Condensed Interim Report & Unaudited Financial Statements

For the six months ended
30 June 2021

Longleaf Partners
Unit Trust

Longleaf Partners Funds

Contents

Investment Manager's Report

Global Fund

Longleaf Partners Global UCITS Fund added 1.14% in the second quarter, taking year-to-date (YTD) returns to 12.99%, while the MSCI World returned 7.74% and 13.05% over the same periods. The majority of our holdings were positive in the quarter. The portfolio's cash position together with a few unrelated holdings that declined in price drove the majority of the relative performance drag in a period where growth stocks saw a (we believe temporary) rebound. Despite relative underperformance, it was a solid period for value per share growth at our holdings.

We highlighted several high-conviction companies in last quarter's letter, and all saw positive progress. For example, CNX Resources is taking advantage of gas price strength to lock in more free cash flow (FCF) with accretive hedges. Lumen management spoke publicly of its efforts to realize value from its distinct parts, in line with the 13D that we filed at the end of last year. CK Hutchison began buying in stock in a material way, with more than $460 million in shares repurchased YTD.

Average Annual Total Returns - 30 June 2021

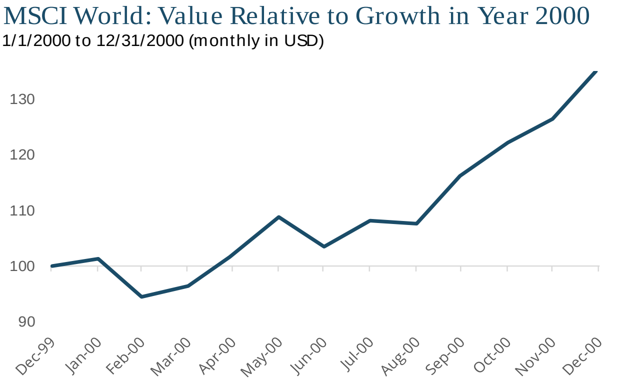
	Inception Date	Since Inception	10 Year	5 Year	3 Year	1 Year
Class I-USD	04/01/2010	6.81%	5.89%	10.65%	5.26%	36.60%
Class I-Euro	20/05/2010	8.10%	7.92%	9.09%	4.74%	29.37%
Class I-GBP	13/11/2013	7.97%	-	9.71%	3.60%	22.22%

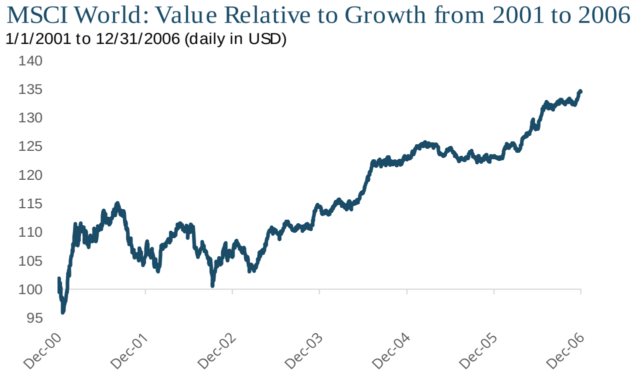
The investments in the preceding paragraph have been long-term holdings, but what about our newer purchases? We have heard from long-time Southeastern/Longleaf observers who look at these stock charts and ask, "How can that still be cheap?" We continue to focus on the importance of value growth and dynamically updating our appraisals. MGM for example has seen very strong value growth since our purchase last year as the company's properties in the US have rebounded much stronger than even the biggest optimists predicted. Management and the board have reduced risk by monetizing more of MGM's holdings in MGM Growth Properties, its real estate subsidiary. There is still plenty of value to be added in the online division as well. All this leads to a value per share that was in the $30s last year now approaching $50. The company remains attractively discounted, even after price appreciated 101% since we first bought the stock 9 months ago.

But price will always be important to us, no matter how great qualitatively a business or people are or how nice it feels to have price and value momentum. We will gladly sell fully priced winners like Biogen, where positive news sent the company's stock price to our appraisal in only a few short months, as detailed later in this letter.

More broadly, "value" had a pullback vs. "growth" in the second quarter on the back of lower interest rates and various other factors. Over the last year, we have seen interest rate consensus go from "low rates forever" for most of 2020 to "rates are definitely going up" in February/March of 2021 to now what feels like magical goldilocks thinking for growth stocks in the 1-2% US 10-year range. While we cannot predict precisely what rates will do in the near term, we welcome increased volatility on this all-important valuation input, especially after decades of gradual moves down have made things relatively harder for value-focused public equity investors.

It is also important to remember that, while what matters most will always be our individual holdings, we do not expect value to ever go up in a straight line. The chart below illustrates that point well. It can be easy to forget that, even in the greatest value bull market of our lifetime that started in 2000, there was a several month period after the initial turn in March/April in which growth fought back from similarly absurd relative valuations.



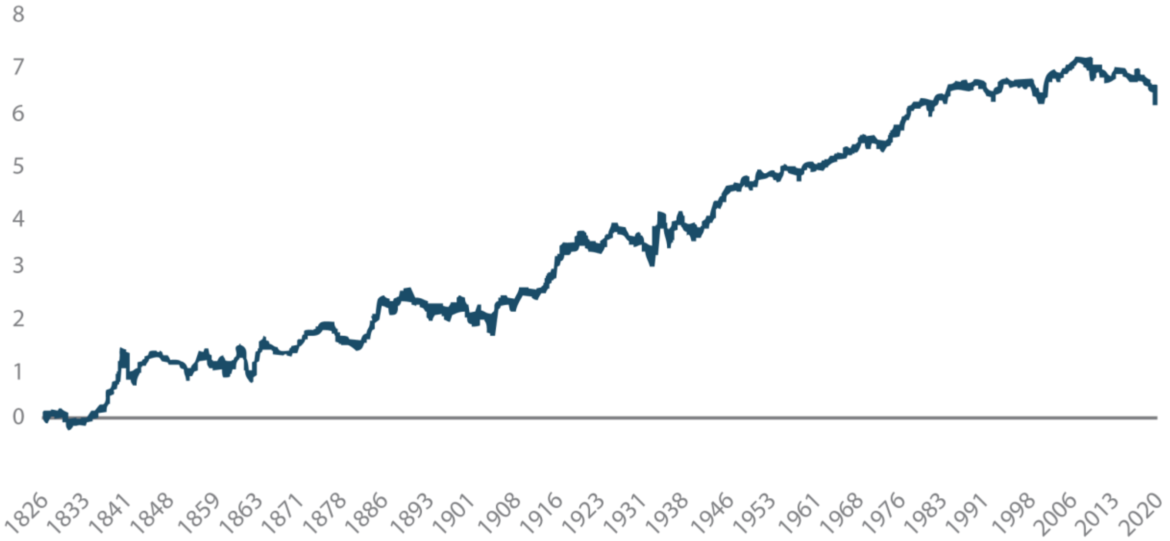


Source: Factset

However, value ultimately prevailed (with even more ups and downs in 2001-02), and the next several years looked like the previous 200 years for value. (Note the chart below is a reprint from our "Why We Believe Value Will Work Again" white paper published in December 2020.)

The Value Factor

Cumulative Excess Return of Value vs Growth



Source: TwoCenturies

Joining the macro with the stock specific, we continue to like our portfolios on both an earnings multiple and earnings growth basis vs. the growth and value parts of the index.

Implied Returns Based on Various P/E Assumptions

	2022 P/E		P/E Change	Performance from P/E Change
	Current	Assumption		
MSCI World	18.8	16.7	-2.1	-11%
MSCI World Growth	27.9	20.0	-7.9	-28%
MSCI World Value	14.1	14.3	+0.2	+2%
Longleaf Partners Global UCITS	11.1	14.3	+3.2	+29%

Source: FactSet. Actual investment results and performance are not guaranteed

Contributors and Detractors

(Q2 Investment Return; Q2 Fund contribution)

Biogen (52%, 1.24%), a biotechnology company specializing in therapies for the treatment of neurological diseases, contributed in a way that warrants a longer than usual writeup. When we first began buying the company in early January, the stock scored well on all three Business, People and Price criteria, but the range of outcomes was wider than most investments for us. On the business, while the company has had a leading position in neuroscience for decades, it had become a collection of assets that was hard for the stock market to value. This led to most short-term investors focusing on year-over-year (YOY) earnings declines in 2021 and pipeline uncertainty. We focused most on strong cash flows from Biogen's Multiple Sclerosis franchise, a growing yet hidden biosimilars business, and a pipeline that we believed was actually quite interesting and diversified beyond the manic market focus on Aducanumab, a proposed treatment for Alzheimer's. On the people front, we also liked what the board and management had been doing (large, discounted repurchases and prudent internal and external investments) and not doing (no big, dumb M&A or unsustainable dividends). Our single point appraisal was around $375/share, but we saw a range at the low end of slightly above $250 if the pipeline totally failed or approaching $500 if the company saw a reasonable amount of pipeline success. We also thought that we were effectively paying a very low double-digit multiple of FCF/share. It is important to note that we were not betting on our science expertise or any other predictions that fall outside our circle of competence. Rather, we used our bottom-up appraisal skills to find a security that was mispriced at that given moment - we had followed the company for over 10 years before our purchase - and that shorter-term investors were afraid to own due to the potential for near-term stock price volatility. We started with a partial position, as we felt the wider-than-usual range of outcomes and uncertainty around the stock could lead to the chance to fill it out at a better price later.

On June 7, the FDA approved Aducanumab (now known as Aduhelm) after a contentious process that has yet to fully play out. The stock shot upward, and our single point value increased to $425. With the stock trading at that level, we exercised our price discipline and sold our position. In this era of "multi-decade-compounders at any price" and given Southeastern's history of being long term, it feels weird to be in and out of something so quickly. But it also feels OK to be able to use our appraisal skills to secure a payoff for our long-term clients. The company's stock price has fallen since our sale, and we will continue to watch the price-to-value (P/V) gap going forward.

Williams (13%, 0.50%), the natural gas pipeline operator, was also a positive contributor. The value grew slowly but steadily thanks to continued cash flow growth at Williams's main Transco pipeline, as well as good volume trends (up 11% YOY) in its Northeast assets. The stock traded up with gas price strength as the quarter went on. We believe that management is open to more transactions to grow and simplify value per share, and as industry conditions improve, this becomes more likely.

MGM (12%, 0.38%), the casino and online gaming company, was a top contributor as it reported a solid first quarter with Vegas EBITDAR (earnings before interest, taxes, depreciation, amortization and restructuring or rent costs) doubling sequentially and Regional EBITDAR actually growing strongly YOY due to exceptional cost control. The second quarter saw clear signs of even more growth with a strong rebound in travel to the company's US properties. MGM also continued to de-risk its value and balance sheet by selling over $1 billion of fully valued shares of its real estate subsidiary MGM Growth Properties in the quarter. On the first day of July, the company announced a transaction to consolidate and sell the real estate of its CityCenter project at a price that was accretive to our value per share.

