US Large Cap Strategy Commentary 1Q22

Portfolio Characteristics

Price-to-Value	mid-60s%
# of Holdings	21
% of Cash	6.4%
Portfolio Yield	1.5%

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	Annualized Total Return					
	1Q (%)	1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)	Since Inception (%)
US Large Cap Strategy (Gross)	-0.38	4.74	13.73	9.03	9.56	13.46
US Large Cap Strategy (Net)	-0.52	4.16	13.11	8.46	8.97	12.66
S&P 500	-4.60	15.65	18.92	15.99	14.64	12.14
Russell 1000 Value	-0.74	11.67	13.02	10.29	11.70	11.78

*Since Inception 12/31/1979

The US Large Cap Strategy declined 0.52% in the first quarter, holding up better than the S&P 500, which fell 4.60%. In a volatile quarter for markets across the globe, our companies made solid progress across the board. Our investments in US natural gas company CNX Resources and US gas pipeline operator Williams were our strongest performers as demand for domestic natural gas increased and energy prices skyrocketed due to Russia's invasion of Ukraine. We wrote more extensively on our views on the expected impact of the ongoing conflict here. In a time of uncertainty, we saw a complexity discount impact stock performance at some of our holdings including top detractor, media and internet holding company IAC. However, our appraisal values grew nicely across most of our businesses thanks to our aligned management teams that are taking steps to create value for shareholders.

We encourage you to watch our video with Portfolio Managers Ross Glotzbach and Staley Cates for a more detailed review of the quarter.

Contribution to Return

1Q Top Five

Company Name	Total Return (%)	Contribution to Return (%)
CNX Resources	51	2.32
Williams	30	0.94
Fairfax Financial	16	0.62
CK Hutchison	13	0.51
Discovery	9	0.33

1Q Bottom Five

Company Name	Total Return (%)	Contribution to Return (%)
IAC	-23	-1.24
Affiliated Managers Group	-14	-0.67
Liberty Broadband	-16	-0.67
FedEx	-11	-0.65
Lumen	-8	-0.59

Performance Commentary

- CNX Resources: CNX appreciated as energy prices increased dramatically, and the critical nature of natural gas infrastructure and its ability to support Europe in limiting its dependence on Russia as an energy source was broadly recognized. CNX saw the benefits of its extensive share buyback program over the last year+ with free cash flow (FCF) nearing $3 per share. CNX increased the diversity and depth of experience of its board and executive management team in the quarter with the addition of Robert Agbede as a board director, Ravi Srivastava as President of New Technologies, and Hayley Scott as Chief Risk Officer.

- Williams: Williams similarly benefitted from the positive natural gas tailwinds in the quarter. Its infrastructure positions Williams to be an important part of the renewable energy transition in the US through joint projects with the likes of Orsted in wind and other alternative energy solutions.

- Fairfax Financial: Canadian insurance and investments conglomerate Fairfax contributed after announcing strong underwriting growth, equity portfolio appreciation, gains from underlying digital insurance business Digit and value-accretive share buybacks. The investment portfolio should continue to benefit from rising interest rates. Fairfax released its 2021 ESG report, highlighting improvements in climate change risk assessment framework and sustainable underwriting initiatives, an area where we have been engaged with management.

- IAC: The conglomerate discount on this digital holding company grew wider in the quarter amidst a period of broad uncertainty and continued technology stock declines. Unlike most of its tech peers, IAC began the year already uniquely discounted and today trades at less than half of our appraisal value and less than 10x estimated FCF per share power. Underlying holding Angi (previously Angie's List) reported a disappointing quarter. Angi represents only 25% of value but swings the market perception and stock price since it is also publicly traded. The market is not yet giving credit to the Dotdash Meredith deal creating a digital publishing leader, given the lack of near-term reporting clarity since the deal just closed and 2022 is a transition year. Additionally, IAC's underlying holdings in carsharing company Turo and casino and online gaming company MGM remain not properly recognized by the market. CEO Joey Levin and Chairman Barry Diller have a history of creating value-accretive catalysts to close the price-to-value gap.

- Affiliated Managers Group: In one of the bigger disconnects between stock price performance and appraisal value growth, AMG declined in line with a generic US money manager, correlating to the S&P 500. AMG's reality is much more compelling, given its managers are a diversified mix of US and Global public equities, private equity, wealth management, and fund-of-funds. Our appraisal grew strongly in the quarter as private equity affiliate Baring Asia sold for 30xEBITDA (earnings before interest, taxes, depreciation and amortization) or mid-teens expected 2023 earnings (more than double where AMG is valued today) for a combination of cash and EQT AB shares.

