Longleaf Partners Funds®

Quarterly Report

Partners Fund

Small-Cap Fund

International Fund

Global Fund

September 30, 2013

Longleaf
Partners Funds

Advised by
Southeastern
Asset Management, Inc.®

Cautionary Statement

One of Southeastern's "Governing Principles" is that "we will communicate with our investment partners as candidly as possible," because we believe Longleaf shareholders benefit from understanding our investment philosophy and approach. Our views and opinions regarding the investment prospects of our portfolio holdings and Funds are "forward looking statements" which may or may not be accurate over the long term. While we believe we have a reasonable basis for our appraisals, and we have confidence in our opinions, actual results may differ materially from those we anticipate. Information provided in this report should not be considered a recommendation to purchase or sell any particular security.

You can identify forward looking statements by words like "believe," "expect," "anticipate," or similar expressions when discussing prospects for particular portfolio holdings and/or one of the Funds. We cannot assure future results and achievements. You should not place undue reliance on forward looking statements, which speak only as of the date of this report. We disclaim any obligation to update or alter any forward looking statements, whether as a result of new information, future events, or otherwise. Current performance may be lower or higher than the performance quoted herein. Past performance does not guarantee future results, fund prices fluctuate, and the value of an investment may be worth more or less than the purchase price. ***Call (800)445-9469 or go to longleafpartners.com for current performance information and for the Prospectus and Summary Prospectus, both of which should be read carefully before investing to learn about fund investment objectives, risks and expenses.***

The price-to-value ratio ("P/V") is a calculation that compares the prices of the stocks in a portfolio to Southeastern's appraisals of their intrinsic values. P/V represents a single data point about a Fund, and should not be construed as something more. We caution our shareholders not to give this calculation undue weight. P/V alone tells nothing about:

- *The quality of the businesses we own or the managements that run them;*
- *The cash held in the portfolio and when that cash will be invested;*
- *The range or distribution of individual P/V's that comprise the average; and*
- *The sources of and changes in the P/V.*

When all of the above information is considered, the P/V is a useful tool to gauge the attractiveness of a Fund's potential opportunity. It does not, however, tell when that opportunity will be realized, nor does it guarantee that any particular company's price will ever reach its value. We remind our shareholders who want to find a single silver bullet of information that investments are rarely that simple. To the extent an investor considers P/V in assessing a Fund's return opportunity, the limits of this tool should be considered along with other factors relevant to each investor.

Unless otherwise noted, performance returns of Fund positions combine the underlying stock and bond securities including the effect of trading activity during the period.

Funds distributed by Rafferty Capital Markets, LLC.

Contents

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Letter To Our Shareholders

We are pleased to report that Southeastern delivered one of our strongest absolute return quarters across the Longleaf Fund family in 3Q as almost all of our holdings appreciated. Only the Small-Cap Fund, which had a large cash position, did not exceed its benchmark index in the quarter. One year returns were well ahead of our annual absolute goal of inflation plus 10%. The Partners and International Funds also substantially outperformed their benchmark indices over the last twelve months. Each of the four Longleaf Funds has beaten its respective index since inception.

Cumulative Returns at September 30, 2013

	Since Inception	20 Year	15 Year	Ten Year	Five Year	One Year	YTD	3Q
Partners Fund Inception 4/8/87	**1586.90%**	**623.42%**	**226.39%**	**84.03%**	**61.07%**	**24.13%**	**20.39%**	**9.82%**
S&P 500 Index	953.13	440.25	117.91	107.37	61.18	19.34	19.79	5.24
Small-Cap Fund Inception 2/21/89	**1292.94**	**972.76**	**396.50**	**189.95**	**102.63**	**27.82**	**23.48**	**7.44**
Russell 2000 Index	878.31	455.92	259.77	151.03	69.68	30.06	27.69	10.21
International Fund Inception 10/26/98	**266.65**	**na**	**na**	**82.06**	**32.56**	**29.83**	**19.87**	**12.95**
EAFE Index	101.11	na	na	116.07	36.06	23.77	16.14	11.56
Global Fund Inception 12/27/12	**17.60**	**na**	**na**	**na**	**na**	**na**	**17.60**	**14.29**
MSCI World Index	17.49	na	na	na	na	na	17.29	8.18

Average Annual Returns at September 30, 2013

	Since Inception	20 Year	15 Year	Ten Year	Five Year	One Year
Partners Fund Inception 4/8/87	**11.26%**	**10.40%**	**8.21%**	**6.29%**	**10.00%**	**24.13%**
S&P 500 Index	9.29	8.80	5.33	7.57	10.02	19.34
Small-Cap Fund Inception 2/21/89	**11.30**	**12.60**	**11.27**	**11.23**	**15.17**	**27.82**
Russell 2000 Index	9.71	8.96	8.91	9.64	11.15	30.06
International Fund Inception 10/26/98	**9.09**	**na**	**na**	**6.18**	**5.80**	**29.83**
EAFE Index	4.80	na	na	8.01	6.35	23.77

During the inception year, the S&P 500 and the EAFE Index were available only at month-end; therefore the S&P 500 value at 3/31/87 and the EAFE Index value at 10/31/98 were used to calculate performance since inception.

See pages 8, 14, 20 and 28 for additional performance information.

Letter To Our Shareholders

Three important factors give us confidence that we have attractive upside in our portfolios.

The common theme in our strongest contributors in the quarter was that they illustrate the meaningful impact that good management can have. Our newly installed CEOs have shown quick results. Doug Lawler at Chesapeake implemented significant cost cuts, lowered capital spending, and sold non-core assets. Jeff Storey at Level 3 reduced costs and focused on adding more profitable customers. Marcelino Verdes at Hochtief sold both the airport and services businesses for attractive prices. Our longstanding partners also made smart operating and capital decisions to build value during the quarter. Frans van Houten at Philips completed a large buyback at discounted prices and continued delivering higher margins that approached year-end targets. Brett Harvey at CONSOL Energy pursued an asset rationalization plan that will fund higher gas production. Vittorio Colao sold Vodafone's stake in Verizon Wireless at a compelling price. Don Graham at the Washington Post sold the namesake newspaper at a 25% premium to our appraisal. Emil Brolick successfully sold 30 Wendy's stores and encouraged more franchisees to fund the accretive store revitalization strategy. The actions of these CEOs contributed meaningfully to our successful quarter.

In contrast, Michael Dell put his personal gain above other shareholders' interests and eventually won approval of a management buyout well below the value of Dell's free cash flow and assets. We recognized our errors in assessing Michael Dell as a partner, but we believed that fighting for our clients' interests against the first MBO in our 38 year history would generate a better outcome than his initial offer, and it did. Our collective opposition with other institutional owners forced the board to postpone the vote three times to avoid defeat, change the record date, alter voting rules, and secure a higher offer to gain approval of the deal. Southeastern infrequently becomes an activist, but when we do, we cover all expenses incurred out of our own pocket – not the Longleaf Funds' assets. Importantly, fighting for shareholders usually has delivered a superior result.

Our strong absolute returns over the last year have focused our attention on two primary questions – do our portfolios contain attractive upside from here, and where are we finding opportunities? Today, new qualifiers have become elusive with the strong market run, and our on-deck list is populated with various 70-plus-cent dollars but few immediate buys. As a result, our portfolios contain higher-than-normal cash levels as we have trimmed positions and sold those that reached appraisal. From a geographic perspective, the U.S. markets appear fairly valued – not cheap but not grossly elevated. In this type of environment, we generally find opportunities by uncovering individual company mispricing or by an eventual market setback. Other parts of the world have more macro factors creating discounts. In Europe, while markets have recovered from their trough recessionary levels, low economic expectations are depressing prices even at European-domiciled companies with meaningful revenues beyond European borders. In Asia and other geographies dependent on Chinese demand, concerns over a hard landing have created opportunities at businesses with a much broader reach.

In spite of elevated quantitative measures such as P/V, cash, and recent performance, three important factors give us confidence that we have attractive upside in our portfolios - 1) the quality of our companies, 2) the caliber of our management partners, and 3) the conservatism in our appraisals. These should contribute to strong value growth that will be an important determinant of our future returns.

Quality of our companies: The businesses we own should be able to deliver higher free cash flow over the next three years, thereby building intrinsic values. First, a number of our holdings that are headquartered in developed markets such as Abbott, Cheung Kong, DIRECTV, Lafarge, Mondelez, Philips, and Vodafone have large portions of their revenues in faster growing geographies. Second, the strength of our companies' competitive positions and/or brands is enabling many to increase top line via pricing increases including Abbott, Cemex, DIRECTV, Everest Re, FedEx, Ferrovial, Lafarge, Loews, Martin Marietta, Melco, Mondelez, News Corp, Scripps Networks, Texas Industries, Travelers, Washington Post, Vail, and Vulcan. Third, a number of our management teams are continuing to extract costs from their businesses to address slower growth and gain increased efficiencies. Material cost reductions are occurring at Abbott, Aon, Bank of New York Mellon, Cemex, Chesapeake, FedEx, Guinness Peat, Hochtief, Lafarge, Legg Mason, Level 3, Mondelez, Nitori, Philips, TNT Express, Washington Post, and Wendy's. Fourth, in contrast to oft-stated concerns about peak margins, operating margins across our holdings are approximately one-third less than the overall market's margins, with most of our companies operating closer to their 10-year margin averages than their peaks.

