to help address the enormous price-to-value gap. We believe this is a highly accretive transaction with Prosus (and Naspers) repurchasing and canceling shares at a deep discount to net asset value, while increasing exposure to Tencent on a per-share basis. The magnitude of the buyback could be sizable ($10-$30 billion per annum), and the stock price reacted accordingly (up 16% on the day for this €170 billion mega-cap). Additionally, management is reworking its compensation program to tie incentives directly to closing the discount, creating much better alignment with shareholders and highlighting the strength of the management team at Prosus.
- flatexDEGIRO – German-listed digital broker flatexDEGIRO was the top detractor in the quarter. Flatex is a company that correlates directly with market volatility in the short term. We believe the price reaction is overblown, and the company now trades at single-digit multiples on what we expect to be double-digit free cash flow per share earnings power for a business that is competitively entrenched as the low-cost provider of online trading and brokerage services. Flatex is going on offense, investing to add new customers. Although the market is punishing the stock price for the short-term negative impact on margins, we believe it is the right move for long-term growth. Flatex should benefit over the longer term as funding dries up for its overvalued Robinhood-equivalent peers. Additionally, the company has a strong customer base to which it can expand its services offered, offering strong growth potential. We have owner operators in place that have a great track record of growing value per share and getting that value recognized.
- Domino's Pizza Group – Domino's Pizza Group (DPG) declined in the quarter in line with broader concerns over the UK consumer, but the underlying fundamentals of

the business remain compelling. This asset light, high cash generation business has significant growth potential. Shortly after quarter end, the company announced that CEO Dominic Paul will be stepping down to join FTSE 100 company Whitbread. The CEO was an important factor in our fundamental case for DPG, and we are in close dialogue with the Board and other key stakeholders on potential strategic options for the business from here.

- Millicom – Latin American cable company Millicom detracted in the quarter. In 4Q21, Millicom announced a rights issue to fund a strategic acquisition of the half of its Guatemala business that Millicom didn't already own. The rights offering was only completed this quarter, and the strike price was (in our view, unnecessarily) set at an almost 50% discount to what the market was expecting, resulting in a sharp stock price decline. EBITDA performance remains on target, and guidance for the full one- and three-year targets remain intact. This company produces substantial free cash flow per share, which is being allocated mostly to grow the fiber/cable business double digits in terms of subscribers and revenues. CEO Mauricio Ramos has multiple options beyond free cash flow to deleverage the balance sheet, including sales of the company's cell tower and fintech assets.
- EXOR – European holding company EXOR declined in the quarter in the face of euro weakness against the dollar and a resurgence in worry about the "Italian" exposure of the business, given its dual-listing in Netherlands and Italy. The market has also taken a "show me" approach to the announced €9 billion sale of PartnerRe to Covea, but the deal closed shortly after quarter end, removing that additional overhang. The company now has roughly half its market cap in cash, allowing EXOR to be a liquidity provider in a distressed world amidst a massive liquidity tightening. We are confident in CEO John Elkann's ability to intelligently allocate the capital to add significant value for shareholders.

Portfolio Activity

We have taken advantage of the market volatility this year to initiate three new positions in top quality businesses that have become attractively priced due to short term issues. We have followed Indian markets for more than a decade, and recent volatility, compounded by the rupee sell off, has given us the opportunity to buy what we think is the best consumer franchise in India. We are also seeing opportunities in the European luxury and lifestyle sectors with extraordinarily high-quality brands and great management teams. We purchased a "recycled" company that we successfully owned in the past, along with another business in this area that we have long admired. We also exited our smaller positions in Seria and Holcim, as we were able to upgrade into better opportunities with a higher margin of safety.

Outlook

The International Fund is fully invested with approximately 4% cash, and our on-deck list is growing longer amid market volatility. New investments have a high hurdle to qualify given our conviction in our current holdings and the steep discount of the portfolio, which trades at a rare and attractively discounted price-to-value (P/V) in the low-50s%. We expect to see continued progress in our individual holdings, as our management partners pursue catalysts that could drive significant near-term payoffs. We own companies that have pricing power, strong balance sheets and clear paths to organic growth, and we are partnered with aligned management teams that are proactively taking steps to add value in ways they can control and close the (near historically wide) value gap. We believe that our largest macro headwinds over the last decade could soon become tailwinds.

See following page for important disclosures.

Data and discussion is as of June 30, 2022

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

"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.

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.

Net Asset Value (NAV) is a statement of the value of a company's assets minus the value of its liabilities.

As of June 30, 2022, the top ten holdings for the Longleaf Partners International Fund: EXOR, 6.7%; Glanbia, 5.4%; WH Group, 5%; Applus Services, 4.9%; CK Hutchison, 4.9%; Prosus, 4.8%; GRUMA, 4.8%; Lazard, 4.7%; Accor, 4.6% and Premier Foods, 4.3%. Fund holdings are subject to change and holdings discussions are not recommendations to buy or sell any security. Current and future holdings are subject to risk.