- Liberty Broadband: Holding company Liberty Broadband also suffered from a widening of a market-imposed holdco discount in an uncertain quarter. Liberty's stakes in Charter and Alaskan cable company GCI also faced near-term concerns over slowing industry broadband additions, but these businesses have over a decade of pricing power history and are well positioned to weather an inflationary environment. We have a high degree of respect for our partners in John Malone and Greg Maffei, who are focused on growing value per share and are actively repurchasing discounted shares to help close the price-to-value gap.

- Lumen: Lumen reported weak organic revenue growth and guided more weakness for 2022. We expect revenue growth to kick back in towards the end of 2022, and the huge FCF coupon helped offset value decline from the weaker guidance. The other factor weighing on the stock price was largest shareholder Temasek's partial sale of its 10% position in the quarter, creating uncertainty and a share price overhang. We have a 13D filed and continue to urge the company to take steps to address the significant price-to-value gap, including continued share buybacks.

Portfolio Activity

Summary of Trade Activity in 1Q

New Purchases	Full Exits
No New Purchases	No Complete Exits

After adding several positions in the second half of last year, we did not buy any new businesses nor did we completely exit any holdings. Our cash is 6.4%, 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 price-to-value (P/V) in the in the mid-60s%, is very high.

Outlook

In a challenging period of global uncertainty – amid fears of a potential world war, ongoing COVID concerns, rising interest rates/growing inflation and the potential for a pending recession – we were pleased with the solid progress made and value growth seen across our portfolio holdings. We own companies that have pricing power that can price through cost increases and grow their profitability as a result. Our companies come from a position of financial strength with aligned, proven management teams that can take proactive steps to manage through challenging market environments.

See following pages 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 March 31, 2022. 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 US EQUITY
COMPOSITE GIPS REPORT

Year End	Total Firm Assets (USD) (millions)	Composite Assets (USD) (millions)	Number of Accounts	S&P 500 (with dividends)	Annual Performance Results Composite Gross	Annual Performance Results Composite Net	Composite Dispersion	Composite 3-Yr Annualized EX-Post Standard Deviation	Benchmark 3-Yr Annualized EX-Post Standard Deviation
2021	10,816	601	10	28.7%	23.1%	22.4%	0.8%	21.8%	17.2%
2020	10,270	619	12	18.4%	16.2%	15.6%	5.5%	22.8%	18.5%
2019	12,481	902	16	31.5%	15.2%	14.6%	1.8%	14.6%	11.9%
2018	13,881	1,778	24	-4.4%	-16.0%	-16.4%	1.3%	12.4%	10.8%
2017	18,203	3,235	27	21.8%	16.9%	16.4%	2.2%	12.6%	9.9%
2016	19,302	3,951	35	12.0%	20.1%	19.5%	4.9%	13.2%	10.6%
2015	20,315	4,251	47	1.4%	-11.9%	-12.4%	2.1%	13.0%	10.5%
2014	30,542	7,339	72	13.7%	6.2%	5.6%	1.0%	11.1%	9.0%
2013	34,914	7,524	74	32.4%	32.5%	31.7%	1.8%	15.8%	11.9%
2012	31,752	7,665	83	16.0%	16.7%	16.0%	2.0%	17.4%	15.1%

<u>Institutional U.S. Equity Composite</u> - Portfolios included in this composite normally contain 15-25 securities. Sector and industry weightings and market cap size are a by-product of bottom-up investment decisions. Assets held in non-U.S. investments generally do not exceed 30% of portfolios. Cash is a by-product of a lack of investment opportunities that meet Southeastern's criteria. The benchmark used for comparison is the S&P 500 with 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, 2021. 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 U.S. Equity Composite has had a performance examination for the periods January 1, 2001 through December 31, 2021. The verification and performance examination reports are available upon request.

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Prior to 2012, results were based on fully discretionary portfolios under management with a minimum ending market value of $10 million at the end of each quarter, including portfolios with market values below $10 million if the decline below this threshold was due solely to unrealized losses. Portfolios that fell below this threshold due to market volatility remained in the composite for a period of up to one year. If the market value of the portfolio had not corrected and increased above the minimum within one year, then it would be excluded from the composite going forward until the minimum value was once again satisfied. Beginning in January 2012, there is no longer a minimum market value threshold considered for composite inclusion. Portfolios are managed without regard to tax considerations and have a base currency of U.S. dollars. Effective July 1, 2008, portfolios hold only cash (or equivalents) and securities traded in the United States. Prior to July 1, 2008, portfolios held only cash (or equivalents) and equity securities traded on a U.S. exchange. 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 is a flat rate of 0.75%. Actual investment advisory fees incurred by clients may vary.

The Institutional U.S. Equity Composite was created July 1, 2011. The inception date for this composite is December 31, 1979.