Global Strategy Commentary

4Q21

Southeastern Asset Management

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			Annualized Total Return			
	4Q (%)	1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)	Since Inception (%)
Global Strategy (Gross)	4.27	10.08	12.15	8.88	9.44	6.81
Global Strategy (Net)	4.13	9.56	11.56	8.31	8.84	6.09
MSCI World	7.77	21.82	21.70	15.03	12.70	6.32
MSCI World Value	7.19	21.94	13.64	8.92	9.53	5.42

***Since inception 9/30/2000**

The Global Strategy added 4.13% in the fourth quarter versus MSCI World's return of 7.77%. For the full year, the Strategy returned 9.56%, while the MSCI World returned 21.82%. Approximately half the disappointing relative performance for the year stems from our exposure to overseas-listed China and Hong Kong. COVID lockdowns re-accelerated in the second half, and investor anxiety from several rounds of regulation in the Chinese technology, education, real estate and Macau gaming sectors created extreme volatility. Consumer Discretionary was one of the worst absolute and relative-performing sectors, driven primarily by our China-exposed businesses. The portfolio's cash position, which averaged 15% over the course of the year but ended the period at approximately 8%, weighed on relative results. Although our relative underweight to the US and lack of exposure to the Information Technology businesses that dominated that market were a drag on relative performance, the majority of our North American stocks posted double-digit returns for the year. In a year that saw various times when the stock market acted like the pre-COVID, during-COVID and post-COVID "environments" (not necessarily in that order), the good news was that our two largest holdings – which we feel can thrive in all three

Portfolio Characteristics

Price-to-Value	low-60s%
# of Holdings	21
% of Cash	8.0%
Portfolio Yield	1.7%

of these environments – Lumen and EXOR, were among our top contributors for the year. We believe that both remain underappreciated by the market and offer significant upside from today's discounted prices.

The team has been busy re-underwriting our businesses on a case-by-case basis. We draw upon insights from our extensive network of regional and industry experts, current and former investee company management teams and boards, asset management peers and clients to help inform our qualitative view. Although we believe that much of the China and Hong Kong markets have already been punished, creating some compelling bottom-up opportunities, we recognize that the macro events of 2021 will likely create long-term headwinds for many of the businesses there. In a challenging macro environment, we believe it is even more important to concentrate on your best ideas, where you truly know your businesses and the management teams at the helm.

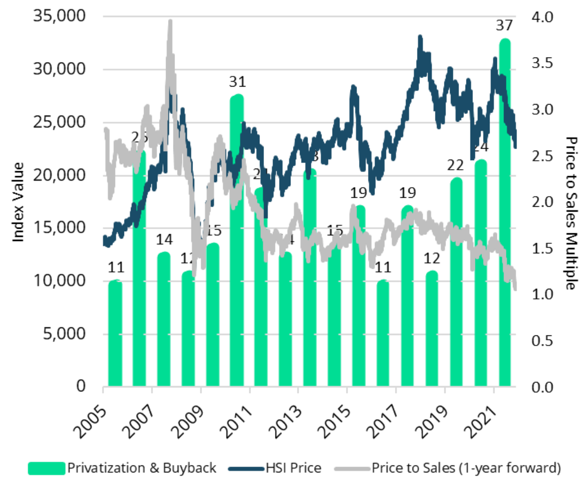
China Update

China and Hong Kong were severely punished in the second half in the face of macro pressures and uncertainty. The MSCI Zhong Hua (ZH) index, a composite index comprising the MSCI China and Hong Kong indices, was down over 19% in 2021, underperforming its own 3- and 10-year average returns by approximately 26% and falling short of the MSCI EAFE, MSCI World and the S&P 500 by 30.5%, 41% and 47.7% respectively, reflecting the deep pessimism of investors towards China and the extremely strong performance of developed markets. US-China tensions, China property concerns, regulatory changes across the China education and technology sectors and Macau gaming license issues, on top of harsh COVID-induced border lockdowns, have all added to market volatility. The commentary from the 3Q letter detailing our interpretation of and response to these events remains pertinent.

In the fourth quarter, we saw an easing of some areas of uncertainty, including the potential for Chinese securities regulation of overseas-listed variable interest entities (VIE), a structure that has allowed Chinese companies to skirt a formal prohibition on foreign investment in internet services. Fears that this structure could be deemed illegal, wiping out the value of foreign investors' holdings, were put to rest when the China Securities Regulatory Commission (CSRC) officially extended oversight of offshore listing to Chinese firms with VIE structures in late December. Additionally, fears subsided over drastic regulation of gaming in Macau, including the potential revocation of gambling licenses (as discussed in detail in our third quarter letter), when the Macau government published its final report on the public consultation on the Macau license re-tendering on December 23. Although the report was merely a summary of public opinions gathered during the consultation period and not a final position by the government, it was positive in many respects. After the end of the quarter, Macau casino stocks rallied after authorities confirmed the revised gaming laws would involve minimal changes to the original gaming license terms and would maintain six casino licenses for up to 13 years, providing long-awaited clarity. While the industry remains depressed in the face of COVID-related lockdowns, Macau is poised to rebound quickly as pent-up demand is likely to fuel a rapid return as borders ultimately re-open. Melco International, the holding company for Macau casino operator Melco Resorts, stands to win doubly, as a rebound can help close the historically wide (and in our view unjustified) discount between holdco and the underlying operating business.

