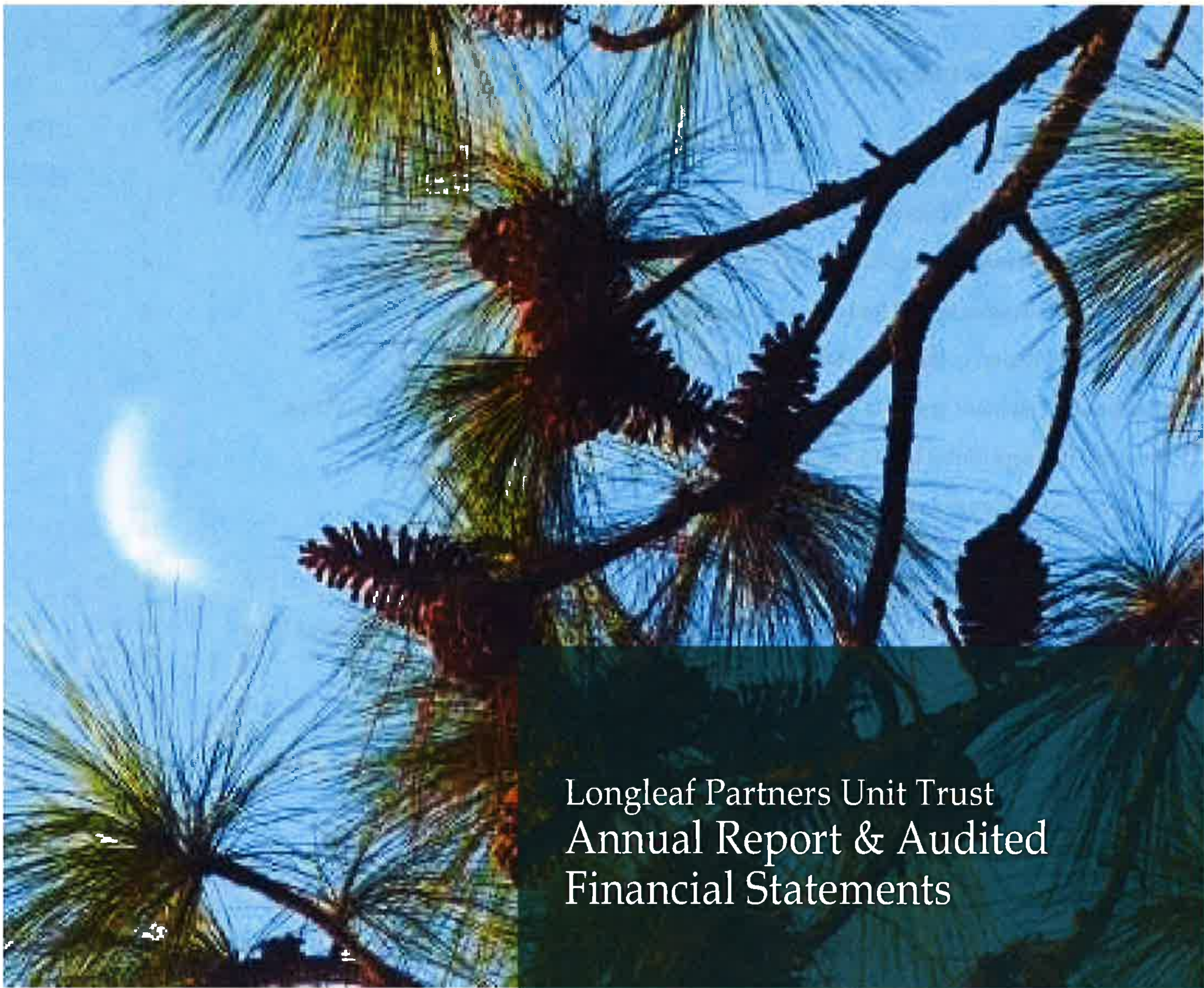

Longleaf Partners Unit Trust
Annual Report & Audited Financial Statements

For the year ended 31 December 2016

Longleaf Partners Funds

Advised by Southeastern Asset Management, Inc.®

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Investment Manager's Report

Average Annual Returns at 31 December 2016

Global Fund	Since Inception	Five Year	Three Year	One Year
Class I - USD	**5.83 %**	**9.95 %**	**1.10 %**	**16.64 %**
MSCI World USD	7.91	10.41	3.80	7.51
Class I - Euro	**9.97**	**14.43**	**10.37**	**20.15**
MSCI World Euro	12.70	15.09	13.47	10.73
Class I - GBP	**11.50**	**na**	**11.38**	**39.14**
MSCI World GBP	13.92	na	14.45	28.24
U.S. Fund				
Class I - USD	**11.45**	**na**	**3.65**	**23.51**
S&P 500	13.85	na	8.87	11.96
Asia Pacific Fund				
Class I - USD	**3.68**	**na**	**na**	**12.29**
MSCI AC Asia Pacific	0.67	na	na	4.89

Longleaf Partners Unit Trust

We are pleased to report that 2016 was a great year for the shareholders of the Longleaf Partners UCITS Funds. All three Funds (Longleaf Partners Global UCITS, Longleaf Partners U.S. UCITS and Longleaf Partners Asia Pacific UCITS) delivered strong absolute results, outperformed their broader benchmarks by a wide margin, and ended the year well-positioned for the future. We produced good returns because: the competitive advantages of our businesses built organic value growth; our corporate leaders made intelligent capital allocation decisions that meaningfully augmented value; the market began to recognize our companies' higher intrinsic worth; and we believe the Funds' portfolios are positioned to maximize returns while limiting downside. We are highly confident the Funds will continue delivering excess returns because the quality and leadership of our investees should drive additional value accretion and because of market factors that appear more favourable to our bottom-up, valuation based investment approach.

	One Year	4Q
Global UCITS Fund (Class I USD)	**16.64%**	**1.30%**
MSCI World Index	7.51	1.86
U.S. UCITS Fund (Class I USD)	**23.51**	**4.61**
S& P 500	11.96	3.82
APAC UCITS Fund (Class I USD)	**12.29**	**-3.41**
MSCI AC Asia Pacific Index	4.89	-3.03

Past performance does not guarantee future results.

The most widely held and more heavily weighted holdings across the Funds are uniquely long-term investments that we know very well. These companies, like Level 3 Communications, FedEx, CK Hutchison, Cheung Kong Property, EXOR, CNH Industrial, and LafargeHolcim all have growing competitive advantages, highly capable management partners, and cash-generative businesses that should continue to grow their values per share. This group trades at a very attractive average multiple of 11 to 12 times our calculated 2017–18 earnings power versus the S&P 500's 16 to 17 times and MSCI EAFE's 14 to 15 times current price-earnings (P/E) multiple based on next twelve month estimates.

This time last year, the energy and gaming investments in the Funds were a source of disappointment, even though we felt that our management partners were making smart moves. In 2016, as a whole these investments posted substantial returns that outperformed their industries. Going into 2017, these companies have strengthened their balance sheets through accretive actions while focusing and improving their operations. Their industries now have tailwinds, as Macau gaming has shown early signs of renewed growth, and commodity prices have returned to more reasonable, yet still low, levels. This group is now on offense.

Most of the remaining investments in the Funds fall into a third group of diverse businesses. We have not held them as long as most of the companies mentioned above, but they qualify strongly on business, people, and price. We expect their values to grow at an above-average level. Our management partners are exceptional, and these companies could remain core holdings for many years. They include businesses such as Alphabet and United Technologies in the U.S., Ferrovial (that we successfully owned in the last Eurozone crisis), and Asian-based Great Eagle, Minebea, and Yum China (a fourth quarter addition that we have known well for many years).

A final point on the Funds' portfolios is that our on-deck list— while shorter than usual—does have strong candidates. After another up year, the U.S. is less compelling than other world markets. Still, we have found new qualifiers and continue to search. In Europe, dispersion among stocks is greater, but the lower-than-U.S. market P/E multiple is dragged down by lesser quality businesses that are not attractive to us. However, we have several exceptions on deck. Asia remains the most discounted region, with Hong Kong in particular being impacted after the U.S. election. The Asia Pacific Fund is close to fully invested, with 5.6% — approximately one position—in cash, and we expect we will continue to see attractive opportunities in the region.