Caliber of our management partners: As highlighted in our first paragraph, many management teams are taking actions to grow per share value. Beyond those previously mentioned, we have numerous CEOs making wise capital allocation decisions. Our partners at Abbott, Bank of New York Mellon, Cheung Kong, CNH, Guinness Peat, Hochtief, Loews, Melco, Murphy, and News Corp have initiated corporate restructuring or spun out segments. Others have sold assets for attractive prices including those at ACS, CONSOL, Ferrovial, Exor, Lafarge, Murphy, News Corp, and TNT Express. Returning excess capital to shareholders via repurchases or dividends continues at Abbott, Aon, Bank of New York Mellon, CONSOL, DIRECTV, Everest Re, Loews, Mondelez, Murphy, News Corp, Philips, Scripps Networks, Travelers, Vodafone, Washington Post, and Wendy's. Our goal in every investment is to have management partners who prudently grow value per share while we stand on the sidelines and cheer. Our companies are meeting that objective in almost every case, and we are constructively talking with our partners to ascertain where there is additional room for improvement.

Conservatism in our appraisals: Not only should the strength of our businesses and management teams generate value growth, but also the conservatism in our appraisals leaves room for significant upside. We are assigning lower values to assets than managements ascribe. For example, we give little credit to Aon's health insurance exchange or FedEx moving Express margins towards UPS' levels. Our appraisals are below actual transaction prices for pieces of Ferrovial's 407 toll road and Heathrow airport, as well as Cheung Kong's real estate and infrastructure assets. In a world of low interest rates, our U.S. dollar equivalent discount rate of 9% understates values versus what high yield bonds, the equity risk premium, or most companies' cost of capital would prescribe. If macro factors break our way, we have additional upside. Broadly speaking, our top-line growth assumptions track the low single-digit GDP growth expectations of our CEOs. Larger economic expansion would increase appraisals. Likewise, a rise in U.S. natural gas demand would benefit Chesapeake and CONSOL Energy; moving off the bottom in the Spanish economy would positively impact ACS and Ferrovial; an interest rate increase would help earnings on fixed income at our non-life insurers and on meaningful cash balances at several companies. We appraise cash at face value, but if used to buy discounted shares, it is worth more. We have many excellent investors as partners who have substantial available liquidity, including Miles White at Abbott, Warren Buffett at Berkshire, Li Ka-shing at Cheung Kong, John Elkann at Exor, Prem Watsa at Fairfax, Rafael del Pino at Ferrovial, Jim Tisch at Loews, Rupert Murdoch at News Corp, Nassef Sawiris at OCI, Ken Lowe at Scripps Networks, Vittorio Colao at Vodafone, and Don Graham at Washington Post. If any of these CEOs reinvest their cash as successfully as they have in the past, our appraisals would escalate.

We are quite optimistic about our prospects for strong value growth at our companies and believe our current P/V ratios are more attractive than they appear given our conservatism, even though we are not particularly bullish on the stock market. As we find new opportunities that meet our criteria, we will introduce another layer of upside into the Funds, converting low-return cash into 60-cent or better dollars. We continually work hard to identify qualifiers but always will maintain our discipline, as we have when cash and P/Vs have been high in the past. As the

Letter To Our Shareholders

Long-term performance benefits from having liquidity to buy the next undervalued opportunity.

largest Longleaf owners, your managers at Southeastern understand the cash drag on returns in a rising market. We also know that long-term performance benefits from having liquidity to buy the next undervalued opportunity. The 60-cent dollar we cannot see yet will be more rewarding than the 80-cent dollar we can find. We believe that the upside from new purchases combined with our existing holdings makes for an attractive return profile going forward. We appreciate your patience, continued support, and partnership.

Sincerely,

O. Mason Hawkins, CFA
Chairman & Chief Executive Officer
Southeastern Asset Management, Inc.

G. Staley Cates, CFA
President & Chief Investment Officer
Southeastern Asset Management, Inc.

November 1, 2013

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Partners Fund Management Discussion

Longleaf Partners Fund delivered a substantial 9.8% in the third quarter, taking the Fund's year-to-date (YTD) return to 20.4%. Both periods surpassed our annual absolute return goal of inflation plus 10% as well as the S&P 500 Index, which gained 5.2% and 19.8% respectively. The Fund's formidable quarter added to our strong one year outperformance. We believe we are well-positioned to deliver additional good relative returns from this point, although the absolute numbers are unlikely to continue at a 20+% annual compounding rate.

Cumulative Returns at September 30, 2013

	Since Inception	20 Year	15 Year	Ten Year	Five Year	One Year	YTD	3Q
Partners Fund (Inception 4/8/87)	**1586.90%**	**623.42%**	**226.39%**	**84.03%**	**61.07%**	**24.13%**	**20.39%**	**9.82%**
S&P 500 Index	953.13	440.25	117.91	107.37	61.18	19.34	19.79	5.24

See page 8 for additional performance information.

Three of the Fund's strongest performers for the YTD made large gains in the third quarter. Chesapeake Energy, the Fund's largest position for most of the year, contributed to performance the most with the combined equity, convertible preferreds, and options rising 25% in the quarter and 53% YTD. Together with new CEO Doug Lawler, the board that we helped seat last June is instilling financial and operating discipline into the company. Over the last sixteen months, the company has reduced SG&A by 20%, sold and announced sales of over $10 billion in non-core assets, decreased 2013 capex by a projected 46%, and promised to live within its cash flow in 2014.

Philips also performed well in the quarter and YTD, advancing 19% and 27% respectively. We applaud CEO Frans van Houten, who completed a large stock buyback at discounted prices and continued delivering higher margins that approached year-end targets. Philips' management team continues to do a terrific job focusing on the company's three competitively strong segments: medical, lighting, and consumer products.

FedEx gained 25% over the last nine months after delivering 16% in the third quarter. The stock increase reflects some degree of confidence that management will execute planned cost cuts at the Express air delivery segment to adjust to the migration of more traffic onto ships and trucks due to high oil prices. While the stock has been volatile over the past year, our appraisal of the company has steadily grown, driven by the Ground segment. Subsequent to quarter-end, FedEx announced a share repurchase plan of 11% of the company.

Other strong performers in the quarter included Level 3, up 27%, and CONSOL Energy, up 25%. At Level 3, since taking over as CEO in April, Jeff Storey has implemented the necessary steps to grow top line and increase cash flow by reducing costs and focusing on higher margin enterprise customers. Brett Harvey, CEO at CONSOL, indicated that management is exploring the sale of assets and could potentially split the company into various parts: natural gas, coal, and infrastructure. Even with meaningful recent stock gains, both companies remain among our most discounted names.

For the YTD, Aon, the world's largest insurance broker and a leading benefits management firm, was among the Fund's largest contributors as the company's lower tax rate and increasing cash flow helped drive a 35% return. Higher interest rates will increase fiduciary income and help close the gap in the underfunded pension. Although nascent, Aon's healthcare exchange for corporate employees is gaining critical mass, most recently adding Walgreen Co in the third quarter. We applaud Greg Case and his team for their customer-focused, shareholder-oriented leadership.

The Fund had only three detractors in the quarter: Mosaic, Abbott Labs, and DIRECTV, with only Mosaic negatively impacting YTD results. We bought and exited Mosaic during the third quarter. Our case changed quickly with the potash industry drama that caused prices to drop. Abbott was down 4% following FX headwinds, concerns over tougher rules for device approval in Europe, and issues at a dairy supplier leading to a meaningful product recall in the baby formula division in China. DIRECTV slipped 3% on increased subscriber churn amidst a challenged Brazilian economy. DIRECTV Latin America remains well positioned to benefit from rising pay-TV penetration in the region, and the mature U.S. business continues to generate higher ARPU (average revenue per user).

During the third quarter, we exited our position in Dell, which added 31% YTD. Michael Dell put his personal gain above other shareholders' interests and eventually won approval of a management buyout well below the value of Dell's free cash flow and assets. We recognized our errors in assessing Michael Dell as a partner, but we believed that fighting for our clients' interests against the first MBO in our 38 year history would generate a better outcome than his initial offer, and it did. Our collective opposition with other institutional owners forced the board to postpone the vote three times to avoid defeat, change the record date, alter voting rules, and secure a higher offer to gain approval of the deal. Southeastern infrequently becomes an activist, but when we do, we cover all expenses incurred out of our own pockets – not the Longleaf Funds' assets. Importantly, fighting for shareholders usually has delivered a superior result.