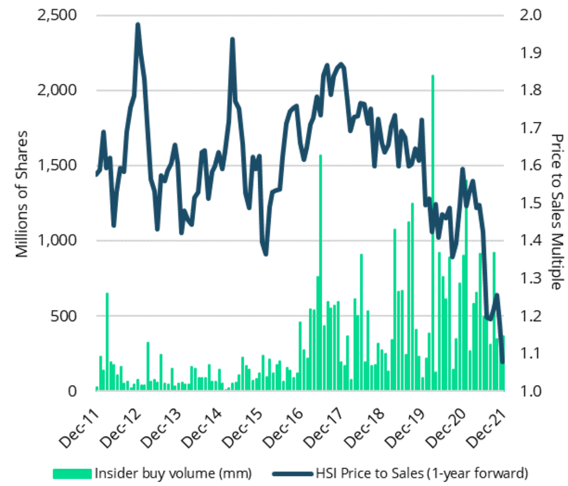
Supporting the case that China and Hong Kong offer compelling valuations, we have seen historically high levels of insider purchase activity across the region (and within our portfolio companies) in the last two years. At a time of elevated uncertainty and investor panic, it's always reassuring to see what insiders — who have better access to information and policymakers than outside shareholders, especially in a market like China where transparency is lower and volatility is higher — are doing with their money. Insiders in Hong Kong are taking advantage of the dislocation in prices by buying significant amounts of their own companies. The number of applications to the Hong Kong Securities and Futures Commission for privatization and buybacks has increased significantly as market valuations became more attractive. In the last two months of the year, there was over 3x more insider buying than selling volume in the Hong Kong stock exchange, surpassing the levels seen in February 2020, when COVID first broke out in China.