The shift to indexing had been a headwind for the Funds for several years because it drove stocks to move in lockstep and favored momentum investing, as indexing is a strategy that buys more of what has been going up. Even though indexing remains in favor, 2016, and the second half of the year in particular, saw positive signs that this force is abating. Correlations between stocks declined, and the market began to weigh company-specific factors more, which rewards our skills as business appraisers. As contrarians we couldn't help but get excited by a classic headline in the October 17th edition of the Wall Street Journal— "The Dying Business of Picking Stocks."

Persistently low—and in some cases negative—interest rates stayed with us for most of 2016, but the fourth quarter saw a dramatic turn upward in rates after the U.S. election. While we do not claim to be macro forecasters, higher rates going forward now seem more likely than not. We have avoided higher yielding stocks that had become bond proxies and are now most at risk of a multiple re-rating. We believe we own companies with pricing power and intelligently structured balance sheets that will allow them to build value expeditiously in a higher rate world.

One final point on markets is that the fourth quarter of 2016 saw a return of potentially excessive optimism in certain market segments and geographies, especially in the U.S. We are seeing high readings of bullishness from market prognosticators, and the volatility index is approaching historically low levels—a dangerous mix of exuberant complacency. Should recent indexers get disappointed, their exit could catalyze a more serious market correction, and yield-seekers who switched out of bonds might regret that stocks don't have fixed maturity payoffs. The Global and U.S. Funds' relatively high cash levels, which are a result of finding few qualifying investments, should provide a buffer for any market pullback. More importantly, they will allow us to purchase our next great investments.

While a discriminating market should favor the Funds, our current investments and what we purchase in the future will drive our returns going forward, just as they did in 2016. We have worked to intelligently build concentrated portfolios that should deliver over the long term, and we will remain engaged with our management partners to both help them and hold them accountable.

As we wrote in early 2016, we began shifting Southeastern's managerial responsibilities to maximize the time our most senior investors spend on research and portfolio management and to broaden the experience of other team members. Our Deputy Director of Research Ross Glotzbach, who joined Southeastern in 2004, has increasingly coordinated our research process and helped us become more effective. As the logical next step to assuming more research management duties, Ross will become Head of Research in 2017.

We close this letter by thanking you for your investing partnership. As the largest investor group in Southeastern's funds, employees are gratified we delivered the significant risk-adjusted excess returns you expect. At the end of 2000, another strong year for Southeastern clients following an out of favor period, we ended our letter to our partners "...with a word of thanks for being logical, disciplined partners who understood the difference between investment and speculation when the rational world seemed gone. Standing against conventional wisdom is never easy, but is often profitable. We are pleased that your patience was rewarded." Those words ring true today, and we are as excited about the future now as we were then.

Southeastern Asset Management, Inc.
February 2017

Longleaf Partners Unit Trust

Statement of Manager's Responsibilities

Longleaf Management Company (Ireland) Limited (the "Manager"), is responsible for preparing the annual report and the financial statements for each financial period in accordance with applicable International Financial Reporting Standards ("IFRS"). The Directors of the Manager are required to prepare financial statements which give a true and fair view.

In preparing these financial statements the Manager is required to:

- select suitable accounting policies and apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify these standards, and note the effect and reasons for any material departure from these standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that Longleaf Partners Unit Trust (the "Trust") will continue in operation.

The Manager is responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and to enable it to ensure that the financial statements are prepared in accordance with International Financial Reporting Standards and comply with the provisions of the Trust Deed and with Irish statute comprising the Unit Trust Act, 1990 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended and Central Bank (Supervision And Enforcement) Act 2013 (Section 48(1)) (Undertakings For Collective Investment In Transferable Securities) Regulations 2015 (collectively the "UCITS Regulations").

The Manager has delegated responsibility for administration of the Trust's affairs to State Street Fund Services (Ireland) Limited (the "Administrator") for the purpose of maintaining adequate according records. Accordingly, the according records are kept at State Street Fund Services (Ireland) Limited, 78 Sir John Rogerson's Quay, Dublin 2, Ireland. The assets of the Trust are entrusted to State Street Custodial Services (Ireland) Limited ("the Depositary") for safekeeping in accordance with the Trust Deed.

The Manager is also responsible with respect to its duties under the UCITS Regulations to take reasonable steps for the prevention and detection of fraud, and other irregularities. The Manager has appointed Southeastern Asset Management, Inc. as Investment Manager (the "Investment Manager") and we note that the Administrator and the Depositary are independent of the Investment Manager. In addition, we note that both the Administrator and Depositary are regulated by the Central Bank of Ireland and that the Investment Manager is regulated by the Securities & Exchange Commission ("SEC"). The Investment Manager is responsible for investment decision making. This segregation of duties is intended to mitigate the risk of fraud.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Dealings with Connected Parties

Regulation 41 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 78.4, 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 41(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 41(1).

Eimear Cowhey

Mike Kirby

25 April 2017

Longleaf Partners Unit Trust

Report of the Trustee to the Unitholders of Longleaf Partners Unit Trust (the "Trust")

We have enquired into the conduct of the Manager in respect of Longleaf Partners Unit Trust for the financial period from 1 January 2016 to 17 March 2016, in our capacity as Trustee to the Trust.

This report including the opinion has been prepared for and solely for the unitholders in the Trust in accordance with Part 5 of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended, ('the UCITS Regulations'), and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

Responsibilities of the Trustee

Our duties and responsibilities are outlined in the Part 5 of the UCITS Regulations. One of those duties is to enquire into the conduct of the Trust in each annual accounting period and report thereon to the unitholders.

Our report shall state whether, in our opinion, the Trust has been managed in that period in accordance with the provisions of the Trust's Trust Deed and the UCITS Regulations. It is the overall responsibility of the Manager to comply with these provisions. If the Manager has not so complied, we as Trustee must state why this is the case and outline the steps which we have taken to rectify the situation.

Basis of Trustee Opinion

The Trustee conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties as outlined in Part 5 of the UCITS Regulations and to ensure that, in all material respects, the Trust has been managed (i) in accordance with the limitations imposed on its investment and borrowing powers by the provisions of the Trust Deed and the appropriate regulations and (ii) otherwise in accordance with the Trust's constitutional documentation and the appropriate regulations.

Opinion

In our opinion, the Trust has been managed during the year, in all material respects:

(i) in accordance with the limitations imposed on the investment and borrowing powers of the Manager and the Trustee by the Trust Deed, by the UCITS Regulations and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 ('the Central Bank UCITS Regulations'); and

(ii) otherwise in accordance with the provisions of the Trust Deed, the UCITS Regulations and the Central Bank UCITS Regulations.

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

25 April 2017

Depositary's Report to the Unitholders of Longleaf Partners Unit Trust

Report of the Depositary to the Unitholders

We have enquired into the conduct of the Manager in respect of the Trust for the financial period from 18 March 2016 to 31 December 2016, in our capacity as Depositary to the Trust.

This report including the opinion has been prepared for and solely for the unitholders in the Trust, in accordance with Regulation 34, (1), (3) and (4) in Part 5 of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended, ('the UCITS Regulations'), and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

Responsibilities of the Depositary

Our duties and responsibilities are outlined in Regulation 34, (1), (3) and (4) in Part 5 of the UCITS Regulations. One of those duties is to enquire into the conduct of the Manager in each annual accounting period and report thereon to the unitholders.

Our report shall state whether, in our opinion, the Trust has been managed in that period in accordance with the provisions of the Trust's Trust Deed and the UCITS Regulations. It is the overall responsibility of the Manager to comply with these provisions. If the Manager has not so complied, we as Depositary must state why this is the case and outline the steps which we have taken to rectify the situation.

Basis of Depositary Opinion

The Depositary conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties as outlined in Regulation 34, (1), (3) and (4) in Part 5 of the UCITS Regulations and to ensure that, in all material respects, the Trust has been managed (i) in accordance with the limitations imposed on its investment and borrowing powers by the provisions of the Trust Deed and the appropriate regulations and (ii) otherwise in accordance with the Trust's constitutional documentation and the appropriate regulations.

Opinion

In our opinion, the Trust has been managed during the year, in all material respects:

- in accordance with the limitations imposed on the investment and borrowing powers of the Manager and the Trustee by the Trust Deed, by the UCITS Regulations and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 ('the Central Bank UCITS Regulations'); and

- otherwise in accordance with the provisions of the Trust Deed, the UCITS Regulations and the Central Bank UCITS Regulations.