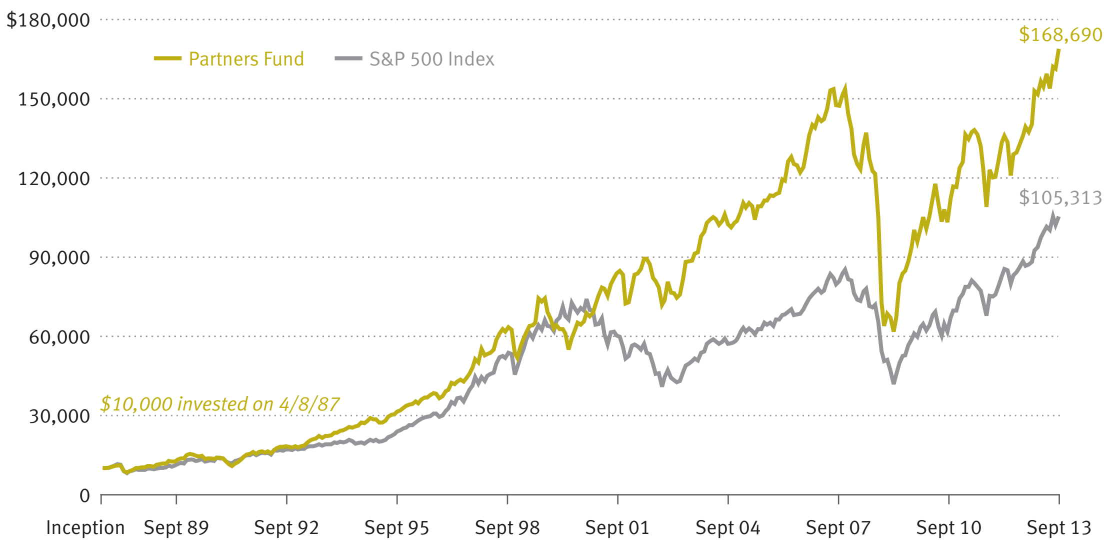
We sold the Fund's small position in Cemex convertible bonds as well as Murphy USA, the retail station operation that was spun out of Murphy Oil. We trimmed four names - Aon, Berkshire, Chesapeake, and Philips – because either P/V gaps narrowed or position weights grew too large. For regulatory diversification purposes, we made slight trims of CONSOL and Travelers at quarter-end.

Given the Fund's recent strong performance, the P/V of the portfolio is in the high-70s%. While higher than normal, we believe our current P/V ratio is more attractive than it appears because of the above average quality of our investees and the conservatism built into our appraisals in two important ways. First, we continue to use discount rates that are dramatically higher than today's fixed-income rates. Second, at holdings such as Cheung Kong and Abbott, our appraisals reflect longhand multiples far below current private market transaction "comps." With patience and discipline, we will find new qualifiers for the 15% in cash reserves. Our "on deck'' list is limited, but we have several highly qualified opportunities that would become buys with a 10-15% price decline or value accretion. As we use our liquidity to purchase new, discounted investments, the P/V will also become more attractive.

With patience and discipline, we will find new qualifiers.

Performance History

Comparison of Change in Value of $10,000 Investment Since Inception April 8, 1987



Average Annual Returns for the Periods Ended September 30, 2013

	Since Inception 4/8/87	20 Year	15 Year	Ten Year	Five Year	One Year	YTD
Partners Fund	**11.26%**	**10.40%**	**8.21%**	**6.29%**	**10.00%**	**24.13%**	**20.39%**
S&P 500 Index	9.29	8.80	5.33	7.57	10.02	19.34	19.79

Past performance does not predict future performance, Fund prices fluctuate, and the value of an investment at redemption may be worth more or less than the purchase price. The Fund's performance results in the table shown above do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Fund performance and that of the S&P 500 Index is shown with all dividends and distributions reinvested. Because the S&P 500 Index was available only at month-end in 1987, we used the 3/31/87 value for performance since inception. This index is unmanaged. Current performance may be lower or higher than the performance quoted. Please call (800)445-9469 or visit longleafpartners.com for more current performance information. The Partners Fund is subject to stock market risk, meaning stocks in the Fund may fluctuate in response to developments at individual companies or due to general market and economic conditions. Also, because the Fund generally invests in 15 to 25 companies, share value could fluctuate more than if a greater number of securities were held. Mid-cap stocks held may be more volatile than those of larger companies. The annual expense ratio for the Fund is 0.92%.

Portfolio Summary

Portfolio Holdings at September 30, 2013

	Net Assets	
Investments		84.7%
Chesapeake Energy Corporation (Common, Preferred, & Options)	9.0[a]	
Loews Corporation	8.0	
FedEx Corporation	7.2	
Cheung Kong Holdings Limited	5.5	
Koninklijke Philips N.V.	5.3	
The Bank of New York Mellon Corporation	5.3	
DIRECTV	5.3	
Level 3 Communications, Inc.	5.0	
The Travelers Companies, Inc.	4.9	
Aon plc	4.9	
CONSOL Energy Inc.	4.9	
Mondelez International, Inc.	4.6	
Abbott Laboratories	4.0	
Murphy Oil Corporation	3.9	
Berkshire Hathaway Inc.	3.8	
Vulcan Materials Company	3.1	
Cash Reserves		15.0
Other Assets and Liabilities, net		0.3
		100.0%

(a) *7.3% assuming exercise of written call options.*

Portfolio Changes January 1, 2013 through September 30, 2013

New Holdings	Quarter
Cheung Kong Holdings Limited	2Q
The Mosaic Company	3Q
Murphy Oil Corporation	1Q
Eliminations	
Cemex S.A.B. de C.V. Convertible Subordinated Notes	3Q
Dell Inc.	3Q
Franklin Resources, Inc.	1Q
The Mosaic Company	3Q
Murphy USA Inc. (Murphy Oil Corporation)[a]	3Q
The Walt Disney Company	1Q

a *Resulting from corporate action (associated holding)*

Portfolio of Investments

Common Stock

	Share Quantity	Market Value	% of Net Assets
Air Freight & Logistics			
FedEx Corporation	5,094,606	$ 581,345,491	7.2%
Capital Markets			
The Bank of New York Mellon Corporation	14,258,600	430,467,134	5.3
Construction Materials			
Vulcan Materials Company(b)	4,897,722	253,750,977	3.1
Diversified Financial Services			
Berkshire Hathaway Inc. – Class B*	2,740,320	311,053,723	3.8
Diversified Telecommunication Services			
Level 3 Communications, Inc.*(b)	15,026,565	401,059,020	5.0
Food Products			
Mondelez International, Inc. – Class A	11,947,000	375,374,740	4.6
Health Care Equipment & Supplies			
Abbott Laboratories	9,696,076	321,812,762	4.0
Industrial Conglomerates			
Koninklijke Philips N.V. (Foreign)	10,678,500	344,258,036	4.2
Koninklijke Philips N.V. ADR (Foreign)	2,686,500	86,639,625	1.1
		430,897,661	5.3
Insurance			
Aon plc (Foreign)	5,303,672	394,805,344	4.9
Loews Corporation	13,853,000	647,489,220	8.0
The Travelers Companies, Inc.	4,683,900	397,054,203	4.9
		1,439,348,767	17.8
Media			
DIRECTV*	7,118,744	425,344,954	5.3
Oil, Gas & Consumable Fuels			
Chesapeake Energy Corporation(c)	23,808,927	616,175,031	7.6
CONSOL Energy Inc.(b)	11,692,000	393,435,800	4.9
Murphy Oil Corporation	5,178,829	312,386,965	3.9
		1,321,997,796	16.4
Real Estate Management & Development			
Cheung Kong Holdings Limited (Foreign)	29,439,900	448,284,814	5.5
Total Common Stocks (Cost $5,095,735,089)		6,740,737,839	83.3

Preferred Stock

	Share Quantity	Market Value	% of Net Assets
Oil, Gas & Consumable Fuels			
Chesapeake Energy Corporation Convertible Preferred Stock 5.75%	56,500	63,611,937	0.8
Chesapeake Energy Corporation Convertible Preferred Stock – Series A 5.75%	45,480	50,283,825	0.6
Total Preferred Stocks (Cost $83,894,895)		113,895,762	1.4

continued

Short-Term Obligations

	Principal Amount	Market Value	% of Net Assets
Repurchase Agreement with State Street Bank, 0.0% due 10/1/13, Repurchase price $305,939,000 (Collateral: $267,900,000 U.S. Treasury Bond, 3.58% due 8/15/39, Value $312,061,708)	305,939,000	$ 305,939,000	3.8%
U.S. Treasury Bills, 0.00% – 0.06% due 10/24/13 to 3/20/14	910,000,000	909,953,160	11.2
Total Short-Term Obligations (Cost $1,215,890,853)		1,215,892,160	15.0
Total Investments (Cost $6,395,520,837)[(a)]		**8,070,525,761**	**99.7**
Options Written		**(6,172,400)**	**–**
Other Assets and Liabilities, Net		**27,550,615**	**0.3**
Net Assets		**$8,091,903,976**	**100.0%**
Net asset value per share		**$ 31.77**	

* *Non-income producing security.*

(a) *Aggregate cost for federal income tax purposes is $6,400,382,598. Net unrealized appreciation of $1,675,004,924 consists of unrealized appreciation and depreciation of $1,800,104,153 and $(125,099,229), respectively.*

(b) *Affiliated issuer, as defined under Section 2(a)(3) of the Investment Company Act of 1940 (ownership of 5% or more of the outstanding voting securities of the issuer during the period).*

(c) *A portion designated as collateral for written options.*

Note: Companies designated as "Foreign" are headquartered outside the U.S. and represent 16% of net assets.