Melco International (-10%, -0.62%), the Macau casino and resort holding company, was the top detractor in the quarter. The quarterly results (which were largely in-line with expectations) were a non-event because of the travel restrictions in its most important feeder markets, China and Hong Kong. As a result, revenue for the industry is down over 65%, and EBITDA is down almost 90% from pre-COVID levels. During the quarter, a COVID outbreak in parts of neighboring Guangdong province (the most important feeder market) led to tighter travel restrictions being imposed, hurting any signs of recovery after a strong May Golden Week holiday. While the reopening progress has been disappointing, we are confident that the demand is not impaired and Chinese consumers will come back strongly as vaccination rolls out and travel restrictions ease. Macau will be the biggest and the earliest beneficiary of Chinese outbound tourism. Melco International's operating subsidiary Melco Resorts (MLCO) reported property level EBITDA that, adjusting for the luck factor and bad debt provision, has shown a sequential improvement. MLCO continues to outperform the industry in the Macau mass segment with mid-single digit gross gaming revenue (GGR) growth on a quarter-over-quarter basis. In June, Melco International announced its joint venture with Agile to develop and operate a theme park in Zhongshan, Guangdong, contributing US$23 million for the land acquisition and US$28 million for the development costs. Although earnings contribution would be minimal in the near term, we still see value in the project, as this should enhance Melco's brand value in Guangdong and may serve them well on the license renewal front with increasing non-gaming contribution without a significant capital outlay. CEO Lawrence Ho, who has shown strong capital allocation skills during many uncertain times in the past, is well aligned with the shareholders, and we were encouraged to see him buying shares during the quarter. We continue to believe Melco's mid-to-long-term growth prospect is intact, and it will emerge stronger post-COVID given Lawrence Ho and his team's strong execution and the company's leading position in the premium mass segment. We took advantage of the price discount to add to our position in the quarter.

Prosus (-12%, -0.58%), a global consumer internet group, was another detractor in the quarter. There are two key components to Prosus's net asset value (NAV) - its 29% stake in Tencent (which represents the majority of its appraisal) and the global e-commerce portfolio (which includes the food delivery, classifieds, payments and education technology investments). Tencent reported strong results in the first quarter with revenues up 25% and profits up 22% YOY. The online advertising, gaming and cloud businesses all delivered solid topline growth YOY and strengthened their competitiveness. The company also announced its plans to step up investments in cloud, large-scale gaming and short form video, which we believe can help drive higher value growth in the coming years. But its stock price performance was negatively impacted by increasing regulatory headwinds for the entire online platform industry. The global e-commerce portfolio reported strong results with revenues up 54% YOY in FY21 and trading loss margin improving by 11%. This portfolio has been independently valued by Deloitte at $39 billion vs. an investment of $16 billion (inception to date). IRR on these investments is greater than 20%. During the second quarter, Prosus announced the disposal of 2% of its Tencent stake, raising around $14 billion. This will provide the company with greater financial flexibility to invest in this growth ventures portfolio. Despite solid operating performance, the discount to NAV has increased in recent months primarily due to holding company Naspers's (which owns a 73% stake in Prosus) excessive weighting (23%) on the South African Index (SWIX), which causes funds to limit their exposure to Naspers due to single stock ownership limits. To address this issue, Prosus announced a share exchange offer wherein Prosus proposes to acquire a 45.4% stake in Naspers in exchange for newly issued Prosus shares. This will reduce Naspers's weighting on SWIX to 15% without any tax leakage. While this increases complexity by introducing crossholding structure, this is a value-accretive transaction for Prosus shareholders, as we are buying higher discount Naspers shares in exchange for relatively lower discount Prosus shares and addressing the key reason for the NAV discount. Prosus also announced an additional US$5 billion share repurchase program alongside this transaction (on top of the US$5 billion announced in November 2020). We believe these value accretive steps will lead to narrowing of discount to NAV. Given management's alignment and history of unlocking values, we remain positive on Prosus and added to our position in the quarter.

Portfolio Activity

As discussed in detail above, we sold our position in Biogen in the quarter. We trimmed CNX early in the quarter on the back of positive performance and added to more heavily discounted positions in Affiliated Managers Group, Ferrovial and Prosus. We were excited to find two new investments, one Chinese consumer brand in an industry we know well and one European financial services company that gets incorrectly grouped with inferior peers and has underrecognized new leadership. Both holdings remain undisclosed as we continue to fill out the positions, but we will look forward to sharing more details next quarter. We have also added several companies to the on-deck list in financial services, industrials, retail / consumer packaged goods, health care and media. We remain disciplined on the price we will pay and are watching and waiting for prices to cooperate so we can put our cash to work.

Outlook

Our outlook on the stock market and our portfolio is not dramatically different than it was the last time we wrote to you. Our confidence in the specific company opportunities in our portfolio has only grown, as our businesses made solid progress in the quarter, and we believe the Fund is more attractively positioned - qualitatively and quantitatively - than both the market and the average "value" strategy. We believe the recent pullback in value's performance of the last month or so is a temporary blip, and that the strong performance that began in the second half of 2020 marks a longer-term reversion to the mean for value vs. growth.

We wrote in our 4Q20 letter about the work we have done to formalize the way we incorporate environmental, social and governance (ESG) issues within our firm and our investment process in the last several years. We are excited to share our first Annual ESG Report, which highlights some of the progress we have made and the work we are doing to keep improving in this area. In addition to our annual ESG report, we will be sharing a semi-annual portfolio carbon footprint report and will continue to discuss our engagement efforts with our management partners on these important issues in our quarterly letters and the Price-to-Value Podcast.

Speaking of podcasts, we thought it would be good to close with a recent interview that our Vice-Chairman Staley Cates did with Bob Huebscher of Advisor Perspectives. It is a great summary of what we are all about at Southeastern and why we remain very excited about our future.

Southeastern Asset Management, Inc.
July 2021

Schedule of Investments as at 30 June 2021
Global Fund

Security (Domicile)	Nominal Holdings	Fair Value US$	% of Net Assets
Transferable Securities (December 2020: 80.80%)			
Common Stock (December 2020: 80.80%)			
Air Freight & Logistics (December 2020: 3.81%)			
FedEx Corporation (United States)	16,168	4,823,399	4.31
Chemicals (December 2020: 3.26%)			
Banks (December 2020: Nil)			
Credit Suisse Group A.G. (Switzerland)	253,370	2,654,052	2.37
Construction Materials (December 2020: 4.54%)			
Holcim Limited (France listed) (Switzerland)	8,044	481,678	0.43
Holcim Limited (Switzerland listed) (Switzerland)	70,836	4,249,012	3.80
		4,730,690	4.23
Diversified Financial Services (December 2020: 14.71%)			
Affiliated Managers Group Inc. (United States)	18,307	2,823,122	2.52
CK Hutchison Holdings Limited (Hong Kong)	934,191	7,279,285	6.51
EXOR N.V. (Netherlands)	128,259	10,274,736	9.18
		20,377,143	18.21
Diversified Telecommunication Services (December 2020: 10.54%)			
Lumen Technologies Inc. (United States)	763,959	10,382,203	9.28
Millicom International Cellular S.A. (Luxembourg)	137,752	5,453,357	4.87
		15,835,560	14.15
Home Furnishings (December 2020: Nil)			
Gree Electric Appliances Inc. of Zhuhai (China)	321,300	2,590,708	2.31
Hotels, Restaurants & Leisure (December 2020: 13.17%)			
Accor S.A. (France)	58,194	2,172,922	1.94
Ferrovial S.A. (Spain)	59,365	1,742,203	1.56
Hyatt Hotels Corporation (United States)	27,227	2,113,904	1.89
Melco International Development Limited (Hong Kong)	3,431,589	6,302,495	5.63
MGM Resorts International (United States)	89,888	3,833,723	3.43
		16,165,247	14.45
Industrial Conglomerates (December 2020: 4.87%)			
General Electric Company (United States)	382,591	5,149,675	4.60
Insurance (December 2020: 4.66%)			
Fairfax Financial Holdings Limited (Canada)	11,248	4,925,612	4.40
Internet Software & Services (December 2020: 3.88%)			
Prosus N.V. (Netherlands)	51,036	4,990,750	4.46
Machinery (December 2020: 0.88%)			
Media (December 2020: 4.23%)			
Comcast Corporation (United States)	92,529	5,276,004	4.71

Security (Domicile)	Nominal Holdings	Fair Value US$	% of Net Assets
Transferable Securities (December 2020: 80.80%)			
Common Stock (December 2020: 80.80%)			
Oil, Gas & Consumable Fuels (December 2020: 8.53%)			
CNX Resources Corporation (United States)	385,553	5,266,654	4.71
Williams Companies Inc. (United States)	179,027	4,753,167	4.25
		10,019,821	8.96
Real Estate Management & Development (December 2020: 3.72%)			
Total Common Stock		**97,538,661**	**87.16**
Total Transferable Securities (Cost $86,764,838)		**97,538,661**	**87.16**
Short Term Obligations (December 2020: 19.37%)			
State Street Repurchase Agreement State Street Bank 0.00% due 01/07/2021 (Collateral: US$14,759,464 U.S. Treasury Note 0.875% due 30/06/2026) (United States)	14,470,000	14,470,000	12.93
Total Short Term Obligations		**14,470,000**	**12.93**
Portfolio of Investments (December 2020: 100.17%)		**112,008,661**	**100.09**
Cash and cash equivalents (December 2020: 0.00%)		557	0.00
Other net liabilities (December 2020: (0.17)%)		(106,635)	(0.09)
Net Asset Value		**111,902,583**	**100.00**

Analysis of total assets	% of Total Current Assets
Transferable securities admitted to an official stock exchange listing or traded on a regulated market	86.92
Short term obligations	12.90
Other current assets	0.18
Total Assets	**100.00**

Statement of Changes in Composition of Portfolio
Global Fund

	Acquisition Cost* US$
Gree Electric Appliances Inc. of Zhuhai	2,822,951
Biogen Inc.	2,796,159
Millicom International Cellular S.A.	2,777,205
Credit Suisse Group A.G.	2,593,048
CK Hutchison Holdings Limited	2,326,797
Prosus N.V.	1,857,175
EXOR N.V.	1,739,556
Ferrovial S.A.	1,435,802
Affiliated Managers Group Inc.	1,391,227
Melco International Development Limited	1,120,914
Comcast Corporation	881,096
FedEx Corporation	587,382

	Disposal Proceeds* US$
Biogen Inc.	4,522,179
CK Asset Holdings Limited	3,932,259
DuPont de Nemours Inc.	3,378,631
MinebeaMitsumi Inc.	901,504
Fairfax Financial Holdings Limited	822,671
General Electric Company	675,807
Williams Companies Inc.	386,569
CNX Resources Corporation	73,833

*There were no other purchases or sales during the six months ended 30 June 2021.