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

25 April 2017

Independent auditors' report to the unitholders of the Funds of Longleaf Partners Unit Trust

Report on the financial statements

Our opinion

In our opinion, Longleaf Partners Unit Trust's financial statements (the "financial statements"):

- give a true and fair view of the Funds' assets, liabilities and financial position as at 31 December 2016 and of their results and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended).

What we have audited

The financial statements, included within the Annual Report & Audited Financial Statements, comprise:

- the statement of financial position as at 31 December 2016;
- the statement of comprehensive income for the year then ended;
- the statement of cash flows for the year then ended;
- statement of changes in net assets attributable to the holders of redeeemable participating units and statement of changes in equity for the year then ended;
- the Schedule of Investments for each of the funds as at 31 December 2016; and
- the notes to the financial statements for each of its Funds which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is Irish law and IFRSs as adopted by the European Union.

In applying the financial reporting framework, the manager has made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, the manager has made assumptions and considered future events.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the manager

As explained more fully in the Statement of Manager's Responsibilities set out on page 4, the manager is responsible for the preparation of the financial statements giving a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinion, has been prepared for and only for the unitholders of each of the Funds as a body and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Responsibilities for the financial statements and the audit

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Funds circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the manager; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the manager's judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

PricewaterhouseCoopers.

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Dublin
Ireland

25 April 2017

Longleaf Partners Global UCITS Fund Investment Manager's Report (Unaudited)

Longleaf Partners Global UCITS Fund returned 16.64% for the year, more than doubling the MSCI World Index's 7.51% return and beating our absolute goal of inflation plus 10%. In the fourth quarter, the Fund posted a positive return of 1.30%, falling shy of the MSCI World's 1.86% return in the period.

The Fund's large return had little to do with the index, which experienced two distinct environments. In the first seven months, perceived "safe" stocks dominated. Beginning in August, cyclicals gained meaningful ground, and defensive and minimum volatility stocks declined rapidly. Global markets had significant price volatility across geographies. For example, Hong Kong markets suffered declines in the first and fourth quarters amid China concerns, with the fourth quarter further complicated by fears of higher U.S. interest rates and impacts of a Trump presidency on global trade. In Europe, markets rebounded quickly in the third quarter after a negative first half overshadowed by Brexit and European terrorist attacks. Most of the U.S. market return came in the second half, including the post-election rally.

Solid operational performance and smart capital allocation by our management partners who pursued value accretive transactions drove the Fund's substantial results. The company-specific nature of our 2016 return reinforced the importance of investing with a long time horizon and aligned, shareholder-oriented corporate leadership. While it is difficult to predict near-term stock prices, if our businesses are selling at a meaningful discount to their intrinsic worth, are growing free cash flow over the long term, and are run by people who are motivated to build value per share, good returns can be expected. These same characteristics describe our current holdings, are the criteria required for new investments, and therefore form the basis for our confidence in our ability to continue to deliver solid results.

Annual Contributors/Detractors

(2016 investment return, 2016 Fund contribution)

Chesapeake Energy (+148%, +5.28%), one of the largest U.S. producers of natural gas, oil, and natural gas liquids, was the Fund's top contributor to performance in 2016 and gained an additional 6% in the fourth quarter. Earlier in the year, we transitioned our equity position into heavily discounted bonds and convertible preferred stock, which offered equity- like returns higher in the capital structure and a potentially faster payback. As the bonds rose close to par, we exited them. Over the course of the year, management executed beyond expectations, selling various assets, improving the balance sheet through discounted debt repurchases, reducing operating and capital expenditures, and renegotiating midstream contracts. The most recent asset sales in the fourth quarter included a portion of the company's properties in the Haynesville Shale in northern Louisiana for proceeds of approximately $915 million. Signed or closed asset sales reached $2.5 billion in 2016, exceeding management's original target of $1 billion. To further strengthen its balance sheet, the company secured a term loan and convertible debt offering, which raised more capital at better terms than expected. Since the beginning of 2012, Chesapeake has reduced debt by 50%, and its remaining fixed liabilities should be well covered in the coming years. The company has targeted a two times net debt over earnings before interests, taxes, depreciation, and amortization (EBITDA) with cash flow neutrality by 2018 and 5 to 15% of annual production growth by 2020. We salute CEO Doug Lawler and Chesapeake's board, with Brad Martin as Chairman, for their successful pursuit of shareholder value in the face of massive headwinds.

adidas (+60%, +3.66%), the German-based global sportswear and equipment brand, was another significant contributor for the year. We sold our stake in the third quarter as price approached our appraisal value. We engaged in a productive dialogue with the company when necessary since initiating the position in August 2014. Over that time, adidas re-focused on its core brand, grew revenues, sold or sought buyers for non- core segments including Rockport and golf, repurchased just over five percent of the company at substantially discounted prices, replaced the CEO, and added two highly qualified owners to the Supervisory Board, one of whom we proposed. In the Fund's two year holding period, adidas returned 105% (in U.S. dollar) and 148% in local currency (euro).

CONSOL Energy (+131%, +3.61%), the natural gas and Appalachian coal company, also contributed large gains over the year. CEO Nick Deluliis, management, and the board, led by Chairman Will Thorndike, monetized assets and continued to cut costs in the pursuit of separating the coal and gas businesses which is expected to happen in 2017. Following the disposition of its metallurgical coal assets in the first half of the year, CONSOL sold its high cost Miller Creek and Fola thermal coal mines to a private buyer at a price above our appraisal. The company also delivered positive free cash flow (FCF) for the year, which many thought very unlikely at the start of 2016. In the fourth quarter, CONSOL announced the unwinding of a joint venture with Noble Energy in which the company received $205 million in cash from Noble while maintaining ownership of valuable EBITDA-producing properties. Recent transactions involving other companies' gas assets in Appalachia, as well as CONSOL's own midstream master limited partnerships' (MLP) prices, support our appraisal of CONSOL, which is much higher than the stock price.

Wynn Resorts (+27%, +2.65%), the luxury gaming and hotel operator with prime real estate in Las Vegas, Macau, and Boston, also helped drive 2016 returns, despite a slight retreat in the fourth quarter. The total Macau market reported higher gross gaming revenues year-over-year in most months of the second half, indicating stabilization and a return to growth. In August, the company opened the Wynn Palace in Cotai (Macau).
The property has ramped up more slowly than some analysts had hoped, but Wynn has a history of careful openings and eventual success. During the fourth quarter, sentiment shifted up and down, as some positive industry level data points were offset by concerns over Chinese policy changes that could potentially impact Macau indirectly. In the U.S., Las Vegas had solid results, and the company received the final licenses necessary to begin construction of Wynn Boston Harbor, which is expected to open in 2019. Wynn also announced plans to develop part of its Las Vegas golf course property into a hotel, restaurants, and other attractions. In December, the company sold 49% of its retail assets in Las Vegas for over twenty times EBITDA, which was accretive to our value and well above where the stock trades. The sale was also further evidence of how our heavily-aligned partner, Steve Wynn, continues to build value per share and pursue value recognition for shareholders.

FedEx (+26%, +1.42%), the global transportation and logistics company, was a leading contributor in the Fund for the year after gaining 7% in the fourth quarter. The company raised guidance for fiscal year 2017 and continued to buy back its discounted shares. Our appraisal increased as expense reductions in Express over the last several years helped raise margins. Investing in growth at Ground depressed margins in that division but should have meaningful payoff longer term. The TNT acquisition, finalized in May, should materially benefit profitability by increasing the final mile density of FedEx's business across Europe. Management indicated that the integration of TNT should generate at least $750 million of annual synergies across its network over the next few years. We believe that CEO Fred Smith and his capable leadership team will continue to drive value growth for shareholders.

OCI (-29%, -2.33%), a global fertilizer and chemical producer, was the largest detractor in the Fund for the year, even after a rebound of 18% in the fourth quarter. The two main pressures on the share price were weakness in nitrogen fertilizer prices and the cancellation of the CF Industries merger as a result of the U.S. government crackdown on tax inversions. Despite depressed fertilizer prices, nitrogen remains an essential part of global food production, and global demand is growing by around 2%, which will help deplete the current excess supply by 2018. Given the high cost and long lead time of building a new plant, it is unlikely that new capacity will be built in the medium term. OCI owns the newest and most efficient nitrogen fertilizer plants in the industry, with its large, new Iowa plant now producing. Its Texas Greenfield methanol plant comes online in late 2017. OCI recently initiated a cost savings plan over $100 million, $65 million of which is executed, and the company has completed the majority of its large capital expenditures. We expect significant earnings production in the coming two years, and CEO Nassef Sawiris and his team are working diligently to grow value per share. In early December, the company announced a 25% premium offer to acquire all publicly held shares of OCI Partners in exchange for OCI shares. The acquisition should allow for operating synergies between methanol assets and incremental free cash flow with a positive impact on the combined balance sheet in 2017.