Options Written

	Share Equivalents	Unrealized Loss	Market Value	% of Net Assets
Oil, Gas & Consumable Fuels				
Chesapeake Energy Corporation Call, 10/18/13, with J.P. Morgan, Strike Price $25 (Premiums received $5,449,080)	(5,200,000)	$(723,320)	$(6,172,400)	–%

Small-Cap Fund Management Discussion

Longleaf Partners Small-Cap Fund had a strong 7.4% gain for the third quarter, but due to the Fund's high cash level, it lagged the Russell 2000 Index, which returned 10.2%. Year-to-date (YTD), the Fund advanced 23.5%, far outpacing our annual absolute return goal of inflation plus 10% but falling below the Index due to the drag that cash imposed on return. Small-Cap exceeded our absolute goal over the most recent one, three, and five year periods. Results for periods of three years and longer were consistently above the Index. We believe that the Fund can continue to generate long-term outperformance over the Index, but we caution investors that the Fund's robust absolute return of the last three years—averaging 20% per year—is not likely to continue for the next three years.

Cumulative Returns at September 30, 2013

	Since Inception	20 Year	15 Year	Ten Year	Five Year	One Year	YTD	3Q
Small-Cap Fund (Inception 2/21/89)	**1292.94%**	**972.76%**	**396.50%**	**189.95%**	**102.63%**	**27.82%**	**23.48%**	**7.44%**
Russell 2000 Index	878.31	455.92	259.77	151.03	69.68	30.06	27.69	10.21

See page 14 for additional performance information.

Wendy's returned 47% in the quarter and 85% YTD, making it a top contributor to performance for both periods. Operations continued to benefit from new management's menu innovation and store revitalization program. The company also announced a plan to sell more company-owned stores to drive higher returns on capital, improve the quality and predictability of earnings, and increase shareholder returns. The Washington Post Company, a diversified education and media company, was another strong performer in both the third quarter and YTD. The investment returned 26% and 67% in the respective periods. In the quarter, management sold the flagship *Washington Post* newspaper for a price that was higher than our appraisal. In addition, cost-cutting at Kaplan Education and price increases at Cable One improved margins and profitability throughout the year. As owner-operators, the Graham family has built value per share over the long-term, and the stock has begun to reflect their work. Level 3 contributed meaningfully in the third quarter, gaining 26%. Since taking over as CEO in April, Jeff Storey has implemented the necessary steps to grow top-line and increase cash flow by reducing costs and focusing on higher margin enterprise customers. Even with the meaningful recent gains, the stock remains among our most discounted. The Fund's largest holding, cement producer Texas Industries, remained the top contributor for YTD with a 30% gain. A robust economy in Texas has resulted in volume and pricing increases.

Although the run up in the market has made it hard to find qualifying ideas, we were able to initiate two positions late in the quarter, OCI and Hopewell. Both are based outside of the U.S., where we generally are finding more opportunities.

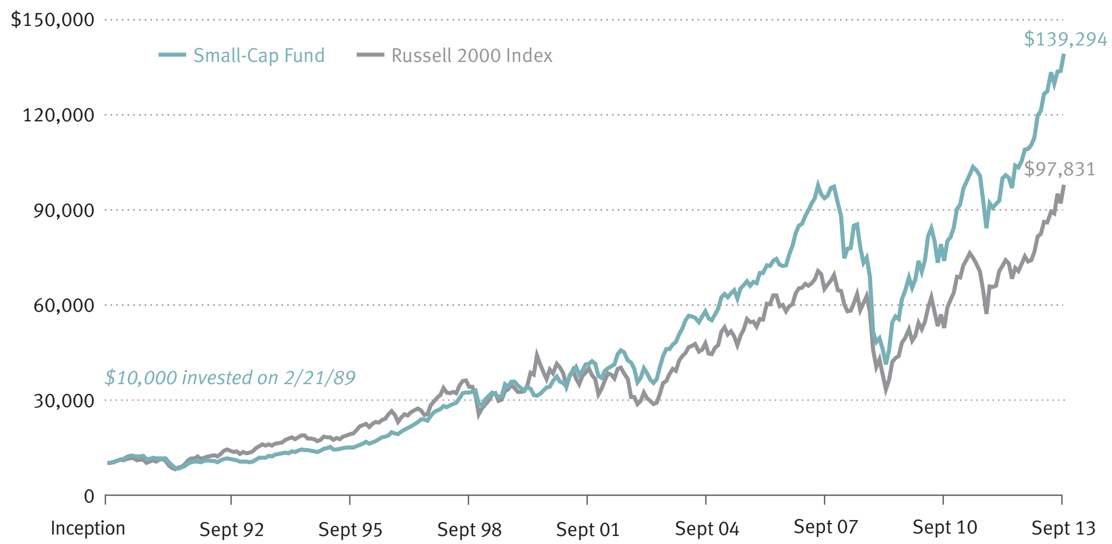
We sold four positions. Oil and gas exploration company Quicksilver was the Fund's largest detractor from YTD performance, declining 32%. As we noted in previous commentary, several challenges weighed on the company's share price, including low natural gas prices and the company's inability to refinance all of its debt. Uncertainty regarding how and at what price Quicksilver will monetize its non-cash-flowing assets changed our view of the company's prospects, and we sold the stock. We sold Saks on the news that Canadian retailer Hudson's Bay would buy the company for $16 per share. We bought Saks in 2011 for an average cost of $9 and trimmed the position as it grew. Our return in the equity was 85%, while the convertible bonds we owned returned 54%. We sold Service Corp, the country's largest funeral home services company, a long-term holding since 2005. CEO Tom Ryan and his team grew value through excellent operations, especially amidst difficult headwinds of lower mortality rates and changing preferences for lower revenue cremations over burials. The planned acquisition of Stewart pushed the stock price to our appraisal. We made 172% on the investment during the eight years that we owned it. We also sold media company Tribune, whose bank debt we bought a year ago before the company emerged from bankruptcy and our ownership was converted to cash and equity. As the company announced a well-received acquisition and a plan to spin off its publishing operations, the stock quickly approached our appraisal, generating over 75% during our short holding period.

Market strength, particularly among smaller companies, has meant that numerous stocks have moved closer to our appraisals, causing more portfolio sales than normal and a larger challenge to find businesses that meet our discount criteria. As a result, the Fund's P/V finished the third quarter in the low-80s%, and the cash level stood at 45%. We remain confident that we will identify and add new companies that meet our criteria over time. We will be patient, however, and adhere to our proven discipline, which has guided us successfully for nearly 40 years. With the Fund's high cash level and slim opportunity set, our partners should note that if they have current capital needs, it would seem a good time to take money out of the Small-Cap Fund to the extent that doing so does not create a tax liability.

Stocks have moved closer to our appraisals, causing more portfolio sales than normal and a larger challenge to find businesses that meet our discount criteria.

Performance History

Comparison of Change in Value of $10,000 Investment Since Inception February 21, 1989



Average Annual Returns for the Periods Ended September 30, 2013

	Since Inception 2/21/89	20 Year	15 Year	Ten Year	Five Year	One Year	YTD
Small-Cap Fund	**11.30%**	**12.60%**	**11.27%**	**11.23%**	**15.17%**	**27.82%**	**23.48%**
Russell 2000 Index	9.71	8.96	8.91	9.64	11.15	30.06	27.69

Past performance does not predict future performance, Fund prices fluctuate, and the value of an investment at redemption may be worth more or less than the purchase price. The Fund's performance results in the table shown above do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Fund performance and that of the Russell 2000 Index is shown with all dividends and distributions reinvested. This index is unmanaged. Current performance may be lower or higher than the performance quoted. Please call (800)445-9469 or visit longleafpartners.com for more current performance information. The Small-Cap Fund is subject to stock market risk, meaning stocks in the Fund may fluctuate in response to developments at individual companies or due to general market and economic conditions. Also, because the Fund generally invests in 15 to 25 companies, share value could fluctuate more than if a greater number of securities were held. Smaller company stocks may be more volatile with less financial resources than those of larger companies. The annual expense ratio for the Fund is 0.91%.