Applications for Privatization and Buybacks



Source: Hong Kong Securities and Futures Commission; Bloomberg

Insider Buying vs. Hang Seng Price/Sales

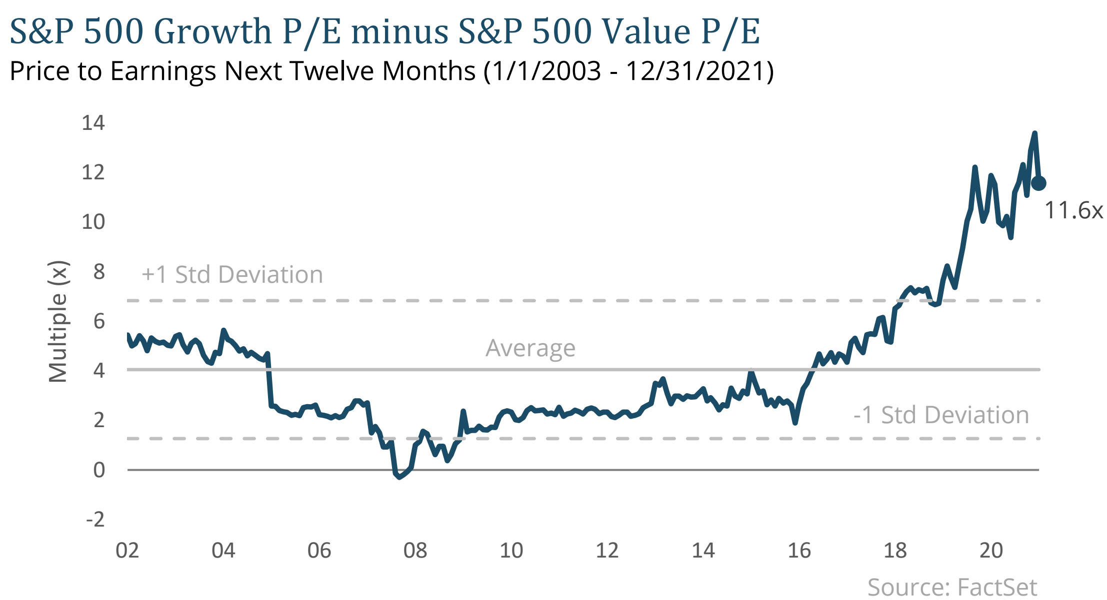


Source: 2iQ Research; Bloomberg

Market Review

When we step back and look at the stocks that we do not own, we feel better than ever because finally too much ardor for the US market favorites is making many of them fall harder. This began happening this year in the small cap world, as first the SPAC market cooled off, then the IPO (initial public offering) market began cooling as well. We have now seen things changing for larger cap favorites, like DocuSign falling over 40% in a day after a quarter that wasn't all that bad, because it must be truly GREAT when you are trading near 20x revenues. This has led to a narrowing of market leadership yet again, with five large tech stocks essentially driving the S&P 500. While in the first four months of 2021, the equal-weighted S&P 500 outperformed the market-cap weighted index (indicating that a large number of stocks were rising), this quickly reverted in the latter half of the year, as the market-cap weighted S&P 500 outperformed its equal-weighted counterpart by 4% in the last eight months. While we hate sounding like a broken record and would love to own these market leaders at the right price, we must remind you of the rarity of living through a 5-10-year period in which the biggest got bigger/stronger and their growth rates didn't decelerate as both history and most prudent discounted cash flow models (DCFs) would suggest they should. That doesn't mean that they keep accelerating or stay at this growth rate forever (as their valuations need). More likely, it's a longer way down when they fall. An "S Curve" does eventually flatten out and ultimately go down. Although we cannot say when it will happen, odds are very high that these companies will: 1) hit the law of large numbers; 2) see increasing regulation; and/or 3) compete against themselves, well-funded startups (some of which we now own at IAC and Prosus) and/or "traditional" companies that can get together and/or focus to deliver a superior product (for example, the powerful union of Discovery and Warner Brothers). We may be witnessing the beginning of this turn. As of January 6, 2022, approximately 40% of Nasdaq Composite Index companies have seen their market values cut in half or more from 52-week highs.

Bringing it all together at the micro level, the gap between "obvious quality" and "everything else" grew once again this year. As we have written before, quality is of paramount importance to us, but it must be "hidden quality," which the market is not yet paying for. We too are tired of the phrase "value vs. growth," but we cannot help including the below chart that highlights the historically huge difference between these two categories:

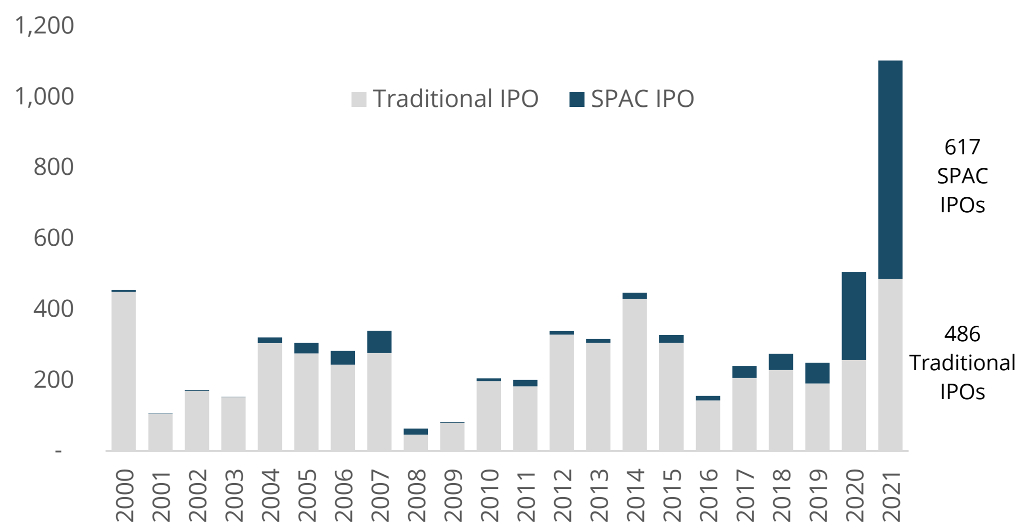


Some of us are old enough to remember when the stock market as a whole had a price-to-earnings ratio (P/E) of 12x or less for extended periods of time!

All of us are old enough to remember the fears in the years leading up to COVID that everything was either going to stay private or go private. We believe that private equity and venture capital have a place in capitalism, but we have now seen how cyclical fears like this can be, as many more companies became public this year, expanding our universe in positive ways.

Yearly IPO Deal Count by Traditional IPOs and SPAC IPOs

Priced deals on US exchanges from 2000 until 2021



Source: Bloomberg

We also have seen plenty of IPO/SPAC craziness showing both that private players need public markets more than they admit and that there is more volatility embedded in these newer companies than a private quarterly mark might admit. As for how efficient both the private and public markets are, we would encourage you to really delve into some of those multi-hundred-page S1s for many of the newest public companies to see the huge gap between the last valuation at which the company was funded and/or granted shares to its executives and the often much higher price at which the company went public – Coinbase and Rivian are two prime examples.