Melco International (-9%, -1.15%), the Macau gaming company, was a detractor as fears of a deepening China focus on currency controls hit the industry hard late in the year. Despite the negative near-term sentiment, Macau gaming reached an inflection point in the second half with industry revenue in both VIP and Mass delivering strong year-over-year growth. CEO Lawrence Ho successfully gained greater control of the company's Macau properties, purchasing, through Melco International, 198 million Melco Crown shares (13.4% of the company) from partner James Packer (reducing Crown's ownership to 14% from 27.4%). Additional hotel room capacity and progress on infrastructure improvements should continue to drive profitable mass gaming revenue growth for the foreseeable future. We view the recent decision by the Abe government to introduce casinos to Japan as increasing the probability of an attractive renewal license process for established casinos in Macau.

CK Hutchison (-14%, -0.99%), a global conglomerate comprised of five core businesses (retail, telecommunications, infrastructure, ports, and energy), was the other primary detractor for the year and fell by -11% in the final quarter. The stock declined in the first half of 2016 in the wake of the rejection by European regulators of its acquisition of U.K. telecom company O2, in addition to Brexit which created concerns about the impact on the company's sizable operations in Europe and the U.K. Following a strong third quarter where the company announced a merger creating then largest Italian mobile operator, the stock lost ground in the fourth quarter after the U.S. election. A stronger U.S. dollar and expectations of tougher trade weighed on Hong Kong stocks in general and on the Hong Kong dollar's relationship to the British pound and euro, where over half of the company's earnings before interest and taxes (EBIT) originate. Our owner-operator partners, Victor Li and his father Li Ka-shing, continued to focus the company on its core competencies by selling its aircraft leasing business during the quarter. In recognition of the steep discount at which CK Hutchison trades to value, the company initiated its first share repurchase in the fourth quarter.

Annual Portfolio Activity

We took advantage of the market volatility and individual company performance throughout the year. We exited National Oilwell Varco in the first quarter and **Philips**, **SoftBank**, **Everest Re**, and **adidas** in the third quarter on the back of share price strength. We added three new positions from around the globe, all in the fourth quarter. One of these is a European-based business that remains undisclosed while we build the position. We also added Asian company **Yum China**, which recently spun out of Yum! Brands, a company we have known well for many years. Yum China has exclusive rights to KFC, China's leading quick-service restaurant concept, Pizza Hut, a leading casual dining brand, and Taco Bell, with expansion plans in China. Yum China has over 7,300 restaurants and more than 400,000 employees in 1,100+ cities in China with additional expansion opportunity in urban centers. Yum China's brand and scale are unique advantages and fit the desires of a rapidly growing middle class, where eating outside the home is becoming more commonplace. Our third addition was U.S. based **T. Rowe Price** (TROW), a diversified investment advisory firm with a dominant position in U.S. target date fund retirement assets which account for about twenty percent of assets under management (AUM). TROW's funds have performed well and had net inflows, even with the active management headwinds the industry has faced. Over the last ten years, the company has put capital into building its international investments and distribution. The company currently has just below twenty percent of AUM in international funds and a mid-single digit percent of total AUM coming from offshore investors. As this business grows, margins should rise accordingly. The company's balance sheet has net cash, and we are confident in the aligned management team who has a record of prudent capital allocation.

Outlook

In 2016 we delivered substantial absolute performance, and the Fund far outpaced the index. Much uncertainty remains as to the impact of U.S. tax, trade, and regulatory policies in the new administration. The future of the Eurozone is also unclear in the wake of Brexit and pending elections in France and Germany. Weakness in emerging markets and China macro fears are creating further opportunity in Asia, and the Americas have several on deck investment prospects. More global volatility, lower market correlations, and higher interest rates would likely unearth new opportunities for the Fund's 21% cash.

The Fund's price-to-value (P/V) in the high-60s% offers attractive upside. We believe our companies can grow their values substantially and have the ability to deliver good returns in a variety of scenarios. For example, three of the Fund's largest holdings—Level 3, FedEx, and LafargeHolcim—benefitted from merger activity in 2016 and have significant revenue prospects from their combinations that are not included in projected synergies, and they have skilled leadership with experience at successful company integrations. We hold numerous other businesses that have had meaningful capital investment programs over the last few years that should begin to generate returns in 2017 and beyond. These include Wynn's newly opened Palace and Melco's Studio City in Macau, United Technologies' Pratt jet engines, OCI's new fertilizer and methanol plants, Hopewell's Centre II project, and varied projects at Alphabet. As 2016 showed, CEOs and boards who are competent and shareholder-oriented create value. Our corporate partners, as well as the quality of our businesses, give us confidence in our future prospects.

Southeastern Asset Management, Inc.
February 2017

Longleaf Partners Unit Trust

Longleaf Partners Global UCITS Fund
Schedule of Investments as at 31 December 2016

Security (Domicile)	Nominal Holdings	Fair Value US$	% of Net Assets
Transferable Securities (December 2015: 95.63%)			
Common Stock (December 2015: 93.33%)			
Air Freight & Logistics (December 2015: 4.48%)			
FedEx Corporation (United States)	47,969	8,931,828	5.77
Chemicals (December 2015: 5.26%)			
OCI N.V. (Netherlands) (Netherlands)	246,442	4,301,138	2.78
Construction & Engineering (December 2015: Nil)			
Ferrovial S.A. (Spain)	264,889	4,738,810	3.06
Construction Materials (December 2015: 4.36%)			
LafargeHolcim Limited (Switzerland)	177,293	9,329,728	6.02
Diversified Financial Services (December 2015: 9.74%)			
CK Hutchison Holdings Limited (Hong Kong)	793,691	8,996,768	5.81
EXOR N.V. (Netherlands)	174,660	7,534,416	4.86
T Rowe Price Group Inc. (United States)	40,600	3,055,556	1.97
		19,586,740	12.64
Diversified Telecommunication Services (December 2015: 10.03%)			
Level 3 Communications, Inc. (United States)	224,077	12,628,980	8.15
Hotels, Restaurants & Leisure (December 2015: 12.38%)			
Melco International Development Limited (Hong Kong)	5,622,589	7,642,283	4.93
Wynn Resorts Limited (United States)	80,323	6,948,743	4.49
Yum China Holdings Inc. (United States)	264,303	6,903,594	4.46
		21,494,620	13.88
Industrial Conglomerates (December 2015: 8.80%)			
United Technologies Corporation (United States)	51,785	5,676,672	3.67
Insurance (December 2015: 3.23%)			
Internet Software & Services (December 2015: 4.85%)			
Alphabet Inc. (United States)	8,117	6,264,863	4.04
Machinery (December 2015: 2.37%)			
CNH Industrial N.V. (Netherlands)	413,796	3,600,090	2.32
Metals & Mining (December 2015: 0.22%)			
MLog S.A. (Brazil)	11,964	604,945	0.39
Oil, Gas & Consumable Fuels (December 2015: 7.37%)			
CONSOL Energy Inc. (United States)	253,962	4,629,727	2.99
Real Estate Management & Development (December 2015: 12.72%)			
Cheung Kong Property Holdings Limited (Hong Kong)	781,459	4,791,847	3.09
Hopewell Holdings Limited (Hong Kong) (Hong Kong)	1,229,783	4,250,201	2.74
K Wah International Holdings Limited (Hong Kong)	6,554,885	3,043,083	1.97
		12,085,131	7.80
Textiles, apparel and Luxury Goods (December 2015: 7.52%)			
Total Common Stock		**113,873,272**	**73.51**

Longleaf Partners Global UCITS Fund
Schedule of Investments as at 31 December 2016