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

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

A list of all purchases and sales of the Fund during the six months ended 30 June 2021 can be obtained free of charge from the Swiss Representative.

Statement of Comprehensive Income

Global Fund

	Notes	For the six months ended 30 June 2021 US$	2020 US$
Income			
Dividend income		1,006,708	1,422,650
Interest income		-	18,981
Net gain/(loss) on investments at fair value through profit or loss	2	13,024,566	(28,937,569)
Net foreign exchange loss	2	(17,772)	(35,148)
Total net income/(loss)		14,013,502	(27,531,086)
Expenses			
Management fees	8	(548,601)	(568,668)
Administration fees		(32,873)	(34,358)
Depositary fees		(22,801)	(37,337)
Audit fees		(11,769)	(10,707)
Other operating expenses		(79,372)	(100,421)
Total operating expenses before reimbursement		(695,416)	(751,491)
Expense reimbursement from manager	8	65,350	-
Total operating expenses		(630,066)	(751,491)
Operating income/(loss)		13,383,436	(28,282,577)
Finance cost			
Interest expense		(83)	-
Taxation			
Withholding tax	4	(134,363)	(287,568)
Increase/(decrease) in net assets attributable to holders of redeemable participating units resulting from operations		13,248,990	(28,570,145)

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

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

Statement of Financial Position

Global Fund

	Notes	30 June 2021 US$	31 December 2020 US$
Current Assets			
Financial assets at fair value through profit or loss		112,008,661	95,522,159
Cash and cash equivalents		557	917
Dividends receivable		117,585	112,623
Receivable for management fee reimbursement		23,779	-
Receivable for fund units sold		53,121	-
Other receivables		6,161	-
Total Current Assets		112,209,864	95,635,699
Current Liabilities			
Management fees payable	8	(188,928)	(152,279)
Administration fees payable		(27,848)	(18,395)
Depositary fees payable		(17,334)	(29,733)
Audit fees payable		(11,914)	(23,532)
Other liabilities		(61,257)	(49,811)
Total Current Liabilities (excluding net assets attributable to redeemable participating unitholders)		(307,281)	(273,750)
Net assets attributable to holders of redeemable participating units		111,902,583	95,361,949

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

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

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

Global Fund

	Notes	For the six months ended 30 June 2021 US$	2020 US$
Net assets attributable to holders of redeemable participating units at beginning of the financial period		95,361,949	169,879,906
Proceeds from the issuance of redeemable participating units	3	9,985,116	3,175,871
Payments on redemptions of redeemable participating units	3	(6,693,472)	(53,793,716)
Net increase/(decrease) from unit transactions		3,291,644	(50,617,845)
Increase/(decrease) in net assets attributable to holders of redeemable participating units resulting from operations		13,248,990	(28,570,145)
Net assets attributable to holders of redeemable participating units at end of the financial period		111,902,583	90,691,916

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

Statement of Cash Flows

Global Fund

	For the six months ended 30 June	
	2021	2020
	US$	US$
Cash flows from operating activities		
Income/(Loss) for the financial period after interest and taxation	13,248,990	(28,570,145)
Adjustments to reconcile net increase/(decrease) in net assets resulting from operations to net cash (used in)/provided by operating activities:		
Net (gain)/loss on investments at fair value through profit or loss	(13,024,566)	28,937,569
Cash (outflow) due to purchases of investments during the financial period	(2,569,165,013)	(1,475,571,722)
Cash inflow due to sales of investments during the financial period	2,565,703,077	1,525,902,131
(Increase) in debtors	(34,902)	(18,587)
Increase in creditors	33,531	40,823
Net cash (used in)/provided by operating activities	(3,238,883)	50,720,069
Cash flows from financing activities		
Proceeds from the issuance of redeemable participating units	9,931,995	3,175,871
Payments on redemptions of redeemable participating units	(6,693,472)	(53,821,406)
Net cash provided by/(used in) financing activities	3,238,523	(50,645,535)
(Decrease)/Increase in cash and cash equivalents	(360)	74,534
Cash and cash equivalents at beginning of the financial period	917	(143,292)
Cash and cash equivalents at end of the financial period	557	(68,758)

Interest paid	(83)	-
Dividends received	1,001,746	1,406,994
Interest received	-	19,249

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

Investment Manager's Report

Asia Pacific Fund

Portfolio Returns at at 30/06/21 – Net of Fees

	2Q21	YTD	1 Year	3 Year	5 Year	Since Inception 2/12/2014
APAC UCITS (Class I USD)	2.17%	10.41%	38.42%	6.57%	11.74%	8.38%
MSCI AC Asia Pacific Index	2.61%	5.01%	34.33%	10.32%	12.60%	8.72%
Relative Returns	-0.44%	+5.40%	+4.09%	-3.75%	-0.86%	-0.34%

Selected Indices*	2Q21	YTD	1 Year	3 Year	5 Year
Hang Seng Index	2.69%	7.36%	21.40%	3.09%	10.18%
TOPIX Index (JPY)	-0.42%	8.89%	27.38%	6.41%	11.81%
TOPIX Index (USD)	-0.85%	1.20%	23.64%	6.31%	10.17%
MSCI Emerging Markets	5.05%	7.45%	40.90%	11.27%	13.03%

*Source: Bloomberg; Periods longer than one year are annualized

The Fund returned 2.17% in the second quarter, slightly trailing the MSCI AC Asia Pacific Index. The Fund's underweight in Australia, Taiwan, and China A-Share markets negatively impacted the relative performance, more than offsetting the benefit from our underweight to Japan. The first six months of the year have been strong, with the Fund returning 10.41%, well ahead of the Index.

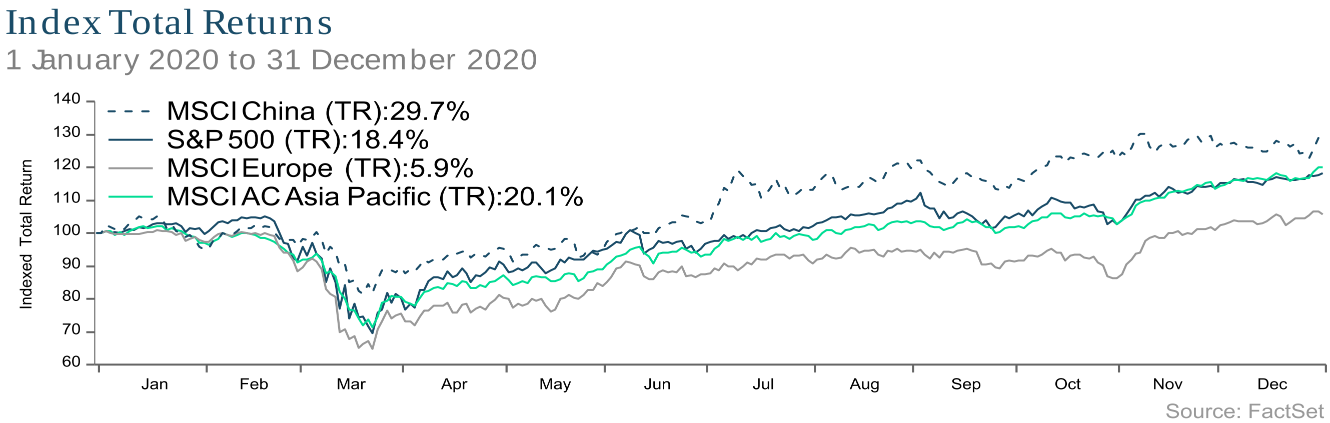
Equity market returns in Asia have lagged those in the US and Europe this year. The MSCI AC Asia Pacific is up 5.0% YTD, underperforming both the S&P 500's 15.3% and MSCI Europe's 11.8% returns. Rapid vaccination rollouts and unprecedented fiscal stimulus funded by ultra-loose monetary policy have spurred strong consumer demand and an improved economic outlook in western markets. Carnival Corporation's CEO Arnold Donald commented, "People are ready to sail. We have far more demand than we have ships to supply right now." We have come a long way from last year when cruise ships were idle and restricted from accessing ports — to now when bookings for 2022 are already above 2019 pre-COVID levels. Indications of financial excesses, such as the strong performance of meme stocks, cryptocurrencies, and NFTs, all with zero yields, are appearing more often. There have been 213 IPOs in the US raising over $70 billion in the first half of 2021 alone — this is higher than the full-year average for the past ten years. US corporate junk bond yields fell to a record low of 3.8% during the quarter, as Treasury rates have increased in recent months, implying a severe compression in the risk spread demanded by investors.

ICE BofA US High Yield Index Effective Yield

1 July 2011 to 30 June 2021

Source: Federal Reserve Bank of St. Louis

In comparison, the Asian fiscal and monetary response to COVID has been rather conservative, which bodes well for Asian currencies and long-term structural growth. China is the only major country that controlled COVID well enough in 2020 and got its economy back on track without relying on unsustainable relief measures. It most likely accounted for all of the global growth in 2020 and will remain the primary driver of global growth. It is not surprising that the MSCI China index significantly outperformed the S&P 500, MSCI Europe, and MSCI Asia Pacific last year (chart below).



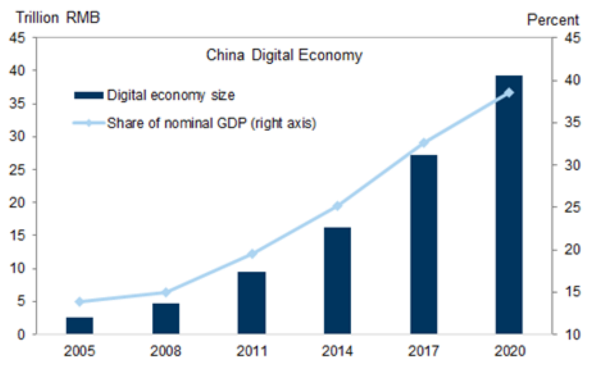
China's relative outperformance has reversed in 2021 YTD for two key reasons:

- The reopening story has moved from China to the US and Europe, which have seen vaccination rates rapidly reaching over 50% over the last few months. In contrast, most countries in southeast and north Asia, including developed economies like Japan and South Korea, have yet to see vaccination rates reach 20% (except China which has already administered 1.3 billion doses).