Finally, we must talk about inflation/nominal/real interest rates. We are not here to predict or say that we need raging inflation. We were wrong to miss the COVID-driven-buying-of-goods-boom in the last year or so that we believe is much closer to its end than its beginning. A lot of these Goods companies we don't own make up some of the lower next 12-month/last 12-month P/Es in the market (aka "traditional value stocks" that are often large weightings in a value index/ETF), but we are focused on longer-term earnings power and don't need to play when this key metric is too hard to predict and/or potentially declining. Where we have felt more correct is focusing in on wage inflation not going away. The demographics and global trade patterns of the next 30+ years still look quite different than the last 30, so we expect inflation to be with us longer than some think. We have yet to talk with a company that expects wage growth to dramatically flatten out in 2022, and many are expecting continued mid-single-digit growth in the near term. We also believe that a positive real rate looks much more likely over the next 10 than the last 10 years as governments around the world step back from or at least no longer accelerate bond buying.

We see three potential broad nominal rate scenarios in 2022. In the first scenario, we are wrong, and rates go lower. In this environment, we expect to still deliver absolute returns (as we did this year) but might keep losing the relative game for a bit. In a second – we think most likely – scenario, rates go higher. In this environment, we believe we could win in multiple ways as market favorites at 25x+ P/Es have a long way to fall vs. our portfolio already at a roughly 10x multiple of growing free cash flow (FCF) power. We don't need to see a dramatic jump in rates for this scenario to play out – even a small increase should be beneficial to our approach from both an absolute and relative perspective. In the final scenario, rates remain the same, and the second derivative of the curve (i.e., what the stock market typically reacts to and what investors care most about; whether things are accelerating, decelerating or flattening out) doesn't get worse. In this environment, we would also expect to win both absolute and relative, but maybe not as much as in scenario two.

Contribution to Return

4Q Top Five

Company Name	Total Return (%)	Contribution to Return (%)
FedEx	19	0.96
Fairfax Financial	17	0.74
Hyatt	24	0.63
EXOR	7	0.60
CNX Resources	9	0.45

4Q Bottom Five

Company Name	Total Return (%)	Contribution to Return (%)
Millicom	-22	-1.10
General Electric	-8	-0.45
Discovery	-5	-0.32
Accor	-10	-0.22
CK Hutchison	-3	-0.15

YTD Top Five

Company Name	Total Return (%)	Contribution to Return (%)
Lumen	39	2.83
Fairfax Financial	41	1.79
Williams	39	1.46
Biogen	112	1.45
MGM Resorts	42	1.40

YTD Bottom Five

Company Name	Total Return (%)	Contribution to Return (%)
Melco International	-37	-2.05
Millicom	-28	-1.50
Prosus	-23	-0.99
Discovery	-10	-0.70
CK Hutchison	-4	-0.23

Lumen, the global fiber company, was the top contributor for the year. CEO Jeff Storey took two actions this year to substantially increase the business's value and address the stock's enormous discount (it trades below 35% of our appraisal value). First, during the third quarter, Lumen sold its Latin American fiber for a good price (9x EBITDA) and the weaker half of its US consumer business for an encouraging 5.5x EBITDA. Both multiples came in above our appraisals and demonstrate how cheap the consolidated Lumen RemainCo is today at less than 6x P/FCF and EV/EBITDA. The majority of Lumen's remaining EBITDA comes from its US Enterprise and SMB segments, which grow faster than Lumen's disposed LatAm fiber and are worth higher multiples. The weakest segment of the new Lumen, the western half of Consumer, is superior to the assets the company just sold for 5.5x EBITDA. Second, Storey quickly repurchased 7% of Lumen's shares, adding meaningfully to value per share and free cash flow per share. When the dispositions close, proceeds will reduce debt meaningfully, putting net debt right at the company's leverage ratio target even though that target was based on the prior, inferior business mix. We are pleased that our engagement since filing an amended 13D helped the company begin to deliver positive corporate actions. The market has fixated on the potential for another dividend cut, but Lumen's FCF is more than sufficient to cover the $1/share payout while investing aggressively into high-return, edge-out capex to grow revenues.

Fairfax Financial Holdings, the Canadian insurance and investments conglomerate, was also a top performer in the quarter and the year. We tendered approximately 20% of our position into the $1 billion tender offer share repurchase just executed at $500 per share - a 10% premium to the pre-buyback trading price. The repurchase is funded by selling 10% of subsidiary OdysseyRe at nearly 2x book value to a Canadian pension plan. Fairfax retains control of OdysseyRe, while the pension plan will benefit from the steady earnings and attractive pricing in the insurance market. Fairfax was a superb – if volatile at times – investment through our initial investment period of 2000 to 2015, compounding at 15% per year. Since we invested again in 2017, it has been less satisfying, but shareholder-friendly actions like this sale and large repurchase indicate that Chair and CEO Prem Watsa has not lost his touch. This year, written premiums have grown well, and Watsa is intelligently delevering the balance sheet with the free cash flow. Fairfax's combined ratio was slightly unprofitable last quarter at 101%, due to Hurricane Ida and European flooding, but the underwriting is otherwise improving towards a normalized low-90s combined. Though Fairfax's investments portfolio did not outperform this year, Watsa made the good decision to end the company's costly hedging program. After appreciating significantly this year, Fairfax's 45% stake in digital insurance unicorn Digit is now worth 10% of the company's market capitalization. The stock should not continue to trade below book value with profitable underwriting, less debt and a growing investment portfolio. Watsa led a major repurchase effort this year to take advantage of the lingering price-to-value (P/V) discount. We are actively engaged with the company on several ESG topics. We believe that management is best in class and think Fairfax's abysmal CCC rating by MSCI ESG should be higher. We have encouraged the company to improve its ratings agency engagement and to increase its environmental initiatives, including more transparent carbon footprint reporting and better incorporation of climate change risk assessment in the underwriting business.