Security (Domicile)	Nominal Holdings	Fair Value US$	% of Net Assets
Transferable Securities (December 2015: 95.63%) (continued)			
Preferred Stock (December 2015: 1.64%)			
Oil, Gas and Consumable Fuels (December 2015: 1.64%)			
Chesapeake Energy Corporation Class A Preferred (United States)	14,381	8,123,942	5.24
Total Preferred Stock		**8,123,942**	**5.24**
Warrants (December 2015: 0.66%)			
Hotels, Restaurants & Leisure (December 2015: 0.66%)			
Genting Berhad (Malaysia)	2,390,788	740,793	0.48
Total Warrants		**740,793**	**0.48**
Total Transferable Securities (Cost $122,047,002)		**122,738,007**	**79.23**
Short Term Obligations (December 2015: 4.41%)			
State Street Repurchase Agreement State Street Bank, 0.01% due 03/01/2017, Repurchase price US$32,234,000 (Collateral: US$32,856,438 U.S. Treasury Note 1.750% due 30/09/2019) (United States)	32,234,000	32,234,000	20.81
		32,234,000	**20.81**
Portfolio Of Investments (December 2015: 100.04%)		**154,972,007**	**100.04**
Cash and Cash Equivalents (December 2015: 0.00%)		975	0.00
Other Creditors (December 2015: (0.04%))		(61,416)	(0.04)
Net Asset Value		**154,911,566**	**100.00**

Analysis of Total Assets	**% of Total Assets**
Transferable securities admitted to an official stock exchange listing or traded on a regulated market	73.43
Transferable securities other than those admitted to an official stock exchange listing or traded on a regulated market	5.62
Short term obligations	20.76
Other current assets	0.19
Total Assets	100.00

Longleaf Partners Global UCITS Fund
Statement of Changes in Composition of Portfolio (Unaudited)

	Acquisition Cost* US$
SoftBank Group Corporation	8,424,818
Yum China Holdings Inc.	7,389,494
LafargeHolcim Limited	6,055,259
CK Hutchison Holdings Limited	5,674,620
Level 3 Communications Inc.	4,974,820
Ferrovial S.A.	4,712,172
EXOR N.V.	3,716,751
FedEx Corporation	3,282,403
Chesapeake Energy Corporation Class A Preferred	2,991,710
Cheung Kong Property Holdings Limited	2,647,303
T Rowe Price Group Inc.	2,577,054
Wynn Resorts Limited	1,929,777
Alphabet Inc.	1,829,141
Melco International Development Limited	1,002,417
United Technologies Corporation	704,945
Hopewell Holdings Limited	517,913
CNH Industrial N.V.	426,679
OCI N.V.	403,057
Koninklijke Philips N.V.	282,004
Genting Berhad	92,513

	Disposal Proceeds US$
Adidas A.G.	23,079,005
Level 3 Communications Inc.	16,640,179
Koninklijke Philips N.V.	11,504,879
SoftBank Group Corporation	9,615,023
K. Wah International Holdings Limited	9,282,095
Wynn Resorts Limited	9,086,114
National Oilwell Varco Inc.	8,464,189
Everest Re Group Limited	7,686,153
LafargeHolcim Limited	7,082,180
Cheung Kong Property Holdings Limited	6,836,156
Alphabet Inc.	6,820,638
Chesapeake Energy Corporation Preferred	6,615,219
Melco International Development Limited	6,512,072
EXOR N.V.	6,500,210
FedEx Corporation	6,475,329
CK Hutchison Holdings Limited	6,275,352
United Technologies Corporation	6,013,009
Hopewell Holdings Limited	5,426,611
CONSOL Energy Inc.	4,665,513
OCI N.V.	4,527,027
Chesapeake Energy Corp	3,594,847
CNH Industrial N.V.	3,124,957
Genting Berhad	1,936,635

*There were no other purchases during the year ended 31 December 2016.

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

A list of all purchases and sales of the Fund during the year ended 31 December 2016 can be obtained free of charge from the Swiss Representative.

Longleaf Partners Global UCITS Fund
Statement of Comprehensive Income

		For the year ended 31 December	
		2016	**2015**
	Notes	**US$**	**US$**
Income			
Dividend income	1	2,294,877	11,060,485
Interest income	1	1,840	-
Net gain/(loss) on investments at fair value through profit or loss	2	11,897,942	(32,819,846)
Net foreign exchange gain	2	15,319	259,792
Total net income/(loss)		14,209,978	(21,499,569)
Expenses			
Management fees	5	(1,569,457)	(5,184,333)
Administration fees	5	(94,134)	(290,226)
Depositary fees	5	(85,920)	(220,581)
Audit fees		(22,093)	(10,513)
Other operating expenses		(97,560)	(161,758)
Total operating expenses		(1,869,164)	(5,867,411)
Income/(loss) for the financial year before interest and taxation		12,340,814	(27,366,980)
Finance cost			
Interest expense		(84)	(9)
Taxation			
Withholding tax	4	(191,251)	(800,674)
Income/(loss) for the financial year after interest and taxation		12,149,479	(28,167,663)
Increase/(decrease) in net assets attributable to holders of redeemable participating units resulting from operations		12,149,479	(28,167,663)

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.

Longleaf Partners Global UCITS Fund
Statement of Financial Position

	Notes	31 December 2016 US$	31 December 2015 US$
Current Assets			
Cash and Cash Equivalents	1(h)	975	594
Dividends receivable		110,333	237,733
Receivable for fund shares sold		169,971	17
Financial assets at fair value through profit or loss	1(f)	122,738,007	230,031,948
Financial assets held for trading	1(f)	32,234,000	10,608,000
Interest receivable		18	3
Total Current Assets		155,253,304	240,878,295
Current Liabilities			
Investment Management fees payable	5	(232,887)	(203,838)
Depositary fees payable	5	(17,788)	(18,033)
Administration fees payable	5	(13,941)	(12,232)
Audit fees payable		(20,784)	(19,570)
Other liabilities		(40,370)	(41,234)
Payable for fund shares redeemed		(15,968)	(37,565)
Total Current Liabilities		(341,738)	(332,472)
Net assets attributable to holders of redeemable participating units		154,911,566	240,545,823

The notes to the financial statements form an integral part of these financial statements.
Details of the NAV per unit are set out in Note 3.

On Behalf of the Manager

Eimear Cowhey

Mike Kirby

25 April 2017

Longleaf Partners Global UCITS Fund
Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Units

		For the year ended 31 December	
		2016	2015
	Notes	US$	US$
Net assets attributable to holders of redeemable participating units at beginning of year		240,545,823	867,401,733
Proceeds from the issuance of redeemable participating units	3	55,069,323	14,334,526
Payments on redemptions of redeemable participating units	3	(152,853,059)	(613,022,773)
Net (decrease) from unit transactions		(97,783,736)	(598,688,247)
Increase/(decrease) in net assets attributable to holders of redeemable participating units from operations		12,149,479	(28,167,663)
Net assets attributable to holders of redeemable participating units at end of the year		154,911,566	240,545,823

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

Longleaf Partners Unit Trust

Longleaf Partners Global UCITS Fund
Statement of Cash Flows

	For the year ended 31 December	
	2016	2015
	US$	US$
Cash flows from operating activities		
Income/(loss) for the financial year after taxation	12,149,479	(28,167,663)
Adjustments to reconcile net increase/(decrease) in net assets resulting from operations to net cash provided by/(used in) operating activities:		
Net gain on investments at fair value through profit or loss	(11,897,942)	32,819,846
Cash inflow due to purchases and sales of investments during the year	97,565,883	594,161,999
Decrease in debtors	127,385	276,700
Increase/(decrease) in creditors	30,863	(747,869)
Net cash provided by operating activities	97,975,668	598,343,013
Cash flows from financing activities		
Proceeds from the issuance of redeemable participating units	54,899,369	14,650,316
Payments on redemptions of redeemable participating units	(152,874,656)	(612,993,704)
Cash and Cash Equivalents at beginning of year	594	969
Cash and Cash Equivalents at end of year	975	594
Interest paid	(99)	(12)
Dividends received	2,231,026	10,536,514
Interest received	1,825	-

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

Longleaf Partners U.S. UCITS Fund made substantial gains throughout the year, rising 23.51% in 2016, a large premium over the S&P 500's 11.96% return. The Fund's outperformance began in mid-February and occurred in spite of a relatively high level of cash in the portfolio. In the fourth quarter, the Fund appreciated 4.61%, while the S&P 500 added 3.82%, most of which came following the presidential election.