Portfolio Summary

Portfolio Holdings at September 30, 2013

		Net Assets
Investments		54.9%
Texas Industries, Inc.	11.8	
The Washington Post Company	6.2	
Level 3 Communications, Inc.	5.5	
Vail Resorts, Inc.	5.4	
Everest Re Group, Ltd.	5.0	
Fairfax Financial Holdings Limited	4.4	
tw telecom inc.	3.8	
Scripps Networks Interactive, Inc.	3.8	
Legg Mason, Inc.	2.9	
The Wendy's Company	2.5	
DineEquity, Inc.	2.1	
Martin Marietta Materials, Inc.	0.9	
OCI N.V.	0.5	
Hopewell Holdings Limited	0.1	
Cash Reserves		45.4
Other Assets and Liabilities, net		(0.3)
		100.0%

Portfolio Changes January 1, 2013 through September 30, 2013

New Holdings	Quarter
Hopewell Holdings Limited	3Q
OCI N.V.	3Q

Eliminations	
Lamar Advertising Company	2Q
The Madison Square Garden Company	2Q
Potlatch Corporation	1Q
Quicksilver Resources Inc.	3Q
Quicksilver Resources Inc. Senior Notes	3Q
Saks Incorporated	3Q
Saks Incorporated Convertible Notes	3Q
Service Corporation International	3Q
Tribune Company	3Q
Willis Group Holdings plc	1Q

Portfolio of Investments

Common Stock

	Share Quantity	Market Value	Net Assets
Capital Markets			
Legg Mason, Inc.	3,664,021	$ 122,524,862	2.9%
Construction & Engineering			
OCI N.V.* (Foreign)	623,886	21,100,611	0.5
Construction Materials			
Martin Marietta Materials, Inc.	386,952	37,987,078	0.9
Texas Industries, Inc.*(b)	7,510,757	498,038,297	11.8
		536,025,375	12.7
Diversified Telecommunication Services			
Level 3 Communications, Inc.*	8,662,900	231,212,801	5.5
tw telecom inc.*	5,382,000	160,733,430	3.8
		391,946,231	9.3
Hotels, Restaurants & Leisure			
DineEquity, Inc.(b)	1,308,254	90,269,526	2.1
Vail Resorts, Inc.(b)	3,317,000	230,133,460	5.4
The Wendy's Company(b)	12,696,000	107,662,080	2.5
		428,065,066	10.0
Industrial Conglomerates			
Hopewell Holdings Limited (Foreign)	812,000	2,716,822	0.1
Insurance			
Everest Re Group, Ltd. (Foreign)	1,449,600	210,786,336	5.0
Fairfax Financial Holdings Limited (Foreign)	458,700	185,501,745	4.4
		396,288,081	9.4
Media			
Scripps Networks Interactive, Inc. – Class A	2,052,600	160,328,586	3.8
The Washington Post Company – Class B(b)	428,000	261,657,800	6.2
		421,986,386	10.0
Total Common Stocks (Cost $1,528,733,536)		2,320,653,434	54.9

continued

Short-Term Obligations

	Share Quantity	Market Value	Net Assets
Repurchase Agreement with State Street Bank, 0.0% due 10/1/13, Repurchase price $166,938,000 (Collateral: $145,305,000 U.S. Treasury Bonds, 3.58% due 8/15/39 to 2/15/40, Value $170,282,288)	166,938,000	$ 166,938,000	4.0
U.S. Treasury Bills, 0.00% – 0.07% due 10/10/13 to 12/19/13	1,750,000,000	1,749,973,425	41.4
Total Short-Term Obligations (Cost $1,916,906,409)		1,916,911,425	45.4
Total Investments (Cost $3,445,639,945)[(a)]		**4,237,564,859**	**100.3**
Other Assets and Liabilities, Net		**(11,578,884)**	**(0.3)**
Net Assets		**$4,225,985,975**	**100.0%**
Net asset value per share		**$ 35.66**	

* *Non-income producing security.*

[(a)] *Also represents aggregate cost for federal tax purposes. Net unrealized appreciation of $791,924,914 consists of unrealized appreciation and depreciation of $861,908,906 and $(69,983,992), respectively.*

[(b)] *Affiliated issuer, as defined under Section 2(a)(3) of the Investment Company Act of 1940 (ownership of 5% or more of the outstanding voting securities of the issuer during the period).*

Note: Companies designated as “Foreign” are headquartered outside the U.S. and represent 10% of net assets.

International Fund Management Discussion

Longleaf Partners International Fund gained 13.0% for the third quarter and 19.9% year-to-date (YTD), outpacing the EAFE Index's 11.6% and 16.1% returns for the same periods, and far surpassing of our annual absolute return goal of inflation plus 10%. Over the last year, the Fund was up almost 30%. Since inception almost 15 years ago, the International Fund has returned more than two-and-one-half times the Index.

Cumulative Returns at September 30, 2013

	Since Inception	Ten Year	Five Year	One Year	YTD	3Q
International Fund (Inception 10/26/98)	**266.65%**	**82.06%**	**32.56%**	**29.83%**	**19.87%**	**12.95%**
EAFE Index	101.11	116.07	36.06	23.77	16.14	11.56

See page 20 for additional performance information.

Macau gaming company Melco International was the largest contributor in the third quarter and YTD, up 42% and 132% respectively. Double-digit visitation increases from Mainland China drove industry gross gaming revenue growth to the high-teens/low 20% range. Margins at the company rose as the more profitable mass market business grew faster than the VIP business (where margins are much lower because revenues are shared with junket operators). The company is exploring opportunities in new gaming markets, and earlier this year completed an IPO of its Philippine business. The value of the company grew, and we added to our position in the quarter.

German-based construction and engineering firm Hochtief rose 34% in the quarter and 53% YTD, making it the second largest contributor for both periods. Since CEO Marcelino Fernandez Verdes took over late last year, the company has sold its airport assets and services business at prices above our carrying value, repurchased 10% of shares, and opportunistically bought an additional 3% of Leighton at a steep discount to value. Management has embarked on a turnaround of the European construction business and improved risk controls at its 55%-owned Leighton subsidiary, which should lead to improved margins and free cash flow in both of these segments. Hochtief is working to sell its non-core real estate assets to complete its transformation into one of the world's leading infrastructure construction firms. ACS, the Spanish-based global construction and engineering company that owns 52.5% of Hochtief, also appreciated with the positive news, adding 28% in the third quarter and 34% YTD.

Our Dell options position, which we closed out, gained 38% YTD. Michael Dell put his personal gain above other shareholders' interests and eventually won approval of a management buyout well below the value of Dell's free cash flow and assets. We recognized our errors in assessing Michael Dell as a partner, but we believed that fighting for our clients' interests against the first MBO in our 38 year history would generate a better outcome than his initial offer, and it did. Our collective opposition with other institutional owners forced the board to postpone the vote three times to avoid defeat, change the record date, alter voting rules, and secure a higher offer to gain approval of the deal. Southeastern infrequently becomes an activist, but when we do, we cover all expenses incurred out of our own pockets – not the Longleaf Funds' assets. Importantly, fighting for shareholders usually has delivered a superior result.

The Fund's position in Brazilian oil and gas exploration company HRT was minimal, but the stock was among the few decliners over the last three months and YTD. Shares fell in the quarter following unsuccessful drilling results in Namibia. Over the last year, we worked to improve governance via new board members and a management change. The company is exploring all options to extract the remaining value, but given the time it will take and the inconsequential impact it would have on the Fund's results, we sold the position subsequent to quarter-end. Brazilian iron ore company Manabi's stock moved little in the quarter, but remained a YTD detractor after we lowered our carrying value in the second quarter. The price change reflected a variety of external factors but did not indicate any fundamental changes to our investment case. Manabi's Tier One assets have a concentration of the highest quality iron ore, and management is making progress in securing the necessary infrastructure to bring this iron ore to market.

Despite the run-up in the market, we were able to buy one new position, OCI. We filled out our News Corp position and added to TNT Express and UGL, all of which we initiated earlier in the year. We increased our Vodafone position after CEO Vittorio Colao announced the company would sell its 45% stake in Verizon Wireless to Verizon for $130 billion in cash and stock and return much of the proceeds to shareholders. Through a swap, we hedged out the Verizon shares we would own in the deal and gained larger exposure to Vodafone. We also added to Exor, the Agnelli family holding company run by John Elkann. Exor, which owns 27% of CNH (previously named Fiat Industrial), was a more discounted way to own this global agriculture equipment company. During the quarter, through Vodafone's sale of Verizon Wireless and Exor's sale of SGS Testing, our management partners created and realized substantial value by striking deals well above our appraisal values.