Williams, the leading North American pipeline company, was also a strong performer. Transco, the company's flagship asset, grew revenues and EBITDA organically, but the performance of Williams's Gulf of Mexico assets was held back by hurricanes. The company's Northeast Gathering & Processing segment EBITDA increased 7% in an encouraging result. Williams is investing into a promising Wyoming wind project, while reducing emissions across all its legacy assets. Our appraisal of the consolidated value increased 14%, and the stock trades under an 80% P/V with minimal cyclicality and steady FCF, combined with an increased ability and willingness to repurchase shares.

Biogen, a biotechnology company specializing in therapies for the treatment of neurological diseases, was a strong contributor before we exited the position in the first half. We began acquiring shares in January 2021, paying between 9-11x FCF and a discount to our appraisal, even if the company's promising drug pipeline turned out to be worth 0. After Biogen's Alzheimer drug Aduhelm was approved in June, we sold out after the stock's price appreciated quickly and briefly exceeded our appraisal of the value. We re-initiated a position in Biogen in December. The stock became very cheap once again after Aduhelm's early sales disappointed due to its high initial cost before management correctly cut the price. We think Biogen's core multiple sclerosis (MS) and Biosimilars businesses are strong enough to create sustainable double-digit earnings per share (EPS) growth, even if Aduhelm and the entire Alzheimer's program is worth zero. We also expect a board led by large shareholders to continue the company's accretive repurchase, while considering other beneficial corporate actions.

MGM Resorts, the casino and online gaming company, was another strong performer. The company's third quarter Las Vegas revenues grew massively over 2020, approaching within 8% of 2019 levels despite some lingering COVID restrictions. MGM has gained nearly 10 percentage points of Vegas Strip market share since 2019, an extraordinary achievement for CEO Bill Hornbuckle, who has also done a terrific job controlling corporate costs. Though its current Las Vegas margins are unsustainably high at 39%, MGM's Vegas EBITDA should grow steadily from this year's $1.6 billion as national reopening boosts travel in the next year(s). MGM's regional casinos are now exceeding their 2019 EBITDA levels as well, while MGM's digital iGaming revenues grew 17% sequentially for an excellent 32% market share. MGM repurchased shares at a 13% annualized pace during the last quarter at a $40 average price, while our growing value is now approaching $60. MGM acquired the Cosmopolitan, a "tuck-in" casino with achievable synergies, at a reasonable price and recently announced the sale of the Mirage for a headline price over $1 billion, well above our appraisal for the asset. We are delighted with the progress of this management team and business over the last two years.

Melco International, the Macau casino and resort operator, was the top detractor for the year. Macau does not have a domestic market and heavily relies on cross-border tourism (primarily with mainland China), so the recovery remains dependent on the border reopening progress, which continues to get pushed back due to China's zero-

COVID policy. As discussed above, the entire sector also took a beating when the Macau government announced its plans in September to kick off a 45-day consultation period for amendments to the gaming law in preparation for the license renewal process for Macau casino operators. Additionally, the intensified scrutiny on VIP junket business, culminating in the arrest of the founder of the biggest junket operator Suncity in the fourth quarter, further soured investor sentiment. As we saw in January 2022, the license renewal process is playing out roughly as expected, and there is nothing we have seen in the recently announced laws that warrant a material impact on the value. As for the VIP crackdown, this has been an ongoing theme since 2013 when Xi Jinping became the President of the PRC. Junket VIP represent a single digit % of Macau EBITDA and will not have material impact on the earnings power of the industry or at our holding in Melco. Our investment in Melco is underwritten by growth prospects of Mass Gaming demand. Mass-led recovery has been delayed due to severe border restrictions between China, Hong Kong and Macau, and we are confident that when restrictions are eased, we will see earnings and stock price recovery in short order. Our view is that the common prosperity has already occurred in Macau. The six concessionaires provide 40% of their revenue in taxes to the government. The Macau gaming industry contributes 70-80% of the government's tax revenue, over 55% of gross domestic product (GDP), and is the largest employer in Macau. Most Macanese are in a much better economic position due to the gaming industry, and we believe that the government would rather have gambling activity in a place they control, rather than occurring in other parts of southeast Asia. Post the sell down, we have seen insiders at two local operators buying shares, echoing our view that Macau shares are deeply undervalued and will be the major beneficiary of the re-opening.