The Fund outperformed in two distinct market environments. Over the first seven months of the year, the pursuit of high yield and low volatility dominated. Then more cyclical stocks took over, with over half of their last five month returns occurring in November. The Fund's successful performance had little to do with the index's return. We had limited exposure to the markets' preferences in either period.

Solid operational performance and smart capital allocation by our management partners who pursued value accretive transactions drove the Fund's substantial results. The company-specific nature of our 2016 return reinforced the importance of investing with a long time horizon and aligned, shareholder-oriented capable corporate leadership. While it is difficult to predict near-term stock prices, if our businesses are selling at a meaningful discount to their intrinsic worth, are growing free cash flow over the long term, and are run by people who are motivated to build value per share, good returns can be expected. These same characteristics describe our current holdings, are the criteria required for new investments, and therefore form the basis for our confidence in our ability to continue to deliver solid results

Annual Contributors/Detractors

(2016 investment return; 2016 Fund contribution)

Chesapeake Energy (+217%; +10.17%), one of the largest U.S. producers of natural gas, oil, and natural gas liquids, was the Fund's top contributor to performance in 2016 and gained an additional 9% in the fourth quarter. Earlier in the year, we transitioned our equity position into heavily discounted bonds and convertible preferred stock, which offered equity- like returns higher in the capital structure and a potentially faster payback. As the bonds rose close to par, we exited them. Over the course of the year, management executed beyond expectations, selling various assets, improving the balance sheet through discounted debt repurchases, reducing operating and capital expenditures, and renegotiating midstream contracts. The most recent asset sales in the fourth quarter included a portion of the company's properties in the Haynesville Shale in northern Louisiana for proceeds of approximately $915 million. Signed or closed asset sales reached $2.5 billion in 2016, exceeding management's original target of $1 billion. To further strengthen its balance sheet, the company secured a term loan and convertible debt offering, which raised more capital at better terms than expected. Since the beginning of 2012, Chesapeake has reduced debt by 50%, and its remaining fixed liabilities should be well covered in the coming years. The company has targeted a two times net debt over earnings before interests, taxes, depreciation, and amortization (EBITDA) with cash flow neutrality by 2018 and 5 to 15% of annual production growth by 2020. We salute CEO Doug Lawler and Chesapeake's board, with Brad Martin as Chairman, for their successful pursuit of shareholder value in the face of massive headwinds.

Wynn Resorts (+27%; +3.76%), the luxury gaming and hotel operator with prime real estate in Las Vegas, Macau, and Boston, was another significant contributor during the year, despite a slight retreat in the fourth quarter. The total Macau market reported higher gross gaming revenues year-over-year in most months of the second half, indicating stabilization and a return to growth. In August, the company opened the Wynn Palace in Cotai (Macau). The property has ramped up more slowly than some analysts had hoped, but Wynn has a history of careful openings and eventual success. During the fourth quarter, sentiment shifted up and down, as some positive industry level data points were offset by concerns over Chinese policy changes that could potentially impact Macau indirectly. In the U.S., Las Vegas had solid results, and the company received the final licenses necessary to begin construction of Wynn Boston Harbor, which is expected to open in 2019. Wynn also announced plans to develop part of its Las Vegas golf course property into a hotel, restaurants, and other attractions. In December, the company sold 49% of its retail assets in Las Vegas for over twenty times EBITDA, which was accretive to our value and well above where the stock trades. The sale was also further evidence of how our heavily-aligned partner, Steve Wynn, continues to build value per share and pursue value recognition for shareholders.

CONSOL Energy (+129%; +2.98%), the natural gas and Appalachian coal company, also contributed large gains over the year. CEO Nick Deluliis, management, and the board, led by Chairman Will Thorndike, monetized assets and continued to cut costs in the pursuit of separating the coal and gas businesses which is expected to happen in 2017. Following the disposition of its metallurgical coal assets in the first half of the year, CONSOL sold its high cost Miller Creek and Fola thermal coal mines to a private buyer at a price above our appraisal. The company also delivered positive free cash flow (FCF) for the year, which many thought very unlikely at the start of 2016. In the fourth quarter, CONSOL announced the unwinding of a joint venture with Noble Energy in which the company received $205 million in cash from Noble while maintaining ownership of valuable EBITDA-producing properties. Recent transactions involving other companies' gas assets in Appalachia, as well as CONSOL's own midstream master limited partnerships' (MLP) prices, support our appraisal of CONSOL, which is much higher than the stock price.

FedEx (+25%; +2.00%), the global transportation and logistics company, was also a leading contributor for 2016 after gaining 7% in the fourth quarter. The company raised guidance for fiscal year 2017 and continued to buy back its discounted shares. Our appraisal increased as expense reductions in Express over the last several years helped raise margins. Investing in growth at Ground depressed margins in that division but should have meaningful payoff longer term. The TNT acquisition, finalized in May, should materially benefit profitability by increasing the final mile density of FedEx's business across Europe. Management indicated that the integration of TNT should generate at least $750 million of annual synergies across its network over the next few years. We believe that CEO Fred Smith and his capable leadership team will continue to drive value growth for shareholders.

Scripps Networks (+30%; +1.78%), the media company whose three main brands are HGTV, Food Network, and Travel Channel, had solid advertising revenue gains during the year, and the stock continued its rise in the fourth quarter, gaining 13%. Ratings were strong overall in 2016, and HGTV ended up as the third most watched U.S. cable channel behind ESPN and Fox News. The company's advertising has more exposure to stable categories than most competitors and also earns premiums per viewer over the competition. The year did see a decline in distributor fees paid to Scripps, but this was due to one-time items that will be lapped next year. Part of the stock's discount is related to international expansion which has not yet produced profits but has created startup costs and non-cash amortization. Scripps' high-profile lifestyle channels could be valuable content for other media and entertainment companies, as evidenced by AT&T's recent bid for Time Warner at an attractive multiple relative to Scripps' stock price.

Level 3 Communications (+3%; +0.36%), a global fiber and integrated communications network company was the primary contributor to the Fund's fourth quarter return. The stock rose 22% with the announcement of a merger with CenturyLink, Inc., equating to $66.50 per Level 3 share, a 42% premium to the closing price prior to the announcement. This deal offers numerous benefits for shareholders. The combined company will increase the capacity and reach of CenturyLink's domestic and Level 3's global high-bandwidth fiber networks. Although CenturyLink has been tainted by the performance of its legacy landline business, its Qwest fiber network is a high quality asset. Projected synergies total $975 million, with $125 million in reduced capital expenditures and the remaining $850 million split in half between operating expense reductions and moving data usage onto the company's own network. Additionally, Level 3 will get four directors on the new board. CenturyLink CEO Glen Post has announced that the new CFO will be Sunit Patel who has successfully integrated large acquisitions and managed balance sheets well in his tenure at Level 3.

CK Hutchison (-14%; -0.73%), a global conglomerate comprised of five core businesses (retail, telecommunications, infrastructure, ports, and energy), was the Fund's only noteworthy detractor for the year. The stock declined in the first half of 2016 in the wake of the rejection by European regulators of its acquisition of U.K. telecom company O2, in addition to Brexit which created concerns about the impact on the company's sizable operations in Europe and the U.K. Following a strong third quarter where the company announced a merger creating the largest Italian mobile operator, the stock lost ground in the fourth quarter after the U.S. election. A stronger U.S. dollar and expectations of tougher trade weighed on Hong Kong stocks in general and on the Hong Kong dollar's relationship to the British pound and euro, where over half of the company's earnings before interest and taxes (EBIT) originate. Our owner-operator partners, Victor Li and his father Li Ka-shing, continued to focus the company on its core competencies by selling its aircraft leasing business during the quarter.

Annual Portfolio Activity

Given the long running bull market and additional rise in2016, finding new businesses that met our requisite discount proved challenging. Additionally, with our strong returns, prices of many holdings grew closer to appraisals, and some of the biggest performers became more heavily weighted in the portfolio. We trimmed a number of positions and exited **McDonald's** and **National Oilwell Varco** in the first quarter, as well as **Philips** in the third quarter. As a result of these first quarter sales, cash rose in the portfolio. We were able to buy two new investments in the Fund—**Ralph Lauren** in the second quarter and **T. Rowe Price** (TROW) in the fourth. TROW is a diversified investment advisory firm with a dominant position in U.S. target date fund retirement assets, which account for about twenty percent of assets under management (AUM). TROW's funds have performed well and had net inflows, even with the active management headwinds the industry has faced. Over the last ten years, the company has put capital into building its international investments and distribution. The company currently has just below twenty percent of AUM in international funds and a mid-single digit percent of total AUM coming from offshore investors. As this business grows, margins should rise accordingly. The company's balance sheet has net cash, and we are confident in the aligned management team who has a record of prudent capital allocation.