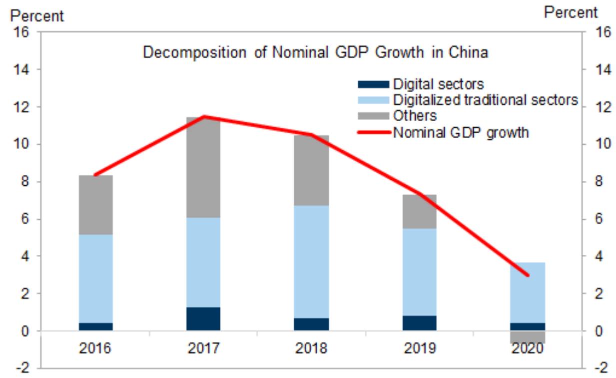
- The growth outlook and market returns in Western markets were further boosted by significant government relief spending and money printing. These effects should fade in the coming quarters. In contrast, China has been limiting money supply growth and public spending.

More importantly, China's internet sector (a key constituent of Asia and China indices) has come under tighter regulatory scrutiny, with anti-monopoly investigations and new fintech and data privacy regulations impacting regional returns. The launch of cybersecurity investigations by regulators against Didi, the largest ride-hailing platform in China, merely two days after its US listing that raised $4.4 billion, has further soured sentiment towards the Chinese tech sector and ADRs. This increased regulatory oversight is not too different from what we have observed in the US and European markets over the past decade. Globally, new rules governing the internet, privacy, content, data collection, storage, sharing, and usage are being written. At the extreme, US legislators are even contemplating breaking up big tech giants. However, the pace at which Chinese regulators have implemented regulation and oversight over the sector has been extremely rapid.

Digital Economy accounts for 40% of China's GDP



Digital Economy key driver of nominal GDP growth in China



Source: CAICT, Haver Analytics, Goldman Sachs Global Investment Research

The Chinese online industry has been largely unregulated for many years as the industry was small or non-existent many years ago. Fast forward to today, the Chinese digital economy generates almost 40% of China's GDP and accounted for over 60% of incremental GDP growth during 2016-2019. The fast-growing scale and significance of the online industry have attracted the attention of regulators. We view the recent regulatory developments in China as signs of regulations evolving and catching up with the economy. It is not surprising that Alibaba was among the first to be investigated by the State Administration for Market Regulation (SAMR) – Alibaba accounted for 18% of all retail sales in China in 2020, up from 10% in 2015.

Alibaba's $2.8 billion fine by SAMR compares favorably to the $9.5 billion of penalties imposed by the European Commission against Google from 2017 and 2019 for anti-competitive actions. Last year, Facebook paid a $5 billion penalty to the Federal Trade Commission (FTC) for misusing data and sharing customer data with third parties. Furthermore, the FTC and 46 states filed complaints against Facebook alleging that they violated antitrust laws by acquiring Instagram in 2012 and WhatsApp in 2014 and placing conditions on access to their platform. We believe that regulations imposed on Chinese tech companies are broadly consistent with those being applied to western peers, however its speed of implementation has been rapid, causing shock waves in the Asian capital markets.

The Chinese online sector accounts for six out of the top ten constituents of the MSCI China index (37% of the Index). Any dislocation in this sector has a meaningful impact on overall regional returns. We believe these regulations aim to ensure fair competition and the healthy development of online platforms (which, barring any regulatory oversight, lend themselves to natural monopolies due to their network effects and scale) and not kill these national champions. This regulatory crackdown allowed us to buy Alibaba and increase our exposure to Tencent (via Prosus) at a significant margin of safety. We believe China is on a sustainable growth trajectory, underpinned by rising disposable income and domestic consumption. The Fund's China weighting is the highest it's ever been.

The French economist Jacques Rueff said, "Inflation consists of subsidizing expenditures that give no returns with money that does not exist." We believe this is what is happening in the US. The supply of money has dramatically increased with the Fed's balance sheet expanding from under one trillion dollars in 2008, to around four trillion in 2019, to eight trillion now. Consumption is booming as the economy reopens while the supply of goods is constrained (semiconductor, labor, and logistics). Inflation is already running well above the Fed's average target of 2%, and the taper talks have re-started, but interest rate hikes still seem a few years away. The last taper tantrum in 2013 resulted in a meaningful selloff in emerging markets assets and currencies. We believe Asian countries will hold up much better this time around as they have stronger current account positions and larger foreign exchange reserves. Capital follows growth, and Asia offers higher growth, positive real yields, and cheaper valuations — which lend support to prospective returns in the region.

Despite lagging on the vaccination rollout, the extreme stance adopted by policymakers in most Asian countries of eradicating COVID has meant that rolling lockdowns and travel restrictions are impacting the pace of recovery in the region. This is most evident in our Macau holdings (~10% weighting in our portfolio), the largest combined detractor in the quarter. Macau has reported zero COVID cases in the community for over a year, yet the market is effectively locked down because of travel restrictions in key feeder markets (Mainland China and Hong Kong). Industry gross gaming revenue remains 65% below 2019 levels because of the border closure with HK and tighter visa restrictions from Mainland China (more details below). Macau continues to be the largest coiled spring in our portfolio.

COVID has proven to be more of a social and a health crisis than an economic one. It has had a disproportionate impact on lower-income households in which people lost their manufacturing, retail, and food service jobs. On the other hand, mid to high income white-collar workers, who account for most of the purchasing power, have had a steady flow of income and limited avenues to spend it, adding to their savings buffer. As COVID concerns recede and life normalizes, these consumers are coming back strong. The luxury goods sector has been a major beneficiary of this trend. Our portfolio company Richemont (which we exited during the quarter), reported extremely strong growth with jewelry sales up 62% YOY in the quarter that ended March 2021 and, more impressively, growth of 28% on a 2-year stack. Richemont's Asia sales grew by 22% in the fiscal year, ending March 2021 and 106% in the final quarter, driven mainly by China. Pernod Ricard, the second-largest spirits group, noted that demand is recovering faster than expected as restrictions are progressively lifted and raised its June fiscal year 2021 forecast to 16% growth YOY driven by Chinese demand for cognac and scotch whiskey. This gives us confidence that Chinese consumers are alive and well, and Macau will also see the recovery when travel restrictions ease.

Some of our holdings announced significant corporate actions during the quarter to increase NAV per share and reduce the discount to NAV. Two of them are detailed below:

- **Prosus**, a global consumer internet group, is trading at a steep 38% discount to NAV, which comprises its 29% stake in Tencent and its fast-growing e-commerce portfolio (food delivery, classifieds, fintech, and education technology). One of the key reasons for this discount is Naspers (a holding company with a 73% stake in Prosus) excessive weighting (23%) on the South African Index (SWIX), which can cause funds to limit their exposure to Naspers due to single-stock ownership limits. To address this issue, Prosus announced a share exchange offer wherein Prosus proposes to acquire a 45.4% stake in Naspers in exchange for newly issued Prosus shares. This will reduce the company's weighting on the SWIX to 15% without any tax leakage. While this increases complexity by introducing a cross-holding structure, this is a value accretive transaction for Prosus shareholders. We are buying higher discount Naspers shares in exchange for relatively lower discount Prosus shares and addressing the key reason for NAV discount. Once this transaction consummates (subject to Naspers shareholder tender), 60% of the economic interest in Prosus will be outside of South African tax jurisdiction. Prosus also announced an additional US$5 billion share repurchase program alongside this transaction, on top of the US$5 billion buyback announced in November 2020.

- **WH Group**, the largest pork packaged meat company globally, announced its intention to buy back and cancel 13% of its shares outstanding at HKD7.8 per share, representing a 17.3% premium to the price before the announcement. We detailed in our first quarter letter the level of undervaluation in WH Group. We were happy to see the board announce this $1.9 billion share repurchase to demonstrate their confidence in its prospects and address the steep discount. Importantly, insiders who own 34% of the company have given an irrevocable undertaking not to participate in the buyback program, effectively increasing their ownership to 39%. The buyback will be funded by low-cost debt and should be cash flow accretive because dividend savings on these canceled shares could more than offset any incremental after-tax interest expense. Apart from being value accretive, this demonstrates to the market that the management and the board care about reflecting the stock's actual value in the market.

Portfolio Review

We exited our investments in Richemont (as discussed earlier), Hyundai Mobis, and Duiba and initiated an investment in a China domestic consumption-focused company (undisclosed). We trimmed some of our winners, including China Lesso, Tongcheng Elong, and Hitachi, and redirected the proceeds to China internet holdings (Alibaba, Baidu, and Prosus), Gree, and HDFC.

	2Q21	
	Contribution to Portfolio Return (%)	**Total Return (%)**
Top Five		
L'Occitane	+1.51	+31
Jollibee	+1.19	+20
Hitachi	+1.15	+28
China Lesso	+0.83	+14
CK Asset	+0.72	+17
Bottom Five		
JOYY	-1.18	-29
Gree Electric	-0.93	-16
MGM China	-0.64	-15
Melco International	-0.62	-10
Prosus	-0.53	-13

	YTD 2021	
	Contribution to Portfolio Return (%)	**Total Return (%)**
Top Five		
China Lesso	+2.31	+58
L'Occitane	+2.15	+47
Hitachi	+1.77	+47
CK Asset	+1.36	+38
Tongcheng-Elong	+1.10	+29
Bottom Five		
JOYY	-1.25	-25
Gree Electric	-0.86	-16
MGM China	-0.55	-12
Melco International	-0.43	-5
Prosus	-0.33	-10

L'Occitane, the natural and organic-based beauty products company, was the top contributor for the quarter. COVID was particularly challenging for L'Occitane last year because it was highly dependent on the offline channel — 78% of the fiscal year March 2020 sales came from brick-and-mortar stores, which were largely closed last year. Most of these stores are self-operated, which meant the margin impact was much more significant than the sales drop due to operating deleverage. Our management partners used this crisis as an opportunity. They initiated long-desired restructuring actions to decrease the cost base in a sustainable manner and shift sales towards higher-margin online channels. Notably, the company's US operations filed for Chapter 11 to rid the company of long-term onerous lease contracts and reduce an unsustainably large physical store footprint in the US. Rental agreements were renegotiated down in other markets, headcount was reduced by 300, and the incentive structure was reconfigured to reward growth as well as margins. We believe L'Occitane is undergoing a cultural transformation wherein the focus has shifted from growth at all costs to profitable growth. This is a welcome change because we think 10-12% operating profit margins are too low for a business that generates over 80% gross margin. We already see the benefits of these actions, with more gross profit dollars flowing through to the bottom line. Despite FY21 (ended March 2021) sales contracting by 6.5% (due to COVID disruption in the first half), the operating margin increased by 300 bps to 14.3% - this was much better than the market's expectations and ours. Online sales mix, which has higher margins than offline sales due to rental expense savings, increased to 37.5% in FY21 compared to 22.4% in FY20.