Millicom (TIGO), the Latin American cable company, was a top detractor in the fourth quarter and for the year. From the beginning of 2021 through November 12, Millicom's price was down slightly. At that point, we thought this to be somewhat unjustified since 2021 cash flow was up and was in line with projections, and free cash flow was being allocated mostly to grow the cable business in double digits in terms of subscribers and revenues. Through that point of the year, our appraisal for all of Millicom had grown at a healthy clip. Then on November 12, TIGO announced a very important strategic acquisition: buying in the half of its Guatemala business which Millicom didn't already own. It happened very quickly, and at a very attractive multiple; but because of the suddenness of the event, the TIGO balance sheet was not prepared for a cash-only purchase. So the company announced a debt deal for two-thirds of the purchase price and an equity rights offering for one-third. The rights offering can't happen until 2021 year-end financials are completed in the first quarter of 2022, and this has created a severe "overhang." There are plenty of bears on Millicom, on Latin America, on telecom, etc., who either don't buy or who have shorted Millicom. Among the Millicom bulls, in our small sample of contacts, they are waiting for the rights offering to add to positions. Additionally, tax-loss selling probably exacerbated the stock price weakness late in the quarter. We believe that the accretion to our appraisal and to FCF per share, and as well as the strategic benefit of fully owning and consolidating the Guatemala business, makes this a very wise allocation of capital for Millicom. Additionally, company operations, especially cable, continue to perform very well. But we are paying a steep short-term price since the announcement.

Prosus, a global consumer internet group, was a top detractor for the year. Tencent (which accounts for 85% of Prosus NAV) has been impacted by slowing macro and China Tech regulatory headwinds. It reported relatively weak results in the third quarter, with revenues up 13% year-over-year (YOY) and adjusted operating profits up 7% YOY. Its online advertising business grew 5% YOY, much slower than 23% growth in prior quarter. The gaming business grew 7% YOY, which was better than the market feared, emphasizing its overseas growth potential and its efforts to control gaming by minors. Tencent's fintech and cloud businesses posted solid growth and strengthened their competitiveness. Tencent recently announced a partial stake sale and distribution in specie in some of its associate companies, including SEA Limited and JD.com in an effort to reduce the discount to its net asset value (NAV). Meanwhile, Prosus' global e-commerce portfolio reported strong results, with 53% growth in local currency driven by classifieds (+101%), food delivery (+86%), edtech (+51%) and payments (+44%). The IRR on these investments is more than 20%. The market is ascribing no value to this e-commerce portfolio (worth $49 billion per company disclosure), despite the company's proven ability to build and grown the business. Post the value-accretive voluntary exchange offer for Naspers N shares into Prosus N shares in August 2021, the discount to NAV further widened in contrast to our initial expectation, primarily driven by negative sentiment around China tech stocks and increased supply of Prosus shares. We believe the current level of discount is unwarranted given the solid growth prospects for Tencent and the global e-commerce portfolio. Management is focused on narrowing the discount to NAV and has bought back over $11.5 billion in shares in the last 18 months, and Tencent has increased its share repurchase after quarter end.

Portfolio Activity

Summary of Trade Activity in 4Q

New Purchases	Full Exits
Biogen	Comcast
Fiserv	Credit Suisse
GREE	Ferrovial
Mattel	Holcim
	WH Group

We initiated four new holdings in the quarter, which we are still building to various degrees. We exited Comcast as it neared its appraisal and sold our small position in Ferrovial after not getting a large enough stake. We sold Holcim, WH Group and Credit Suisse to fund the more attractive opportunities discussed above. While we still find Holcim and WH Group undervalued in absolute terms and owners of good assets, qualitative developments at both led to us prioritizing other investments in our Global portfolios. After taking an initial, smaller position in Credit Suisse earlier in the year, we ended up selling. We felt like we were getting a free shot at a potential turnaround at this controversial name. However, when more work from our team failed to confirm our initial thesis (especially that a more dramatic shift away from a balance sheet-heavy approach wasn't going to happen as soon as we first thought possible), we stuck to our process and sold at essentially breakeven vs. our cost.

Our cash position ended the year at 8.0%. Our on-deck list remains strong, and, thanks to solid value growth across the portfolio, most of the companies are trading in the mid-70s% or lower of their appraisal, meaning the margin of safety and potential upside for the portfolio, which trades at a price-to-value in the low-60s%, is very high.

Southeastern Updates

The last two years have taught us to be more flexible to adjust to rapidly changing environmental factors and to allow for better work/life balance for our employees, while maintaining productivity levels and a connection to our central culture. We believe our established research network continues to provide us a clear competitive advantage.