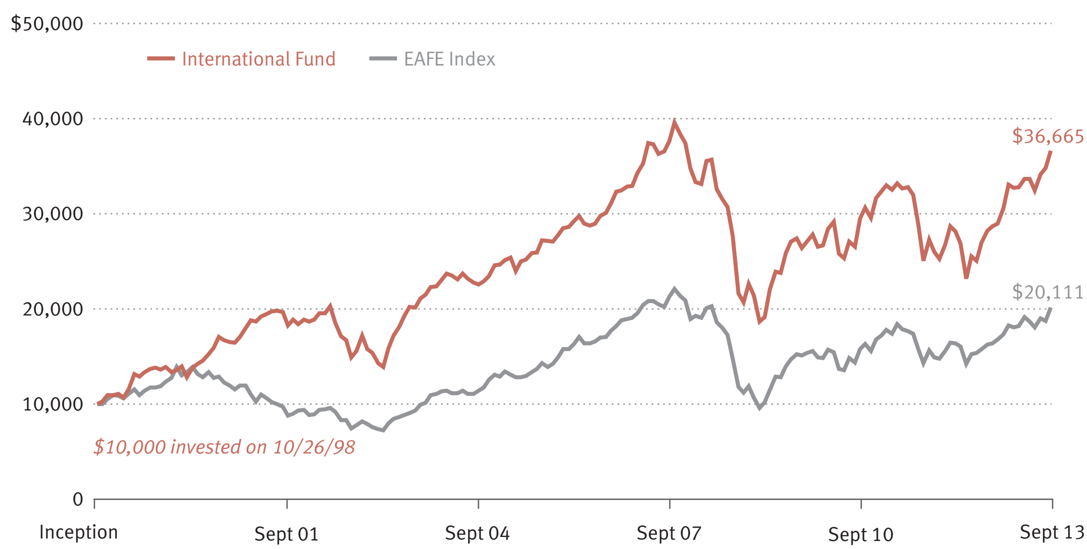
In addition to closing out the Dell options, we fully exited Nidec when the stock approached our appraisal after a major restructuring helped the company achieve sales and margin targets. We sold our Cemex convertible bonds as they appreciated significantly. We trimmed some of our stronger performers during the quarter, including ACS, Hochtief, and Philips.

The strong quarter increased the Fund's P/V to the low-70s%. While the market appreciation has made it harder to find new qualifying ideas, macro factors, such as low economic expectations in Europe and concern over a hard landing in China, have created some discounts. We have identified several interesting investment opportunities but are maintaining our discount discipline as we patiently wait for prices to cooperate.

Market appreciation has made it harder to find new qualifying ideas.

Performance History

Comparison of Change in Value of $10,000 Investment Since Inception October 26, 1998



Average Annual Returns for the Periods Ended September 30, 2013

	Since Inception 10/26/98	Ten Year	Five Year	One Year	YTD
International Fund	**9.09%**	**6.18%**	**5.80%**	**29.83%**	**19.87%**
EAFE Index	4.80	8.01	6.35	23.77	16.14

Past performance does not predict future performance, Fund prices fluctuate, and the value of an investment at redemption may be worth more or less than the purchase price. The Fund's performance results in the table shown above do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Fund performance and that of the EAFE Index is shown with all dividends and distributions reinvested. Because the EAFE was available only at month-end in 1998, we used the 10/31/98 value for performance since inception. This index is unmanaged and is not hedged for foreign currency risk. Current performance may be lower or higher than the performance quoted. Please call (800)445-9469 or visit longleafpartners.com for more current performance information. The International Fund is subject to stock market risk, meaning stocks in the Fund may fluctuate in response to developments at individual companies or due to general market and economic conditions. Also, because the Fund generally invests in 15 to 25 companies, share value could fluctuate more than if a greater number of securities were held. Investing in non-U.S. securities may entail risk due to non-US economic and political developments, exposure to non-US currencies, and different accounting and financial standards. These risks may be higher when investing in emerging markets. The annual expense ratio for the Fund is 1.27%.

Portfolio Summary

Portfolio Holdings at September 30, 2013

		Net Assets
Investments		81.9%
Cheung Kong Holdings Limited	6.9	
Lafarge S.A.	6.5	
Melco International Development Limited	6.5	
Hochtief AG	5.8	
Manabi S.A. (Preferred)	5.0	
Koninklijke Philips N.V.	4.9	
OCI N.V.	4.9	
Fairfax Financial Holdings Limited	4.7	
ACS, Actividades de Construccion Y Servicios, S.A.	4.7	
EXOR S.p.A.	4.7	
News Corporation	4.3	
Ferrovial S.A.	4.1	
Genting Berhad	3.7	
TNT Express NV	3.6	
Nitori Holdings Co., Ltd	3.5	
Vodafone Group plc ADR (Common, Swap & Verizon Swap)	2.9	
CNH Industrial N.V.	2.2	
UGL Limited	1.5	
Henderson Stub Swap Contracts	1.3	
HRT Participacoes em Petroleo S.A.	0.2	
Cash Reserves		17.8
Other Assets and Liabilities, net		0.3
		100.0%

Portfolio Changes January 1, 2013 through September 30, 2013

New Holdings	Quarter
CNH Industrial N.V. (CNH Global N.V.)[a]	3Q
CNH Industrial N.V. (Local) (Fiat Industrial S.p.A.)[a]	3Q
News Corporation	2Q
OCI N.V.	3Q
TNT Express NV	1Q
UGL Limited	2Q
Verizon Swap	3Q

Eliminations	
Accor S.A.	1Q
C&C Group plc	1Q
Cemex S.A.B. de C.V. Convertible Subordinated Notes	3Q
Dell Inc. Options	3Q
Nidec Corporation	3Q
Willis Group Holdings plc	1Q

(a) *Resulting from corporate action (associated holding)*

Portfolio of Investments

Common Stock

	Share Quantity	Market Value	Net Assets
Air Freight & Logistics			
TNT Express NV (Netherlands)	6,761,346	$ 61,724,563	3.6%
Construction & Engineering			
ACS, Actividades de Construccion Y Servicios, S.A. (Spain)	2,549,001	81,037,803	4.7
Ferrovial S.A. (Spain)	3,971,000	71,396,128	4.1
Hochtief AG (Germany)	1,151,831	100,554,201	5.8
OCI N.V.* (Netherlands)	2,492,988	84,315,999	4.9
UGL Limited (Australia)	3,445,074	26,707,502	1.5
		364,011,633	21.0
Construction Materials			
Lafarge S.A. (France)	1,628,500	113,438,493	6.5
Diversified Financial Services			
EXOR S.p.A. (Italy)	2,158,860	80,988,647	4.7
Hotels, Restaurants & Leisure			
Genting Berhad (Malaysia)(d)	20,167,000	64,346,311	3.7
Melco International Development Limited (Hong Kong)(d)	42,129,000	112,982,787	6.5
		177,329,098	10.2
Industrial Conglomerates			
Koninklijke Philips N.V. (Netherlands)	2,655,666	85,614,493	4.9
Insurance			
Fairfax Financial Holdings Limited (Canada)	201,500	81,488,122	4.7
Machinery			
CNH Industrial N.V.* (Netherlands)	1,339,800	16,747,500	1.0
CNH Industrial N.V. (Local)* (Netherlands)	1,673,660	21,464,727	1.2
		38,212,227	2.2
Media			
News Corporation – Class B* (United States)	4,539,100	74,577,413	4.3
Oil, Gas & Consumable Fuels			
HRT Participacoes em Petroleo S.A.* (Brazil)	7,665,550	4,046,697	0.2
Real Estate Management & Development			
Cheung Kong Holdings Limited (Hong Kong)(d)	7,816,000	119,015,150	6.9
Specialty Retail			
Nitori Holdings Co., Ltd. (Japan)	671,500	61,483,290	3.5
Wireless Telecommunication Services			
Vodafone Group plc ADR (United Kingdom)	1,215,997	42,778,774	2.5
Total Common Stocks (Cost $1,052,737,005)		1,304,708,600	75.2

continued

Preferred Stock

	Share Quantity	Market Value	Net Assets
Metals & Mining			
Manabi S.A. – Class A Preferred* (Brazil)[b][c]			
Total Preferred Stocks (Cost $90,630,186)	91,000	$ 86,929,779	5.0%

Short-Term Obligations

	Principal Amount		
Repurchase Agreement with State Street Bank, 0.0% due 10/1/13, Repurchase price $64,208,000 (Collateral: $56,225,000 U.S. Treasury Bond, 3.58% due 8/15/39, Value $65,493,354)	64,208,000	64,208,000	3.7
U.S. Treasury Bills, 0.00% – 0.06% due 10/24/13 to 12/19/13	245,000,000	244,994,460	14.1
Total Short-Term Obligations (Cost $309,202,916)		309,202,460	17.8
Total Investments (Cost $1,452,570,107)[a]		**1,700,840,839**	**98.0**
Forward Currency Contracts		(439,467)	–
Swap Contracts		29,302,395	1.7
Other Assets and Liabilities, Net		**5,147,811**	**0.3**
Net Assets		**$1,734,851,578**	**100.0%**
Net asset value per share		**$ 16.83**	

* *Non-income producing security.*

(a) *Aggregate cost for federal income tax purposes is $1,455,985,847. Net unrealized appreciation of $248,270,732 consists of unrealized appreciation and depreciation of $358,088,299 and $(109,817,567), respectively.*

(b) *Affiliated issuer, as defined under Section 2(a)(3) of the Investment Company Act of 1940 (ownership of 5% or more of the outstanding voting securities of the issuer during the period).*

(c) *Illiquid. Board Valued.*

(d) *A portion designated as collateral for forward contracts.*

(e) *See next page for Swap Contracts.*

Note: Country listed in parenthesis after each company indicates location of headquarters.