Jollibee Foods Corporation, the largest restaurant chain in the Philippines, was a top contributor for the quarter. Despite the challenging operating environment, especially in the Philippines due to the prolonged impact of COVID, we are encouraged to see the benefits of Jollibee's business transformation program executed last year. Jollibee's Philippine business remained weak, with system-wide sales (SWS) down over 21% YOY due to COVID and related social distancing measures. However, it still managed to grow operating profits by 24% YOY driven by cost reductions in the stores, commissaries, and support functions. Jollibee also announced plans to monetize certain real estate assets in the Philippines via a REIT.

In contrast, Jollibee's international business, a growth driver, is now almost back to its pre-pandemic levels. Its Philippine brands are getting good traction overseas, and North America, Europe, Middle East, and Asia's SWS already surpassed pre-pandemic levels. For the two newly acquired brands dragging down the group's profitability, Coffee Bean & Tea Leaf (CBTL) and Smashburger, their turnarounds are on track. Management continues to take various measures to reduce costs and improve profitability. CBTL generated a small operating profit in February and March this year, and Smashburger's operating loss was reduced significantly compared to last year. There are some worries around the rising cost of materials, but we are not concerned given Jollibee's scale, good relationships with suppliers, and its ability to pass on cost increases to customers. Jollibee increased the average selling price in both the fourth quarter last year and the first quarter this year. We like the management's focus on return on invested capital, its long runway for domestic and overseas growth, as well as its gradual shift into a franchise model. We remain positive on Jollibee despite the strong stock price appreciation since our purchase last year.

Hitachi, a Japanese conglomerate, was a top contributor for the quarter. Hitachi reported strong fourth-quarter results that were above its own and consensus forecasts. While other segments were affected by COVID, its IT segment offset some challenges elsewhere and posted a record high profit margin. Management believes Hitachi has passed through the worst of the pandemic impact and is poised for a strong recovery in the current fiscal year. Hitachi also agreed to sell Hitachi Metal to a consortium led by Bain Capital at a price both above our appraisal and above the valuation multiples Hitachi itself is trading. This sale will further simplify the corporate structure, which has been a focus of Higashihara-san since he took the CEO role in 2016. Post the sale of Hitachi Metals, Hitachi Construction Machinery is the only major listed subsidiary remaining and is also under evaluation for value optimization. While Hitachi's share price has risen materially in the quarter, it is still trading at around 6x EBITDA, which is below our appraisal. On its recent investor day, management also expressed the view that the stock continues to be undervalued.

China Lesso, the largest plastic pipe manufacturer in China, was a top contributor for the quarter. While raw material price inflation has been a headwind for many companies in 2021, China Lesso has demonstrated a long track record of passing through cost increases to customers. By stocking up inventory in advance at low prices and raising prices several times in the first half of the year, China Lesso is confident it can maintain its gross profit margin while achieving double-digit growth. With the pandemic last year and cost inflation in 2021, industry consolidation has accelerated. China Lesso is already four to five times the size of the second-largest player, and its scale advantage is likely to get better over time. Its Lesso Home business will continue to focus on the Southeast Asia region, and the company is working on disposing of excess land in other non-core markets. Combined with increasing profits generated from its core plastic pipe business and reducing gearing, the management sees room to increase dividends over time.

CK Asset (CKA), the Hong Kong and China real estate company, was a top contributor in the quarter. In March, CKA announced an offer to buy stakes in infrastructure assets from the founder's foundation via scrips and structured a tender offer of shares to offset the dilution. After receiving feedback from various shareholders, including Southeastern, CKA enlarged the tender offer size, which resulted in a net share count reduction, and the transaction was completed in June. The net effect is that CKA bought infrastructure assets for HK$17 billion cash at about 8.3x EBITDA, which we view as fair, and repurchased a net HK$2.4 billion shares at HK$51 per share. The market was pleasantly surprised by CKA and the Li family buying more shares after the closing of the infrastructure acquisition. Since CKA is severely undervalued, this wasn't too surprising for us. In its most recent circular, the independent appraisal assessed CKA's NAV at over HK$130 per share, highlighting CKA's real estate portfolio value and the deep discount at which CKA currently trades. We believe CKA offers good value for long-term shareholders and will be a beneficiary of further unlocking in HK and the countries in which it operates.

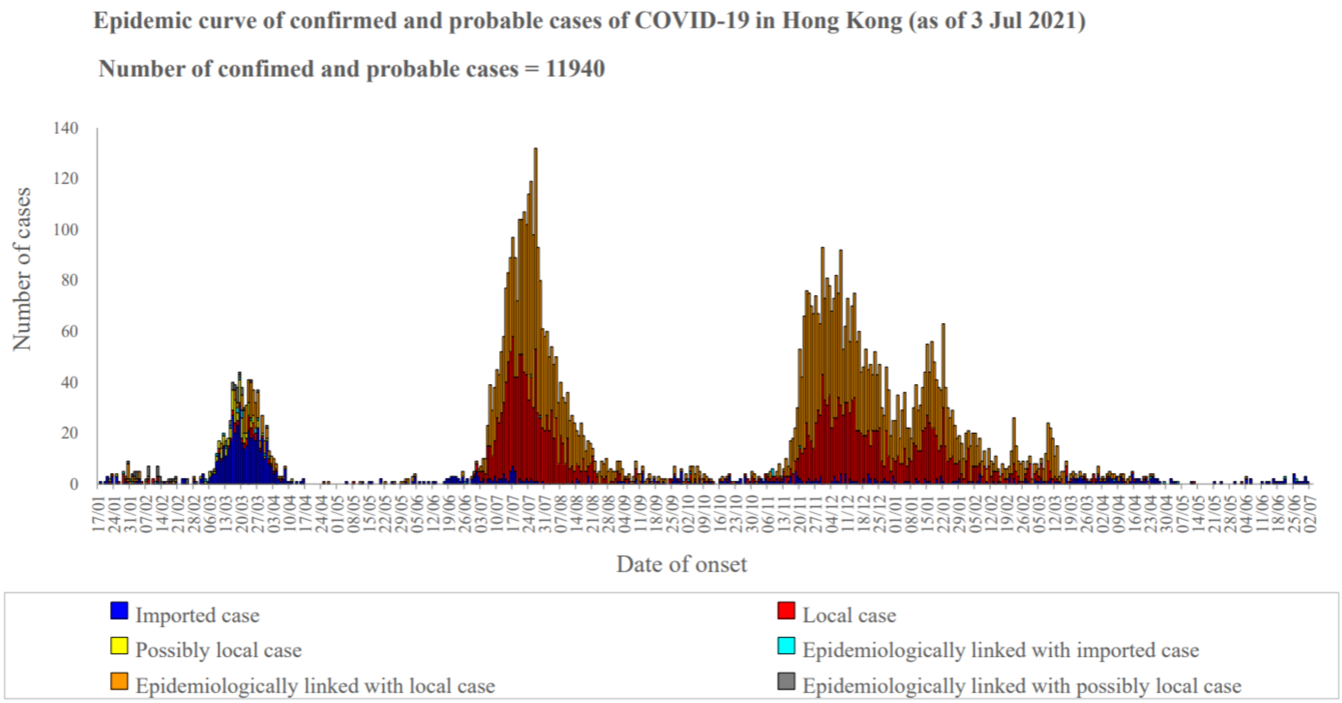
Prosus, a global consumer internet group, was a top detractor in the quarter. There are two key components to Prosus' NAV: its 29% stake in Tencent and its global e-commerce portfolio (food delivery, classifieds, payments, and educational technology):

- Tencent reported strong results in the first quarter, with revenues up 25% YOY and profits up 22% YOY. Its online advertising, gaming, and cloud businesses all delivered solid topline growth YOY and strengthened competitiveness. The company also announced plans to increase investments in cloud, large-scale gaming, and short-form video, which will drive higher value growth. However, its stock price performance was negatively impacted by growing regulatory headwinds for the entire Chinese online platform industry.

- Its global e-commerce portfolio reported strong results with revenues up 54% YOY in FY21 and trading loss margin improving by 11%. Deloitte has independently valued this portfolio at $39 billion vs. an investment of $16 billion (inception to date). The IRR on these investments is more than 20%. During the quarter, Prosus disposed of a 2% stake in Tencent, raising around $14 billion, providing the company with capital to continue investing in this portfolio of assets.

Despite the solid operating performance, the discount to NAV has increased in recent months primarily due to technical factors (excessive weighting on SWIX Index). To address this discount, Prosus and Naspers announced the voluntary exchange offer for Naspers N shares into Prosus N shares and a US$5 billion buyback plan (as discussed in detail above). We believe these value-accretive steps will lead to the narrowing of the discount to NAV. Given the management's alignment and history of unlocking values, we remain positive on Prosus.

Melco International and **MGM China**, the Macau casino and resort operators, were top detractors in the quarter. The quarterly results (which were largely in line with expectations) were a non-event because of the travel restrictions in the most important feeder markets —China and Hong Kong. Industry revenue is down over 65%, and EBITDA is down almost 90% from pre-COVID levels. Recovery is dependent on the reopening timeline, which continues to get pushed back. Unlike Las Vegas, Macau does not have a domestic market and relies on international visitors. Despite having zero locally transmitted COVID cases in over a year, the gaming sector continues to languish. As mentioned earlier, this is attributable to government policy to pursue a complete eradication of COVID rather than controlling its spread. With a 7.5 million population, Hong Kong had less than 10 local cases per day for the last six months (zero local cases in the last three weeks), yet the Macau-Hong Kong border remains closed. Hong Kong, which historically accounted for 20-25% of Macau industry revenues, is basically contributing zero to gross gaming revenues. During the quarter, a COVID outbreak in parts of neighboring Guangdong province (the most important feeder market) led to tighter travel restrictions being imposed, hurting any signs of recovery after a robust May Golden Week holiday. While the reopening progress has been disappointing, we are confident that the demand is not impaired. Chinese consumers will come back with a vengeance as the vaccination program rolls out and travel restrictions ease. We believe Macau will be the biggest and the earliest beneficiary of Chinese outbound tourism.



Source: Center for Health Protection (www.chp.gov.hk)

Gree Electric Appliances, the dominant air conditioner manufacturer in China, was a top detractor in the quarter. The Chinese home appliance industry had a strong recovery going into the first quarter of 2021. However, industry data shows that air conditioner shipment growth decelerated in April and May. Combined with commodity price inflation and concerns about margin pressure, the sector sold off in the second quarter. Gree has been focusing on strengthening the business and pushed ahead with its channel reform. By cutting out layers of traditional offline distribution and setting up online channels, Gree will be closer to the end retail customer and respond faster to consumers' changing needs. In April, Gree was awarded the Global Cooling Prize and demonstrated its technological superiority in this industry. On capital allocation, Gree declared an RMB 3 per share final dividend that was above consensus estimates. Including the interim dividend and the two consecutive buyback programs completed within a year, total shareholder return was about 12% of the current market capitalization. We expect a similar return going forward. Gree announced its third buyback program in May, which is bigger than the previous two buyback programs combined. We are encouraged to see its recently announced first employee stock ownership plan and believe it will align the interests of the management and employees with those of shareholders.