We expanded our global research expertise and network with the addition of Will Allen, who joins in January 2022 as a Memphis-based Junior Analyst, and Julio Utrera, CFA, who joined this summer as a London-based Analyst. Will is a 2019 college graduate who brings experience at value investing firm International Value Advisors. Originally from Spain, Julio adds eight years' experience of investing with a value focus in public and private equity in Europe and developing markets, as well as ESG expertise. Julio holds his CFA Certificate in ESG Investing and served on the ESG Committee in his last role at T. Rowe Price International Equities, and he has already been a valuable addition to Southeastern's ESG committee.

In last year's annual letter, we highlighted the importance of environmental, social and governance (ESG) factors – both in our research process and in how we run our business – and the steps we have taken to formalize our approach. In 2021, we published our first annual ESG Report, which we would encourage you to read to learn more about our approach. Over the last year, we have continued to make progress and set new goals in this rapidly developing area – we signed on as a supporter of the Task Force on Climate-Related Financial Disclosures (in addition to being a signatory to UNPRI and CA100+); the research team undertook external ESG training; we expanded our portfolio carbon footprint data monitoring and established a Southeastern-specific template for carbon footprint reporting; we committed to directly engaging with management teams on their carbon reporting and efforts to improve their environmental practices (with recent success from these efforts seen at DPG, Glanbia and EXOR, each of which set ambitious energy and emissions reductions goals, among others).

Another key area of focus has been fostering, cultivating and preserving a culture of diversity, equity and inclusion (DEI) at our firm, as well as engaging with our portfolio companies to better understand their approach to DEI and in some cases to push for increased diversity at a board and/or management level. As a small, lean firm with low employee turnover, we have looked for ways that we can partner with other organizations to help make a positive impact within our industry. In 2021, we partnered with the Notre Dame Institute for Global Investing via their Investment Management Access Program (IMAP – a program focused on improving diversity within the asset management industry) and Girls Who Invest (GWI – an organization that is helping transform the asset management industry by bringing more women into portfolio management and leadership).

In August 2021, we launched an exciting new initiative, Greenwood Pine Partners, a mission-driven, minority-owned investment management firm with initial funding from the Shelby County Retirement System in Tennessee. Greenwood Pine is 51% owned by Southeastern Senior Analyst and Principal Brandon Arrindell, who is African American and from Memphis. Brandon serves as both majority owner and portfolio manager for this US-focused, all-cap strategy employing Southeastern's long-term, concentrated, engaged approach. The goal of the structure and partnership with Shelby County is to produce strong risk-adjusted returns while also working to address the issue of minority underrepresentation in asset management. Where possible, Greenwood Pine seeks to partner with minority-owned, local service providers. Southeastern has pledged the proceeds derived from its 49% stake in the LLC to organizations that support under resourced communities.

Finally, we are always looking for ways to improve our communications with clients. Beginning next quarter, we will provide a Frequently Asked Questions-format podcast to allow you to hear directly from your portfolio managers. The audio format will have a transcript available and will be supported by a quarterly fund summary and a longer, more detailed annual letter at the end of the year. We will continue to highlight discussions with management teams and other ad hoc topics in the *Price to Value Podcast with Southeastern Asset Management*, with our newest episode coming in January, in which Staley Cates interviews Realogy CEO and President Ryan Schneider.

Outlook

Despite recent underperformance, the solid results at a strong majority of our investees and the high quality of our carefully selected China and Hong Kong investments give us significant confidence in our portfolio holdings. Our top performers saw substantial value growth in the last year, meaning they remain attractively discounted with significant upside even after solid price appreciation in 2021.

We spent much of this letter exploring the current environment and what it has meant / will mean for our portfolio. We have lived through many different macro environments in many different regions throughout these periods, and we have found that opportunity is not often where it feels the easiest. We have heard from many clients and prospects this year who (very understandably) want to know what will be the "right environment" for our portfolios to outperform. As conventional wisdom becomes more about trading in and out of ETFs instead of analyzing bottom-up value per share growth, we understand the pressure that investment committees face and the frustration of not knowing when our relative performance will turn. We would caution, however, that nailing the chained probability of both what the next environment will be and how we will do in it is very hard.

Our 46+ year performance history shows that there is never a predictable pattern, but the historical context makes us believe even more strongly in our odds from here. Southeastern was founded in 1975 amid a period of historically high inflation, with US interest rates rising to nearly 20%. From the official start of Southeastern's US large cap composite in January 1980, we outperformed the market in eight out of the nine following years. We expect that we would do well again with more rate volatility going forward. We did less well relatively in the 1990s and 2010s when interest rates declined, even if we did deliver solid absolute returns on the stocks that we picked in those timeframes. This seems like the least likely scenario out of the three described above, since rates are already so low. At the very least, we believe we would be more fully invested in a scenario like this, judging by our improved productivity, current portfolios and on-deck list. We did well in the 2000s pre-GFC with relatively flat interest rates (note that the US 10-year treasury stayed in a tight band around 5% during that almost 10-year period), which we could see happening again (but probably less likely than increasing rates), so that is also encouraging.