Longleaf Partners Unit Trust

Outlook

The Fund's price-to-value (P/V) in the mid-70s% offers attractive upside. Much uncertainty remains as to how U.S. tax, trade, and regulatory policies will change in the new administration. More volatility, lower market correlations, and higher interest rates would likely unearth new opportunities for the Fund's 13% cash. For example, we are already beginning to find more prospects in healthcare following the sector's decline amid controversies around drug pricing and questions over the future of the U.S. system.

Most importantly, we believe our companies can grow their values substantially and have the ability to deliver good returns in a variety of scenarios. For example, our two largest holdings, Level 3 and FedEx, as well as LafargeHolcim, benefitted from merger activity in 2016 and have significant revenue prospects from their combinations that are not included in projected synergies, and they have skilled leadership with experience at successful company integrations. We hold numerous other businesses that have had meaningful capital investment programs over the last few years that should begin to generate returns in 2017 and beyond. These include Wynn's newly opened Palace in Macau, United Technologies' Pratt jet engines, T. Rowe's international business, and varied projects at Alphabet. As 2016 showed, CEOs and boards who are competent and shareholder-oriented create value. Our corporate partners, as well as the quality of our businesses, give us confidence in our future prospects.

Southeastern Asset Management, Inc.
February 2017

Longleaf Partners U.S. UCITS Fund
Schedule of Investments as at 31 December 2016

Security (Domicile)	Nominal Holdings	Fair Value US$	% of Net Assets
Transferable Securities (December 2015: 90.04%)			
Common Stock (December 2015: 88.35%)			
Air Freight & Logistics (December 2015: 6.30%)			
FedEx Corporation (United States)	4,425	823,935	8.41
Chemicals (December 2015: 6.01%)			
EI du Pont de Nemours & Co (United States)	3,426	251,468	2.57
Construction Materials (December 2015: 4.07%)			
LafargeHolcim Limited (Switzerland)	11,672	613,282	6.26
Diversified Financial Services (December 2015: 9.25%)			
CK Hutchison Holdings Limited ADR (Hong Kong)	35,095	398,328	4.07
EXOR N.V. (Netherlands)	10,852	468,130	4.78
T Rowe Price Group (United States)	3,100	233,306	2.38
		1,099,764	11.23
Diversified Telecommunication Services (December 2015: 9.91%)			
Level 3 Communications, Inc. (United States)	14,394	811,246	8.29
Hotels, Restaurants & Leisure (December 2015: 10.45%)			
Wynn Resorts Limited (United States)	7,104	614,567	6.28
Industrial Conglomerates (December 2015: 8.19%)			
United Technologies Corporation (United States)	4,283	469,502	4.79
Insurance (December 2015: 2.87%)			
Everest Re Group Limited (Bermuda)	1,714	370,910	3.79
Internet Software & Services (December 2015: 7.89%)			
Alphabet Inc. (United States)	554	427,588	4.37
Machinery (December 2015: 4.72%)			
CNH Industrial N.V. (Netherlands)	53,716	466,792	4.77
Media (December 2015: 8.30%)			
Graham Holdings Company (United States)	937	479,697	4.90
Scripps Networks Interactive Inc. (United States)	6,358	453,771	4.63
		933,468	9.53
Oil, Gas & Consumable Fuels (December 2015: 7.29%)			
CONSOL Energy Inc. (United States)	21,255	387,479	3.96
Real Estate Management & Development (December 2015: 3.10%)			
Rayonier Inc. REIT (United States)	16,342	434,697	4.44
Textiles, Apparel And Luxury Goods (December 2015: Nil)			
Ralph Lauren Corporation (United States)	3,406	307,630	3.14
Total Common Stock		**8,012,328**	**81.83**
Preferred Stock (December 2015: 1.42%)			
Oil, Gas & Consumable Fuels (December 2015: 1.42%)			
Chesapeake Energy Corporation Preferred (United States)	824	465,484	4.75
Total Preferred Stock		**465,484**	**4.75**
Corporate Bonds (December 2015: 0.27%)			
Total Transferable Securities (Cost $7,494,041)		**8,477,812**	**86.58**

Longleaf Partners Unit Trust

Longleaf Partners U.S. UCITS Fund
Schedule of Investments as at 31 December 2016

Security (Domicile)	Nominal Holdings	Fair Value US$	% of Net Assets
	Principal Amount		
Short Term Obligations (December 2015: 10.16%)			
State Street Repurchase Agreement State Street Bank, 0.01% due 03/01/2017, Repurchase price US$1,379,000 (Collateral: US$1,407,437 U.S. Treasury Note 3.375% due 15/11/2019) (United States)	1,379,000	1,379,000	14.08
Portfolio Of Investments (December 2015:100.20%)		**9,856,812**	**100.66**
Cash and Cash Equivalents (December 2015: 0.00%)		990	0.01
Other creditors (December 2015: (0.20)%)		(65,819)	(0.67)
Net Asset Value		**9,791,983**	**100.00**

Analysis of Total Assets (unaudited)	**% of Total Current Assets**
Transferable securities admitted to official stock exchange listing	85.90
Short term obligations	13.97
Other current assets	0.13
Total Assets	100.00

Longleaf Partners Unit Trust

Longleaf Partners U.S. UCITS Fund
Statement of Changes in Composition of Portfolio (Unaudited)

	Acquisition Cost* US$
Chesapeake Energy Corp 4.272% due 15/04/2019	611,325
Ralph Lauren Corporation	541,443
Chesapeake Energy Corporation 2.500% due 15/05/2037	233,580
T Rowe Price Group Inc.	196,745
Chesapeake Energy Corporation Class A Preferred	121,585
Chesapeake Energy Corporation Preferred	91,905
Koninklijke Philips N.V.	32,790
Wynn Resorts Limited	23,840

	Disposal Proceeds US$
Wynn Resorts Limited	2,749,815
Level 3 Communications Inc.	2,491,367
Alphabet Inc.	2,238,823
EI du Pont de Nemours & Co	1,747,830
FedEx Corporation	1,602,996
Scripps Networks Interactive Inc.	1,494,441
Koninklijke Philips N.V.	1,328,895
National Oilwell Varco Inc.	1,318,633
CNH Industrial N.V.	1,273,875
United Technologies Corporation	1,192,175
CK Hutchison Holdings Limited ADR	1,097,986
McDonald's Corporation	973,946
Chesapeake Energy Corporation Preferred	870,523
Chesapeake Energy Corporation 4.272% due 15/04/2019	863,560
Rayonier Inc.	803,384
EXOR N.V.	797,704
Graham Holdings Company Class B	758,725
CONSOL Energy Inc.	707,815
Everest Re Group Limited	684,936
Chesapeake Energy Corporation 2.500% due 15/05/2037	654,805
LafargeHolcim Limited	651,497
Chesapeake Energy Corporation Class A Preferred	477,795
Chesapeake Energy Corporation	395,522

*There were no other purchases during the year ended 31 December 2016.

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

A list of all purchases and sales of the Fund during the year ended 31 December 2016 can be obtained free of charge from the Swiss Representative.

Longleaf Partners U.S. UCITS Fund
Statement of Comprehensive Income

	Notes	For the year ended 31 December 2016 US$	2015 US$
Income			
Dividend income	1	253,193	531,404
Interest income	1	17,110	608
Bank interest	1	213	19
Net gain/(loss) on investments at fair value through profit or loss	2	3,085,486	(4,999,537)
Net foreign exchange (loss)/gain	2	(1,751)	459
Total net income/(loss)		3,354,251	(4,467,047)
Expenses			
Management fees	5	(189,644)	(380,776)
Administration fees	5	(11,379)	(25,049)
Depositary fees	5	(28,083)	(48,292)
Audit fees		(17,689)	(7,183)
Other operating expenses		(61,500)	(73,568)
Total operating expenses before reimbursement		(308,295)	(534,868)
Expense reimbursement from manager	5	9,056	-
Total net expenses		(299,239)	(534,868)
Income/(loss) for the financial year before taxation		3,055,012	(5,001,915)
Taxation			
Withholding tax	4	(47,108)	(104,252)
Income/(loss) for the financial year after taxation		3,007,904	(5,106,167)
Increase/(decrease) in net assets attributable to holders of equity units resulting from operations		3,007,904	(5,106,167)

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.