JOYY, a global video-based social media platform, was a top detractor in the quarter. The technology sector's weakness in the quarter was a headwind for JOYY's share price. In addition, short-term investors were disappointed that JOYY did not announce any special dividend or incremental buybacks despite having $4 billion net cash on its balance sheet (equivalent to around 80% of its market capitalization now). However, JOYY's underlying first quarter results were above the market's expectations. The revenue of Bigo, the live-streaming platform for markets outside of China, was up 93% YOY, driven by 72% YOY growth in paying users and a 26% YOY increase in average revenue per paying user. Gross profit margin also expanded both YOY and sequentially. In the quarter, JOYY adjusted its marketing strategy for Likee, a global short video creation and sharing platform, and moved spending from ads promotion to content development, which will enhance the platform's competitive advantage and ensure more sustainable growth. The deal to sell YY Live, the domestic live streaming business, to Baidu is still on track, and JOYY has already received $1.9 billion in proceeds. Upon completing the transaction, we expect JOYY to return a meaningful portion of this excess capital to shareholders. In the meantime, JOYY has continued to pay a quarterly dividend and execute its existing share buyback program.

Outlook

The price-to-value ratio of the portfolio remains attractive in the high-60s%. The cash level is around 7%, as we are in the middle of recycling capital into higher and better uses. We are excited about the businesses we own and the management teams we have partnered with. While valuations have recovered to an extent, around 40% of our portfolio remains exposed to markets in some form of COVID-related lockdown and will enjoy rerating when reopening happens. Many of our companies and management teams bought back (or announced the intention to repurchase) shares this year, including Alibaba, Baidu, CK Asset, CK Hutchison, Gree, Jollibee, JOYY, Melco, Prosus, and WH Group.

The recent volatility caused by more regulation on the Chinese online sector and Chinese ADRs listed in the US has accelerated the selloff in Chinese equities. As you may expect, we are currently assessing new opportunities in this current firestorm. With ample liquidity and recent stark underperformance relative to the US, Asian equities look very attractive at this level.

After the recent correction sparked by the stress around China Huarong Asset Management and rising regulatory risk for large internet companies and the property sector, the Chinese equity market seems poised to deliver strong returns. The People's Bank of China's 50 basis point cut to reserve requirements in July, injected about 1 trillion yuan of liquidity into the system, lowering bank's funding costs and interest rates on loans. While we believe the performance of Chinese internet stocks will become more stock-specific, most of the regulatory risk has been priced in. The strength of the renminbi gives us confidence that the Chinese economy is in relatively good shape.

Despite lagging on the vaccination rollout, Asia has shown its ability to effectively contain the economic damage from the pandemic without relying on unsustainable fiscal and monetary measures. This should hold Asian countries and currencies in good stead when reopening focus moves back to Asia. The US represents 25% of global GDP and 28% of global portfolios. On the other hand, China represents 20% of global GDP but just 1.6% of global portfolios. We believe Asia offers sustainable growth at a cheaper valuation and is poised to outperform the US market prospectively.

We thank you for your continued faith, trust, and partnership during this highly volatile environment.

Southeastern Asset Management, Inc.
July 2021

Schedule of Investments as at 30 June 2021
Asia Pacific Fund

Security (Domicile)	Nominal Holdings	Fair Value US$	% of Net Assets
Transferable Securities (December 2020: 94.07%)			
Common Stock (December 2020: 94.07%)			
Auto Components (December 2020: 2.97%)			
Construction Materials (December 2020: 3.69%)			
China Lesso Group Holdings Limited (China)	2,262,000	5,581,948	4.70
Cosmetics & Personal Care (December 2020: 4.81%)			
L'Occitane International S.A. (Luxembourg)	1,982,000	7,249,644	6.09
Diversified Financial Services (December 2020: 12.82%)			
CK Hutchison Holdings Limited (Hong Kong)	862,000	6,716,768	5.64
CK Hutchison Holdings Limited ADR (Hong Kong)	239,209	1,851,454	1.56
Housing Development Finance Corporation Limited (India)	159,761	5,320,172	4.47
		13,888,394	11.67
Food Products (December 2020: 9.66%)			
Dairy Farm International Holdings Limited (Hong Kong)	1,178,300	4,995,992	4.20
Health & Happiness H&H International Holdings Limited (Hong Kong)	641,500	2,689,338	2.26
WH Group Limited (Hong Kong)	4,832,000	4,343,902	3.65
		12,029,232	10.11
Home Furnishings (December 2020: 4.78%)			
Gree Electric Appliances Inc. of Zhuhai (China)	800,300	6,452,983	5.42
Hotels, Restaurants & Leisure (December 2020: 10.94%)			
Melco International Development Limited (Hong Kong)	3,777,000	6,936,880	5.83
MGM China Holdings Limited (China)	2,962,000	4,486,318	3.77
		11,423,198	9.60
Internet Software & Services (December 2020: 20.74%)			
Alibaba Group Holding Limited (China)	110,700	3,136,664	2.64
Alibaba Group Holding Limited ADR (China)	12,043	2,731,112	2.29
Baidu Inc. ADR (China)	43,657	8,901,663	7.48
JOYY Inc. ADR (China)	60,902	4,017,705	3.38
Prosus N.V. (Netherlands)	54,492	5,328,708	4.48
Tongcheng-Elong Holdings Limited (China)	2,148,800	5,380,095	4.52
		29,495,947	24.79
Machinery (December 2020: 5.56%)			
Hitachi Limited (Japan)	96,900	5,548,233	4.66
Real Estate Management & Development (December 2020: 6.66%)			
CK Asset Holdings Limited (Hong Kong)	816,000	5,633,167	4.74
New World Development Limited (Hong Kong)	985,333	5,120,640	4.30
		10,753,807	9.04

Security (Domicile)	Nominal Holdings	Fair Value US$	% of Net Assets
Transferable Securities (December 2020: 94.07%)			
Common Stock (December 2020: 94.07%)			
Retail (December 2020: 11.44%)			
Jollibee Foods Corporation (Philippines)	1,910,810	8,361,139	7.03
Total Common Stock		110,784,525	93.11
Total Transferable Securities (Cost $100,717,316)		**110,784,525**	**93.11**
Short Term Obligations (December 2020: 6.23%)			
State Street Repurchase Agreement State Street Bank 0.00% due 01/07/2021 (Collateral US$7,670,405 U.S. Treasury Note 0.875% due 30/06/2026) (United States)	7,520,000	7,520,000	6.32
Total Short Term Obligations		**7,520,000**	**6.32**
Portfolio of Investments (December 2020: 100.30%)		**118,304,525**	**99.43**
Cash and cash equivalents (December 2020: 0.00%)		1,752	0.00
Other net assets (December 2020: (0.30)%)		680,516	0.57
Net Asset Value		**118,986,793**	**100.00**

Analysis of total assets	% of Total Current Assets
Transferable securities admitted to an official stock exchange listing or traded on a regulated market	92.71
Short term obligations	6.29
Other current assets	1.00
Total Assets	**100.00**

Statement of Changes in Composition of Portfolio

Asia Pacific Fund

	Acquisition Cost US$
JOYY Inc. ADR	6,315,172
Baidu Inc. ADR	4,514,947
Gree Electric Appliances Inc. of Zhuhai	3,407,849
Alibaba Group Holding Limited	3,206,984
Alibaba Group Holding Limited ADR	2,881,426
Health & Happiness H&H International Holdings Limited	2,437,405
Prosus N.V.	2,250,264
New World Development Limited	2,151,260
Melco International Development Limited	2,030,570
China Lesso Group Holdings Limited	1,896,482
Housing Development Finance Corporation Limited	1,823,426
CK Hutchison Holdings Limited	1,660,557
Jollibee Foods Corporation	1,604,918
CK Asset Holdings Limited	1,546,479
Dairy Farm International Holdings Limited	1,268,416
Hyundai Mobis Company Limited	1,226,860
MGM China Holdings Limited	1,202,524
Hitachi Limited	1,197,774
L'Occitane International S.A.	1,119,560
WH Group Limited	932,877
Tongcheng-Elong Holdings Limited	907,622
Cie Financiere Richemont S.A.	897,054
CK Hutchison Holdings Limited ADR	642,139
Duiba Group Limited	513,818

	Disposal Proceeds* US$
Cie Financiere Richemont S.A.	5,426,853
Hyundai Mobis Company Limited	4,121,764
Trip.Com Group Limited ADR	4,039,410
Baidu Inc. ADR	3,056,647
China Lesso Group Holdings Limited	1,756,840
Dali Foods Group Company Limited	1,495,963
Minebea Mitsumi Inc.	1,404,668
CK Hutchison Holdings Limited	943,397
Hitachi Limited	838,930
Housing Development Finance Corporation Limited	662,566
Tongcheng-Elong Holdings Limited	559,211
JOYY Inc. ADR	414,802
Duiba Group Limited	370,197
CK Asset Holdings Limited	359,207
L'Occitane International S.A.	201,328
Prosus N.V.	105,889
PNB Housing Finance Limited	90,172

*There were no other sales during the six months ended 30 June 2021.

Statement of Changes in Composition of Portfolio

Asia Pacific Fund

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

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

A list of all purchases and sales of the Fund during the six months ended 30 June 2021 can be obtained free of charge from the Swiss Representative.