Forward Currency Contracts

	Currency Units Sold	Unrealized Loss	Market Value	% of Net Assets
Japanese Yen Forward with State Street Bank due 12/20/13	(6,000,000,000)	(439,467)	(61,076,152)	–

Swap Contracts

	Market Value	% of Net Assets
Henderson Stub Swap Contracts with Deutsche Bank due 3/14/17	$22,050,428	1.3%
Vodafone Swap Contracts with J.P. Morgan due 9/13/18	7,782,815	0.4
Verizon Swap Contracts with J.P. Morgan due 10/15/14	(530,848)	–
	29,302,395	1.7%

Portfolio of Investments

Components of Henderson Stub Swap Contracts	Real Estate Management & Development Henderson Land Development Company Limited (Hong Kong)	Oil, Gas & Consumable Fuels The Hong Kong and China Gas Company (Hong Kong)	Total
Shares of underlying security	30,461,200	(43,559,516)	
Unrealized appreciation (depreciation)	34,702,151	(13,957,175)	20,744,976
Accrued dividends	7,361,822	(4,190,279)	3,171,543
Financing fee	(1,748,526)	(117,565)	(1,866,091)
Unrealized gain(loss)	40,315,447	(18,265,019)	22,050,428

Other Swap Contracts	Wireless Telecommunication Services Vodafone Group plc ADR (United Kingdom)	Wireless Telecommunication Services Verizon Communications Inc. (United States)	
Shares of underlying security	3,565,335	(1,257,480)	
Unrealized appreciation (depreciation)	7,814,083	(524,502)	
Financing fee	(31,268)	(6,346)	
Unrealized gain (loss)	7,782,815	(530,848)	

Country Weightings

	Stocks	Net Assets
Netherlands	19.4%	15.6%
Hong Kong	16.7	13.4
Spain	11.0	8.8
France	8.1	6.5
Germany	7.2	5.8
Brazil	6.5	5.2
Canada	5.9	4.7
Italy	5.8	4.7
United States	5.4	4.3
Malaysia	4.6	3.7
Japan	4.4	3.5
United Kingdom	3.1	2.5
Australia	1.9	1.5
	100.0%	80.2
All other, net		19.8
		100.0%

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Global Fund Management Discussion

Longleaf Partners Global Fund gained 14.3% for the third quarter, bringing the return since the Fund opened at the beginning of the year to 17.6%. These results outpaced the MSCI World Index returns of 8.2% and 17.3% for the same periods.

Cumulative Returns at September 30, 2013

	Since Inception	YTD	3Q
Global Fund (Inception 12/27/12)	**17.60%**	**17.60%**	**14.29%**
MSCI World Index	17.49	17.29	8.18

See page 28 for additional performance information.

German-based construction and engineering firm Hochtief gained 34% in the quarter and 60% year-to-date (YTD), making it the largest contributor for both periods. Since CEO Marcelino Fernandez Verdes took over late last year, the company has sold its airport assets and services business at prices above our carrying value, repurchased 10% of shares, and opportunistically bought an additional 3% of Leighton at a steep discount to value. Management has embarked on a turnaround of the European construction business and improved risk controls at its 55%-owned Leighton subsidiary, which should lead to improved margins and free cash flow in both of these segments. Hochtief is working to sell its non-core real estate assets to complete its transformation into one of the world's leading infrastructure construction firms.

Several other companies led performance over the last three months and in the YTD. Chesapeake Energy gained 27% in the quarter and 33% YTD. Together with new CEO Doug Lawler, the board that we helped seat last June is instilling financial and operating discipline into the company. Over the last sixteen months, the company has reduced SG&A by 20%, sold and announced sales of over $10 billion in non-core assets, decreased 2013 capex by a projected 46%, and promised to live within its cash flow in 2014. Exor, the Agnelli family holding company run by John Elkann, also contributed to the quarter and YTD, rising 27% and 41% respectively. Elkann's sale of SGS Testing created and realized substantial value by striking a deal above our appraisal value. The company also bought back shares to take advantage of the market price discount. Macau gaming company Melco International added 44% in the third quarter and 122% YTD. Double-digit visitation increases from Mainland China drove industry gross gaming revenue growth to the high-teens/low 20% range. Margins at the company rose as the more profitable mass market business grew faster than the VIP business (where margins are much lower because revenues are shared with junket operators). The company is exploring opportunities in new gaming markets and earlier this year completed an IPO of its Philippine business. The value of the company grew, and we added to our position in the quarter.

Level 3 was a primary contributor to third quarter results, adding 27%. Since taking over as CEO in April, Jeff Storey has implemented the necessary steps to grow top line and increase cash flow by reducing costs and focusing on higher margin enterprise customers. Even with meaningful recent stock gains, the company remains among our most discounted names.

Over the last three months, two holdings declined slightly, though both were positive performers YTD. DIRECTV slipped 3% in the quarter on increased subscriber churn amidst a challenged Brazilian economy. DIRECTV Latin America remains well positioned to benefit from rising pay-TV penetration in the region, and the mature U.S. business continues to generate higher ARPU (average revenue per user). Malaysian gaming company Genting also was off 3%. Genting's

Singapore casino operations had limited local visitor growth. Our appraisal of Genting was unaffected.

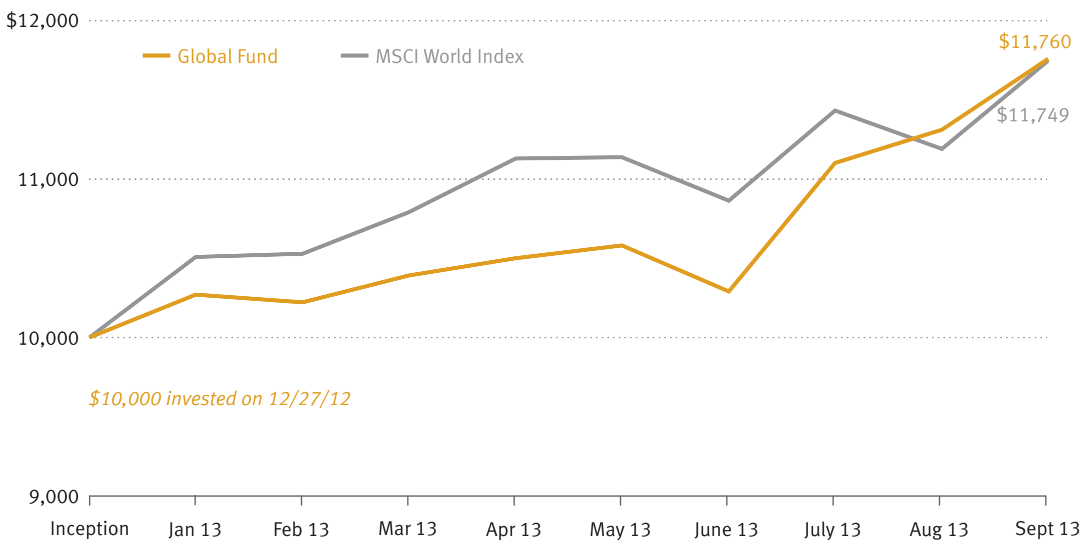
UK-based Guinness Peat was the sole detractor YTD, down 5%, though it rose in the quarter with strong performance at subsidiary Coats, the world's leading industrial thread and textile crafts business. Guinness Peat has sold all of its investments and now holds cash and Coats. Management is waiting to return excess capital to shareholders following the conclusion of the UK pension regulator's ruling to determine if legacy pension plans will need additional capital.

We sold Murphy USA, the retail station operation that was spun out of Murphy Oil. We initiated one position, OCI, and we added to several existing holdings, making progress in getting the Fund invested. Net cash is now at 23%, and following the strong quarter, the P/V is in the low-70s%. We have identified some interesting opportunities, mostly outside of the U.S., but their prices are currently above levels that our discount discipline allows. We will wait patiently for individual share movement or general market volatility to buy businesses that meet our qualitative and quantitative criteria.

We have identified some interesting opportunities, mostly outside of the U.S.

Performance History

Comparison of Change in Value of $10,000 Investment Since Inception December 27, 2012



Returns for the Periods Ended September 30, 2013

	Since Inception 12/27/12	YTD
Global Fund	**17.60%**	**17.60%**
MSCI World Index	17.49	17.29

Past performance does not predict future performance, Fund prices fluctuate, and the value of an investment at redemption may be worth more or less than the purchase price. The Fund's performance results in the table shown above do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Fund performance and that of the MSCI World Index is shown with all dividends and distributions reinvested. Current performance may be lower or higher than the performance quoted. Please call (800)445-9469 or visit longleafpartners.com for more current performance information. The Global Fund is subject to stock market risk, meaning stocks in the Fund may fluctuate in response to developments at individual companies or due to general market and economic conditions. Also, because the Fund generally invests in 15 to 25 companies, share value could fluctuate more than if a greater number of securities were held. Investing in non-U.S. securities may entail risk due to non-US economic and political developments, exposure to non-US currencies, and different accounting and financial standards. These risks may be higher when investing in emerging markets. The annual expense ratio for the Fund is 2.01% before fee waiver, which is voluntary and expected to continue until average net assets exceed $40 million and expenses fall below the 1.65% cap.