While looking to our history doesn't give us the answer of when the current environment will turn, it does allow us to learn from the past and improve over time. When we add up the three broad types of environments above, we see a healthy "2.5 out of 3" in which we win. We are confident that our concentrated portfolio comprising strong businesses, run by owner-operators, currently trading at high margins of safety will deliver significant outperformance in the years ahead. We think 2021 had many positive signs that the future is bright, and we look forward to sharing it with you.

See the following for important disclosures.

Southeastern Asset Management can be found in our ADV Part 2, available at www.southeasternasset.com. Statements regarding securities are not recommendations to buy or sell the securities discussed. The statements and opinions expressed are those of the author and are as of the date of this report. Holdings identified do not represent all of the securities purchased, sold, or recommended for advisory clients. Current and future holdings are subject to risk and past performance does not guarantee future results. Strategy information is based on a sample account at December 31, 2021. Portfolio makeup and performance will vary on many factors, including client guidelines and market conditions.

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 strategy 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.

SOUTHEASTERN ASSET MANAGEMENT, INC.
INSTITUTIONAL GLOBAL EQUITY COMPOSITE
ANNUAL DISCLOSURE PRESENTATION

Year End	Total Firm Assets (USD) (millions)	Composite Assets (USD) (millions)	Number of Accounts	MSCI World (with net dividends)	Annual Performance Results Composite		Composite Dispersion	Composite 3-Yr Annualized EX-Post Standard Deviation	Benchmark 3-Yr Annualized EX-Post Standard Deviation
					Gross	Net			
2020	10,270	2,062	7	15.9%	6.3%	5.7%	0.6%	24.2%	18.3%
2019	12,481	2,394	14	27.7%	20.6%	19.9%	0.7%	15.2%	11.1%
2018	13,881	2,475	17	-8.7%	-15.1%	-15.5%	0.6%	14.7%	10.4%
2017	18,203	3,149	17	22.4%	27.7%	27.0%	5.2%	15.1%	10.2%
2016	19,302	3,873	20	7.5%	16.3%	15.8%	3.0%	15.4%	10.9%
2015	20,315	4,822	31	-0.9%	-9.2%	-9.6%	2.0%	13.7%	10.8%
2014	30,542	6,779	33	4.9%	-1.6%	-2.3%	1.2%	13.5%	10.2%
2013	34,914	9,680	45	26.7%	34.3%	33.4%	1.6%	17.9%	13.5%
2012	31,752	8,898	53	15.8%	15.5%	14.8%	2.1%	20.1%	16.7%
2011	31,485	8,885	65	-5.5%	-14.5%	-15.1%	2.0%	23.5%	20.2%

Institutional Global Equity Composite - Portfolios included in this composite normally contain 18-22 securities, which are generally a subset of those held in U.S. and non-U.S. portfolios. The subset reflects the companies with the most attractive qualifications at the time an account has cash. Country and industry weightings and market cap size are a by-product of bottom-up investment decisions. Cash is a by-product of a lack of investment opportunities that meet Southeastern's criteria. The benchmark used for comparison is the MSCI World Index with net dividends.

Southeastern Asset Management, Inc. claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Southeastern Asset Management, Inc. has been independently verified for the periods January 1, 2001 through December 31, 2020. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. The Institutional Global Equity Composite has had a performance examination for the periods January 1, 2001 through December 31, 2020. The verification and performance examination reports are available upon request.

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Southeastern is an independent investment management firm that is not affiliated with any parent organization. Southeastern invests primarily in equities. Results are based on fully discretionary portfolios under management that are managed without regard to tax considerations. Past performance is not indicative of future results. A list of composite descriptions, a list of limited distribution pooled fund descriptions, and a list of broad distribution pooled funds are available upon request. The U.S. dollar is the currency used to express performance. Returns are presented gross and net of management and performance fees and include the reinvestment of income. Dividends are recorded either gross or net of foreign withholding taxes based on the treatment of these taxes by the accounts' custodian. Net of fee performance is calculated using actual management and performance fees. The annual composite dispersion presented is an asset-weighted standard deviation calculated for the portfolios in the composite the entire year. Composite dispersion and 3 year annualized ex-post standard deviation are reported using gross returns. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.

The investment management fee schedule for accounts with a market value less than $100 million is 1.0% on the first $50 million and 0.875% on the next $50 million. The fee schedule for accounts with a market value exceeding $100 million is 0.75% on all assets. Actual investment advisory fees incurred by clients may vary.

The Institutional Global Equity Composite was created on July 1, 2011. The inception date for this composite is September 30, 2000.