Statement of Comprehensive Income

Asia Pacific Fund

		For the six months ended 30 June	
		2021	2020
	Notes	US$	US$
Income			
Dividend income		1,008,729	794,229
Interest income		-	3,595
Net gain/(loss) on investments at fair value through profit or loss	2	8,985,201	(15,985,783)
Net foreign exchange loss	2	(39,310)	(44,753)
Total net income/(loss)		9,954,620	(15,232,712)
Expenses			
Management fees	8	(625,888)	(489,406)
Administration fees		(32,592)	(25,467)
Depositary fees		(50,405)	(37,018)
Audit fees		(11,769)	(9,637)
Other operating expenses		(67,490)	(92,195)
Total net expenses		(788,144)	(653,723)
Operating income/(loss)		9,166,476	(15,886,435)
Finance cost			
Interest expense		(26)	(120)
Taxation			
Withholding tax	4	(33,931)	(54,448)
Capital gains tax		(74,346)	(10,005)
Increase/(Decrease) in net assets attributable to holders of redeemable participating units resulting from operations		9,058,173	(15,951,008)

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

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

Statement of Financial Position

Asia Pacific Fund

	Notes	30 June 2021 US$	31 December 2020 US$
Current Assets			
Financial assets at fair value through profit or loss		118,304,525	84,862,586
Cash and cash equivalents		1,752	128
Dividends receivable		273,167	31,197
Receivable for investments sold		919,838	-
Other receivables		3,501	-
Total Current Assets		119,502,783	84,893,911
Current Liabilities			
Payable for fund units repurchased		(74,409)	-
Management fees payable	8	(231,876)	(152,055)
Administration fees payable		(28,106)	(14,884)
Depositary fees payable		(35,373)	(16,951)
Audit fees payable		(11,662)	(23,280)
Capital gains tax payable		(77,000)	-
Other liabilities		(57,564)	(77,279)
Total Current Liabilities (excluding net assets attributable to redeemable participating unitholders)		(515,990)	(284,449)
Net assets attributable to holders of redeemable participating units		118,986,793	84,609,462

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

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

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

Asia Pacific Fund

	Notes	For the six months ended 30 June 2021 US$	2020 US$
Net assets attributable to holders of redeemable participating units at beginning of the financial period		84,609,462	108,019,814
Proceeds from the issuance of redeemable participating units	3	36,192,179	5,217,348
Payments on redemptions of redeemable participating units	3	(10,873,021)	(31,734,564)
Net increase/(decrease) from unit transactions		25,319,158	(26,517,216)
Increase/(decrease) in net assets attributable to holders of redeemable participating units resulting from operations		9,058,173	(15,951,008)
Net assets attributable to holders of redeemable participating units at end of the financial period		118,986,793	65,551,590

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

Statement of Cash Flows

Asia Pacific Fund

	For the six months ended 30 June	
	2021	**2020**
	US$	**US$**
Cash flows from operating activities		
Income/(loss) for the financial period after interest and taxation	9,058,173	(15,951,008)
Adjustments to reconcile net increase/(decrease) in net assets resulting from operations to net cash (used in)/provided by operating activities:		
Net (gain)/loss on investments at fair value through profit or loss	(8,985,201)	15,985,783
Cash (outflow) due to purchases of investments during the financial period	(885,060,582)	(632,852,430)
Cash inflow due to sales of investments during the financial period	859,684,007	659,259,635
(Increase)/decrease in debtors	(245,471)	28,494
Increase in creditors	157,132	70,525
Net cash (used in)/provided by operating activities	(25,391,942)	26,540,999
Cash flows from financing activities		
Proceeds from the issuance of redeemable participating units	36,192,179	5,217,348
Payments on redemptions of redeemable participating units	(10,798,612)	(31,734,564)
Net cash provided by/(used in) financing activities	25,393,567	(26,517,216)
Increase in cash and cash equivalents	1,625	23,783
Cash and cash equivalents at beginning of the financial period	127	(97,688)
Cash and cash equivalents at end of the financial period	1,752	(73,905)
Interest paid	(26)	(120)
Dividends received	766,759	822,645
Interest received	-	3,630

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

1. Significant Accounting Policies

Organisation

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

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

a) Basis of Preparation

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

The condensed unaudited interim financial statements are presented in U.S. Dollars, the functional currency of the Trust. All subscriptions received are denominated in the currency of the respective unit class and converted to U.S. Dollars and any potential redemptions or distribution payments in the future would need to be paid out in the respective currency of each unit class.

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

b) Statement of Compliance

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

These condensed unaudited interim financial statements do not contain all of the information and disclosures required in the full annual audited financial statements and should be read in conjunction with the financial statements of the Trust for the year ended 31 December 2020, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union). The accounting policies and methods of computation applied by the Trust in these condensed unaudited interim financial statements are the same as those applied by the Trust in its financial statements for the year ended 31 December 2020, as described in those annual financial statements.

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

Global Fund	30 June 2021 US$	30 June 2020 US$
Realized gain/(loss) on investments sold	3,905,066	(12,668,555)
Total change in unrealized gain/(loss) on investments	9,119,500	(16,269,014)
Net gain/(loss) on investments at fair value through profit or loss	13,024,566	(28,937,569)
Net foreign exchange loss	(17,772)	(35,148)

Asia Pacific Fund	30 June 2021 US$	30 June 2020 US$
Realized gain/(loss) on investments sold	6,323,295	(6,325,000)
Total change in unrealized gain/(loss) on investments	2,661,906	(9,660,783)
Net gain/(loss) on investments at fair value through profit or loss	8,985,201	(15,985,783)
Net foreign exchange loss	(39,310)	(44,753)

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

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

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

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

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

A summary of unitholder activity is detailed below:

Global Fund	For the six months ended 30 June 2021		
	Class I U.S. Dollar	Class I Euro	Class I British Pound
Units in issue at the beginning of financial period	4,558,676	318,435	185,264
Units issued	461,516	2,521	46,509
Units redeemed	(254,111)	-	(62,132)
Units in issue at the end of financial period	4,766,081	320,956	169,641
Net Asset Value	US$101,559,655	€5,695,964	£2,594,475
Number of Units in Issue	4,766,081	320,956	169,641
Net Asset Value per Unit	US$21.31	€17.75	£15.29

Global Fund	For the financial year ended 31 December 2020		
	Class I U.S. Dollar	Class I Euro	Class I British Pound
Units in issue at the beginning of financial year	8,576,339	321,490	427,771
Units issued	608,404	12,913	39,292
Units redeemed	(4,626,067)	(15,968)	(281,799)
Units in issue at the end of financial year	4,558,676	318,435	185,264
Net Asset Value	US$85,963,178	€4,854,091	£2,536,577
Number of Units in Issue	4,558,676	318,435	185,264
Net Asset Value per Unit	US$18.86	€15.24	£13.69

Global Fund	For the six months ended 30 June 2020		
	Class I U.S. Dollar	Class I Euro	Class I British Pound
Units in issue at the beginning of financial period	8,576,339	321,490	427,771
Units issued	158,903	9,375	39,292
Units redeemed	(3,713,018)	-	(589)
Units in issue at the end of financial period	5,022,224	330,865	466,474
Net Asset Value	US$78,363,043	€4,537,891	£5,835,325
Number of Units in Issue	5,022,224	330,865	466,474
Net Asset Value per Unit	US$15.60	€13.72	£12.51

Asia Pacific Fund	For the six months ended 30 June 2021	
	Class I U.S. Dollar	Class I British Pound
Units in issue at the beginning of financial period	4,136,207	1,376,839
Units issued	2,034,920	117,704
Units redeemed	(50,981)	(597,532)
Units in issue at the end of financial period	6,120,146	897,011
Net Asset Value	US$103,846,206	£10,945,266
Number of Units in Issue	6,120,146	897,011
Net Asset Value per Unit	US$16.97	£12.20

Asia Pacific Fund	For the financial year ended 31 December 2020	
	Class I U.S. Dollar	Class I British Pound
Units in issue at the beginning of financial year	6,507,950	1,300,643
Units issued	675,815	122,130
Units redeemed	(3,047,558)	(45,934)
Units in issue at the end of financial year	4,136,207	1,376,839
Net Asset Value	US$63,562,710	£15,390,669
Number of Units in Issue	4,136,207	1,376,839
Net Asset Value per Unit	US$15.37	£11.18

Asia Pacific Fund	**For the six months ended 30 June 2020**	
	Class I U.S. Dollar	Class I British Pound
Units in issue at the beginning of financial period	6,507,950	1,300,643
Units issued	383,376	59,741
Units redeemed	(2,854,393)	(43,600)
Units in issue at the end of financial period	4,036,933	1,316,784
Net Asset Value	US$49,492,851	£12,959,996
Number of Units in Issue	4,036,933	1,316,784
Net Asset Value per Unit	US$12.26	£9.84

Significant unitholders

The following table details the number of unitholders with significant holdings of at least 20 per cent of the relevant Fund and the percentage of that holding as at 30 June 2021 and 31 December 2020.

Fund	Number of significant unitholders 30 Jun 2021	Total Units held as at 30 Jun 2021	Total Unitholding as a % of the Fund as at 30 Jun 2021	Number of significant unitholders 31 Dec 2020	Total Units held as at 31 Dec 2020	Total Unitholding as a % of the Fund as at 31 Dec 2020
Global Fund	1	2,495,101	47.47	1	2,666,744	52.68
Asia Pacific Fund	1	2,071,891	29.56	1	2,071,891	37.58

Note 8 provides further detail of the significant unitholder (Pyramid Peak Foundation) of the Asia Pacific Fund included in the table above.

4. Taxation

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

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

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

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

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

5. Financial Instruments

The Trust's financial risk management objectives and policies applied during the financial period ended 30 June 2021 are consistent with those disclosed in the Trust's annual audited financial statements as at 31 December 2020.

Fair Valuation Hierarchy

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

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

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

Equities are classified as Level 1.

Short Term Obligations are classified as Level 2.

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

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

The financial assets and liabilities at 30 June 2021 and 31 December 2020 are classified as follows:

Global Fund	**at 30 June 2021 US$**			
	Level 1	Level 2	Level 3	Total
Transferable securities	97,538,661	-	-	97,538,661
Short Term Obligations	-	14,470,000	-	14,470,000
	97,538,661	14,470,000	-	112,008,661

	at 31 December 2020 US$			
	Level 1	Level 2	Level 3	Total
Transferable securities	77,053,159	-	-	77,053,159
Short Term Obligations	-	18,469,000	-	18,469,000
	77,053,159	18,469,000	-	95,522,159

Asia Pacific Fund	at 30 June 2021 US$			
	Level 1	Level 2	Level 3	Total
Transferable securities	110,784,525	-	-	110,784,525
Short Term Obligations	-	7,520,000	-	7,520,000
	110,784,525	7,520,000	-	118,304,525

	at 31 December 2020 US$			
	Level 1	Level 2	Level 3	Total
Transferable securities	79,590,586	-	-	79,590,586
Short Term Obligations	-	5,272,000	-	5,272,000
	79,590,586	5,272,000	-	84,862,586

Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the period and are deemed to have occurred when the pricing source or methodology used to price an investment has changed which triggers a change in level as defined under IFRS 13. There were no transfers between Level 1, Level 2 and Level 3 of the fair value hierarchy during the financial period ended 30 June 2021 and financial year ended 31 December 2020.