Portfolio Summary

Portfolio Holdings at September 30, 2013

		Net Assets
Investments		77.2%
Cheung Kong Holdings Limited	5.8	
Level 3 Communications, Inc.	4.9	
Chesapeake Energy Corporation	4.7	
Hochtief AG	4.5	
FedEx Corporation	4.4	
News Corporation	4.4	
Loews Corporation	4.3	
OCI N.V.	4.3	
Fairfax Financial Holdings Limited	4.1	
EXOR S.p.A.	3.7	
Koninklijke Philips N.V.	3.5	
TNT Express NV	3.4	
DIRECTV	3.3	
CNH Industrial N.V.	3.1	
Everest Re Group, Ltd.	3.1	
Genting Berhad	2.7	
Murphy Oil Corporation	2.7	
Mondelez International, Inc.	2.6	
Guinness Peat Group Plc	2.5	
Melco International Development Limited	2.3	
The Bank of New York Mellon Corporation	1.9	
Henderson Land Development Company Limited	1.0	
Cash Reserves		26.7
Other Assets and Liabilities, net		(3.9)
		100.0%

Portfolio Changes January 1, 2013 through September 30, 2013

New Holdings	Quarter
All positions new in 2013	

Eliminations	
Berkshire Hathaway Inc. – Class B	2Q
Murphy USA Inc. (Murphy Oil Corporation)[(a)]	3Q

(a) *Resulting from corporate action (associated holding)*

Portfolio of Investments

Common Stock

	Share Quantity	Market Value	% of Net Assets
Air Freight & Logistics			
FedEx Corporation (United States)	18,607	$2,123,245	4.4%
TNT Express NV (Netherlands)	178,444	1,629,021	3.4
		3,752,266	7.8
Capital Markets			
The Bank of New York Mellon Corporation (United States)	29,994	905,519	1.9
Construction & Engineering			
Hochtief AG (Germany)	24,608	2,148,265	4.5
OCI N.V.* (Netherlands)	61,607	2,083,626	4.3
		4,231,891	8.8
Diversified Financial Services			
EXOR S.p.A. (Italy)	47,700	1,789,444	3.7
Diversified Telecommunication Services			
Level 3 Communications, Inc.* (United States)	87,527	2,336,096	4.9
Food Products			
Mondelez International, Inc. – Class A (United States)	39,718	1,247,939	2.6
Hotels, Restaurants & Leisure			
Genting Berhad (Malaysia)	405,849	1,294,932	2.7
Melco International Development Limited (Hong Kong)	416,388	1,116,681	2.3
		2,411,613	5.0
Industrial Conglomerates			
Koninklijke Philips N.V. (Netherlands)	52,217	1,683,394	3.5
Insurance			
Everest Re Group, Ltd. (Bermuda)	10,104	1,469,223	3.1
Fairfax Financial Holdings Limited (Canada)	4,802	1,941,965	4.1
Loews Corporation (United States)	44,615	2,085,305	4.3
		5,496,493	11.5
Machinery			
CNH Industrial N.V.* (Netherlands)	119,862	1,498,279	3.1
Media			
DIRECTV* (United States)	26,809	1,601,838	3.3
News Corporation – Class B* (United States)	127,300	2,091,539	4.4
		3,693,377	7.7
Oil, Gas & Consumable Fuels			
Chesapeake Energy Corporation (United States)	86,400	2,236,032	4.7
Murphy Oil Corporation (United States)	21,408	1,291,331	2.7
		3,527,363	7.4
Real Estate Management & Development			
Cheung Kong Holdings Limited (Hong Kong)	182,029	2,771,777	5.8
Henderson Land Development Company Limited (Hong Kong)	77,001	475,554	1.0
		3,247,331	6.8

continued

Common Stock

	Share Quantity	Market Value	% of Net Assets
Textiles, Apparel & Luxury Goods			
Guinness Peat Group Plc* (New Zealand)	2,527,300	$ 1,196,459	2.5%
Total Common Stocks (Cost $32,113,333)		37,017,464	77.2

Short-Term Obligations

	Principal Amount		
Repurchase Agreement with State Street Bank, 0.0% due 10/1/13, Repurchase price $12,825,000 (Collateral: $11,235,000 U.S. Treasury Bond, 3.58% due 8/15/39, Value $13,087,022)	12,825,000	12,825,000	26.7
Total Investments (Cost $44,938,333)[(a)]		**49,842,464**	**103.9**
Other Assets and Liabilities, Net		**(1,871,587)**	**(3.9)**
Net Assets		**$47,970,877**	**100.0%**
Net asset value per share		**$ 11.76**	

* *Non-income producing security.*

(a) *Aggregate cost for federal income tax purposes is $44,938,592. Net unrealized appreciation of $4,904,131 consists of unrealized appreciation and depreciation of $4,965,352 and $(61,221), respectively.*

Country Weightings

	Common Stocks	Net Assets
United States	43.0%	33.2%
Netherlands	18.6	14.3
Hong Kong	11.8	9.1
Germany	5.8	4.5
Canada	5.3	4.1
Italy	4.8	3.7
Bermuda	4.0	3.1
Malaysia	3.5	2.7
New Zealand	3.2	2.5
	100.0%	77.2
All other, net		22.8
		100.0%

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Fund Information

The following additional information may be obtained for free by calling (800)445-9469, Option 1, or visiting longleafpartners.com, or on the SEC's website at sec.gov.

Proxy Voting Policies and Procedures

A description of Longleaf's Proxy Voting Policies and Procedures is included in the Statement of Additional Information (SAI).

Proxy Voting Record

Information regarding how the Funds voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is contained in Form N-PX.

Quarterly Portfolio Holdings

Longleaf files a complete schedule of portfolio holdings for the first and third quarters of each fiscal year on Form N-Q, which is available on the SEC's website, and may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Please call (800) SEC-0330 for information on the operation of the Public Reference Room.

In addition to Form N-Q, Longleaf publishes reports for each calendar quarter. These reports include complete schedules of portfolio holdings, as well as performance updates and management discussion. We furnish Longleaf's Quarterly Reports in lieu of Form N-Q to shareholders who request information about our first and third quarter portfolio holdings, and Semi-Annual and Annual Reports for requests related to the second and fourth quarters, respectively.

Fund Trustees

Additional information about Fund Trustees is included in the Statement of Additional Information (SAI).

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Service Directory

Call (800)445-9469

Fund Information ▪ Option 1
To request a printed Prospectus, Summary Prospectus, Statement of Additional Information (including Longleaf's Proxy Voting Policies and Procedures), financial report, application or other Fund information from 8:00 a.m. to 8:00 p.m. Eastern time, Monday through Friday.

Daily Fund Prices ▪ Option 2
For automated reporting 24 hours a day, seven days a week.

Account Information ▪ Option 3
For account balance and transaction activity, 24 hours a day, seven days a week. Please have your Fund number (see below) and account number ready to access your investment information.

Shareholder Inquiries ▪ Option 0
To request action on your existing account from 9:00 a.m. to 6:00 p.m. Eastern time, Monday through Friday.

Correspondence

By regular mail:
Longleaf Partners Funds
P.O. Box 9694
Providence, RI 02940-9694

By express mail or overnight courier:
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Westborough, MA 01581
(800)445-9469

Published Daily Price Quotations

Below are the common references for searching printed or electronic media to find daily NAVs of the Funds.

Abbreviation	Symbol	Cusip	Transfer Agent Fund Number	Status to New Investors
Partners	LLPFX	543069108	133	Open
Sm-Cap	LLSCX	543069207	134	Closed 7/31/97
Intl	LLINX	543069405	136	Open
Global	LLGLX	543069504	137	Open

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Our Governing Principles

We will treat your investment as if it were our own.

We will remain significant investors in Longleaf Partners Funds.

We will invest for the long term, while striving to maximize returns and minimize business, financial, purchasing power, regulatory and market risks.

We will choose each equity investment based on its discount from our appraisal of corporate intrinsic value, its financial strength, its management, its competitive position, and our assessment of its future earnings potential.

We will focus our assets in our best ideas.

We will not impose loads or 12b-1 charges on mutual fund shareholders.

We will consider closing to new investors if closing would benefit existing clients.

We will discourage short-term speculators and market timers.

We will continue our efforts to enhance shareholder services.

We will communicate with our investment partners as candidly as possible.

Longleaf
Partners Funds

Advised by
Southeastern
Asset Management, Inc.®