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

The assets and liabilities not carried at fair value but for which fair value is disclosed at 30 June 2021 and 31 December 2020 are classified as follows:

Global Fund	At 30 June 2021			
Assets	Level 1	Level 2	Level 3	Total US$
Cash and Cash Equivalents	557	-	-	557
Other Assets	-	200,646	-	200,646
Total	557	200,646	-	201,203
Liabilities				
Other Liabilities	-	(307,281)	-	(307,281)
Net assets attributable to holders of redeemable participating units	-	(111,902,583)	-	(111,902,583)
Total	-	(112,209,864)	-	(112,209,864)

Global Fund	At 31 December 2020			
Assets	Level 1	Level 2	Level 3	Total US$
Cash and Cash Equivalents	917	-	-	917
Other Assets	-	112,623	-	112,623
Total	917	112,623	-	113,540
Liabilities				
Other Liabilities	-	(273,750)	-	(273,750)
Net assets attributable to holders of redeemable participating units	-	(95,361,949)	-	(95,361,949)
Total	-	(95,635,699)	-	(95,635,699)

Asia Pacific Fund

	At 30 June 2021			
Assets	Level 1	Level 2	Level 3	Total US$
Cash and Cash Equivalents	1,752	-	-	1,752
Other Assets	-	1,196,506	-	1,196,506
Total	1,752	1,196,506	-	1,198,258
Liabilities				
Other Liabilities	-	(515,990)	-	(515,990)
Net assets attributable to holders of redeemable participating units	-	(118,986,793)	-	(118,986,793)
Total	-	(119,502,783)	-	(119,502,783)

Asia Pacific Fund

	At 31 December 2020			
Assets	Level 1	Level 2	Level 3	Total US$
Cash and Cash Equivalents	128	-	-	128
Other Assets	-	31,197	-	31,197
Total	128	31,197	-	31,325
Liabilities				
Other Liabilities	-	(284,449)	-	(284,449)
Net assets attributable to holders of redeemable participating units	-	(84,609,462)	-	(84,609,462)
Total	-	(84,893,911)	-	(84,893,911)

Global Exposure

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

6. Exchange Rates

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

	30 June 2021	31 December 2020	30 June 2020
Australian Dollar	N/A	N/A	1.449065
British Pound	0.722909	0.731261	0.807037
China Yuan Renminbi	6.461450	6.539800	7.074100
Danish Krone	6.271250	6.092400	6.632500
Euro	0.843348	0.818565	0.890076
Hong Kong Dollar	7.764300	7.752450	7.750500
Indian Rupee	74.330000	73.067500	75.503750
Japanese Yen	111.095000	103.255000	107.975000
Korean Won	1,126.150000	1,086.300000	1,202.850000
Philippine Peso	48.815000	48.023500	49.825000
Swedish Krone	8.558100	8.227600	9.318200
Swiss Franc	0.925250	0.885300	0.947450

7. Efficient Portfolio Management

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

As at 30 June 2021 and 31 December 2020, the Funds did not hold any derivative positions.

As at 30 June 2021 and 31 December 2020, the Funds held Repurchase Agreements as detailed in the Schedules of Investments. No material revenues arose and no direct or indirect costs were incurred for the Repurchase Agreements for the financial period ended 30 June 2021 and financial year ended 31 December 2020.

8. Related Party Transactions

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

Transactions with entities with significant influence:

Southeastern Asset Management, Inc. serves in an appointed role as the Investment Manager for the Trust and is paid an investment management fee for its services. For the Global Fund, the Investment Manager earned a fee of US$548,601 (June 2020: US$568,668) of which US$188,928 (December 2020: US$152,279) was outstanding at the financial period end. For the Asia Pacific Fund the Investment Manager earned a fee of US$625,888 (June 2020: US$489,406) of which US$231,876 (December 2020: US$152,055) was outstanding at the financial period end.

A management fee reimbursement of US$65,350 (June 2020: US$Nil) was reimbursed by the Investment Manager in respect of the Global Fund of which US$23,779 (December 2020: US$Nil) was outstanding at financial period end. There was no management fee reimbursement applied to the Asia Pacific Fund (June 2020: US$Nil).

The Investment Manager has been appointed by the board members of the Manager, which is a wholly owned subsidiary of the Investment Manager. The Manager does not receive a fee out of the assets of the Funds. The Manager is reimbursed for all of its expenses incurred in the normal course of business plus a 10% markup by the Investment Manager.

Directors of the Manager, Ryan Hocker and Steve McBride are employees of Southeastern Asset Management, Inc. and there are two Irish resident directors, Lisa Martensson and Michael Kirby. The Manager pays the independent directors a fixed fee per annum.

Transactions with other related parties:

The Pyramid Peak Foundation (the "Foundation") provided the Asia Pacific Fund's initial seed capital. Because some of the members of the Foundation's governing board are also owners of the Investment Manager, the Asia Pacific Fund and the Foundation are considered related parties. The Foundation's holding in the Asia Pacific Fund constitutes approximately 30% (December 2020: 38%) of the Asia Pacific Fund's Net Asset Value, and are therefore noted as significant unitholders as at 30 June 2021 in Note 3.

In addition, employees of the Investment Manager owned approximately 2.4% (December 2020: 2.6%) and 40.0% (December 2020: 50.8%) of the Global and Asia Pacific Funds at 30 June 2021 respectively.

KB Associates ("KBA") have been engaged by the Manager to provide operational and compliance support services. Michael Kirby is a Director and principal of KBA and also a Director of the Manager to the Trust. KBA fees are disbursed through the Manager.

9. Dealing with Connected Parties

Regulation 43 of the UCITS Regulations "Restrictions of transactions with connected persons" states that "A responsible person shall ensure that any transaction between a UCITS and connected persons conducted a) at arm's length; and b) in the best interest of the unit-holders of the UCITS".

As required under UCITS Regulation 43, the Directors of the Manager, as responsible persons are satisfied that there are in place arrangements, evidenced by written procedures, to ensure that the obligations that are prescribed by Regulation 43(1) are applied to all transactions with a connected party; and all transactions with connected parties that were entered into during the period to which the report relates complied with the obligations that are prescribed by Regulation 43(1).

10. Soft Commission Arrangements

There were no soft commission arrangements entered into by the Investment Manager, on behalf of the Trust, during the financial period ended 30 June 2021 or the financial year ended 31 December 2020.

11. Contingent Liability

There are no contingent liabilities at 30 June 2021 or 31 December 2020.

12. Committed Deals

There are no commitments at 30 June 2021 or 31 December 2020.

13. Distribution policy

The Manager is empowered to declare and pay dividends on any class of units in the Trust. The Manager did not declare any dividends during the financial period ended 30 June 2021 and financial year ended 31 December 2020.

14. Significant Events During the Financial Period

Since the start of the COVID-19 pandemic in January 2020, there have been approximately 180 million cases worldwide, as of June 2021. There is still a great amount of uncertainty surrounding the virus, with record number of cases being recorded in numerous regions. Additionally, the emergence of COVID-19 variants have had far reaching consequences, with announcements of further lockdowns and travel restrictions to curb their spread. While the final fiscal ramifications of the pandemic are still unknown, there have been many advances made to curb and control outbreaks, which has meant that many jurisdictions are able to proceed with their ‘’phased returns’’ to ease lockdowns and reopen their economies. Thanks to vaccination efforts the global economic outlook is much more optimistic than this time last year, with the IMF predicting global growth of 6% for 2021 and 4.4% for 2022.

All service providers have enacted their respective business continuity plans and the Board of Directors will continue to monitor this situation closely. There have been no significant operational issues affecting the Trust or its service providers since the COVID-19 pandemic began.

On 1 March 2021 it was resolved by the Board of the Manager to liquidate Longleaf Management Company (Ireland) Limited and to commence a transition of Manager to the Trust, to KBA Consulting Management Ltd.

An updated Prospectus was issued on 8 March 2021, which reflects the additional disclosure requirements of the European Commission's Sustainable Finance Disclosure Regulation ("SFDR").

There were no other significant events during the financial period ended 30 June 2021.

15. Significant Events Since the Financial Period End

The COVID-19 outbreak has caused extensive disruption to businesses and economic activities globally. The uncertainty and instability described in Note 14 continues post financial period end.

There were no other significant events since the financial period end 30 June 2021.

16. Approval of the Financial Statements

The Board of Directors of the Manager approved these financial statements on 20 August 2021.

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

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

At 30 June 2021, the Class I U.S. Dollar, the Class I GBP and the Class I Euro Units of the Global Fund and the Class I U.S. Dollar and the Class I GBP Units of the Asia Pacific Fund were active. Further classes of units may be issued on advance notification to, and in accordance with the requirements of the Central Bank.

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

Investment Objective and Policy

Global Fund

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

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

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

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

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

Minimum Subscription Amount/Minimum Holding

The minimum subscription amount and minimum holding of each Unit Class is as follows:

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

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

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

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

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

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

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

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

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

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

Directory

Manager
Longleaf Management Company (Ireland) Limited
5 Earlsfort Terrace
Dublin 2
Ireland

Directors of the Manager
Ryan Hocker (American)*
Michael Kirby (Irish) (Chairperson)*
Steve McBride (American)*
Lisa Martensson (Swedish national and Irish resident)*†

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

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

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

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

Company Secretary
Dechert Secretarial Limited
5 Earlsfort Terrace
Dublin 2
Ireland

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

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

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

*Denotes non-executive Directors.
†Denotes Independent Director.

Information for Investors in Switzerland

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

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

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

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

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

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

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

   The average Total Expense Ratio table shows the actual operational expenses incurred by the respective Unit Classes of the Funds from 1 January 2021 to 30 June 2021 expressed as an annualised percentage of the average net asset value (NAV) of each Unit Class of that Fund.

	Global Fund	Asia Pacific Fund
Total Expense Ratio		
Class I U.S. Dollar Units	1.15	1.45
Class I Euro Units	1.15	-
Class I GBP Units	1.15	1.45

Appendix 1 – Securities Financing Transactions Regulation

Article 13 of Regulation (EU) 2015/2365 on transparency of securities financing transactions (SFTs) and of reuse and amending Regulation (EU) No 648/2012, requires UCITS investment companies to provide the following information in their annual and semi-annual reports, on the use made of SFTs. The SFT's held by the Funds at 30 June 2021 consisted of repurchase agreements as detailed hereunder:

Global Fund

Fair value	US$14,470,000
% of Net Assets	12.93%
Counterparty Name	State Street Bank
Counterparty Country of Establishment	U.S.A
Maturity Date	01/07/2021
Settlement	Bilateral
Collateral Description	U.S Treasury Note 0.875% due 30/06/2026 Total collateral value US$14,759,464.

Asia Pacific Fund

Fair value	US$7,520,000
% of Net Assets	6.32%
Counterparty Name	State Street Bank
Counterparty Country of Establishment	U.S.A
Maturity Date	01/07/2021
Settlement	Bilateral
Collateral Description	U.S Treasury Note 0.875% due 30/06/2026 Total collateral value US$7,670,405.

Safekeeping of Collateral

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

Income and Costs

The interest income arising from the repurchase agreements earned by the Funds during the financial period ended 30 June 2021 is US$Nil and this represents 100% of the overall returns generated by the repurchase agreements. Transaction costs are embedded in the price of the instruments and are not separately disclosed.