Longleaf Partners Unit Trust

Longleaf Partners U.S. UCITS Fund
Statement of Financial Position

	Notes	31 December 2016 US$	31 December 2015 US$
Current Assets			
Cash and Cash Equivalents	1(h)	990	917
Dividends receivable		2,643	2,560
Interest receivable		-	659
Receivable for Management fee reimbursement	5	9,056	282
Financial assets at fair value through profit or loss	1(f)	8,477,812	31,114,438
Financial assets held for trading	1(f)	1,379,000	3,512,000
Total Current Assets		9,869,501	34,630,856
Current Liabilities			
Investment Management fees payable	5	(16,055)	(30,530)
Depositary fees payable	5	(4,719)	(5,311)
Administration fees payable	5	(964)	(1,832)
Audit fees payable		(16,581)	(15,521)
Other liabilities		(21,224)	(19,636)
Payable for investments purchased		(17,975)	-
Total Current Liabilities		(77,518)	(72,830)
Net assets attributable to holders of equity units		9,791,983	34,558,026
Equity			
Total unit capital and retained earnings attributable to equity unit holders		9,791,983	34,558,026

The notes to the financial statements form an integral part of these financial statements.
Details of the NAV per unit are set out in Note 3.

On Behalf of the Manager

Eimear Cowhey

Mike Kirby

25 April 2017

Longleaf Partners U.S. UCITS Fund
Statement of Changes in Equity

	Notes	For the year ended 31 December 2016 US$	2015 US$
Total equity at the beginning of the year		34,558,026	38,750,341
Proceeds from the issuance of equity units	3	7,493,720	22,465,330
Payments on redemptions of redeemable equity units	3	(35,267,667)	(21,551,478)
Net (decrease)/increase from unit transactions		(27,773,947)	913,852
Increase/(decrease) in net assets attributable to holders of equity units from operations		3,007,904	(5,106,167)
Total equity at the end of the year		9,791,983	34,558,026

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

Longleaf Partners Unit Trust

Longleaf Partners U.S. UCITS Fund
Statement of Cash Flows

	For the year ended 31 December	
	2016	**2015**
	US$	**US$**
Cash flows from operating activities		
Income/(loss) for the financial year after taxation	3,007,904	(5,106,167)
Adjustments to reconcile net increase/(decrease) in net assets resulting from operations to net cash provided by/(used in) operating activities:		
Net (loss)/gain on investments at fair value through profit or loss	(3,085,486)	4,999,537
Cash inflow/(outflow) due to purchases and sales of investments during the year	27,873,088	(793,241)
(Increase)/decrease in debtors	(8,198)	13,798
(Decrease) in creditors	(13,288)	(18,695)
Net cash provided by/(used in) operating activities	27,774,020	(904,768)
Cash flows from financing activities		
Proceeds from the issuance of redeemable participating units	7,493,720	22,465,330
Payments on redemptions of redeemable participating units	(35,267,667)	(21,551,478)
Cash and Cash Equivalents at beginning of year	917	(8,167)
Cash and Cash Equivalents at end of year	990	917
Interest paid	659	(659)
Dividends received	206,284	441,609
Interest received	17,769	-

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

Longleaf Partners Asia Pacific UCITS Fund Investment Manager's Report (Unaudited)

The Asia Pacific UCITS Fund gained 12.29% for the year ended December 2016, versus the MSCI AC Asia Pacific Index's total return of 4.89%. In the fourth quarter, the Fund lost -3.41%, compared to a decline of -3.03% for the index. Negative sentiment towards China, caused by fear of potential changes in U.S. Asia policy under a Trump administration, weighed on regional returns in the period. Additionally, an increasing interest rate environment post the U.S. presidential election and further punitive real estate transaction taxes imposed by the Hong Kong government negatively affected our Hong Kong real estate investments.

Portfolio Returns at 12/31/16 - Net of Fees

Cumulative Returns	4Q16	3Q16	2Q16	1Q16	1 Year	2 Years Annualized	Since Inception 2/12/14 Annualized
APAC UCITS (Class I USD)	-3.41%	14.58%	-1.72%	3.23%	12.29%	4.51%	3.68%
MSCI AC Asia Pacific Index	-3.03	9.25	0.70	-1.68	4.89	1.41	0.67
Relative Returns	**-0.38**	**+5.33**	**-2.42**	**+4.91**	**+7.40**	**+3.10**	**+3.01**
Selected Asian Indices							
Hang Seng Index*	-5.28	12.86	2.39	-4.74	4.28		
TOPIX Index (JPY)*	14.95	7.11	-7.39	-12.04	0.30		
TOPIX Index (USD)*	-0.04	8.97	0.97	-5.70	3.71		

****Source: Bloomberg***

Much like the previous year, 2016 was marked by high volatility, as macro concerns and events – some seemingly unrelated to Asia, such as Brexit – resulted in extreme fluctuations in Asian capital markets. Although volatility can temporarily depress returns, we view it as an opportunity to invest in strong businesses, managed by great people, trading at deeply discounted prices. Disciplined allocation of capital to businesses with enduring competitive advantages that can be purchased at material discounts to intrinsic value, is a key component of our investment process. Our investment discipline requires us to allocate capital to the best opportunity, regardless of market capitalization, benchmark, geography, or sector constraints. Throughout the year, we trimmed or sold top performers and reallocated to the most discounted and highest quality companies during periods of market pessimism. The flexibility to trade around price volatility has been a factor in the Fund's outperformance of the index by over 7% in 2016 and 3% (annualized) since inception. We view this flexibility as a core long-term competitive advantage.

While the MSCI AC Asia Pacific Index returned a seemingly mundane +4.9% in U.S. dollars (USD) for the year, this annual return hides the significant volatility experienced between quarters across Asia Pacific markets and sectors. Price fluctuations in many regions were further amplified by currency movements. For example, the TOPIX index returned 0.3% in local currency for the year, but that masks the -12.0% return in the first quarter and the +14.9% return in the fourth quarter. The Japanese market performed poorly in the first half, as the Japanese yen strengthened and global macro fears spiked, but improved in the second half, as the yen weakened and interest rates increased in the fourth quarter. Measuring TOPIX returns in USD, however, muted the volatility. The -12% yen return in the first quarter translated to a -5.7% USD return, as the yen strengthened during the quarter, and the +14.9% yen return in fourth quarter translated to a 0% USD return, as the yen weakened in the fourth quarter. In Hong Kong, the Hang Seng Index returned 4.3% in 2016, but this annual return masks the -4.7% return in the first quarter, the +12.9% return in the third quarter, and the -5.3% return in fourth quarter, as China macro fears negatively impacted the local markets in the first and fourth quarters, and fears of higher U.S. interest rates following the U.S. election amplified the impact late in the year. As mentioned, these market swings provided us with numerous opportunities to build positions in great businesses at heavily discounted prices.

Longleaf Partners Unit Trust

Portfolio Update

Full Year 2016			4th Quarter 2016		
Top Five Contributors	Contribution to Portfolio Return %	Total Return%	Top Five Contributors	Contribution to Portfolio Return %	Total Return%
Mineral Resources	+2.68	+86	Global Logistic Properties	+0.65	+11
Seven Group	+1.98	+57	Genting Singapore	+0.50	+16
Great Eagle	+1.73	+59	G8 Education	+0.45	+14
SoftBank Group	+1.71	+31	Adastria	+0.40	+14
Minebea	+1.66	+32	Melco*	+0.40	+1
Bottom Five Detractors			**Bottom Five Detractors**		
Baidu	-0.80	-13	Vipshop	-1.23	-25
Vipshop	-0.58	-21	New World Development	-0.87	-16
CK Hutchison	-0.51	-14	Baidu	-0.69	-10
Ushio	-0.28	-7	Cheung Kong Property	-0.67	-16
Genting Berhad	-0.26	-12	K. Wah International	-0.67	-14

**Melco includes contributions from Melco Crown Entertainment Limited and Melco International Development Limited.*

Annual Review

Top Contributors

Our top three contributors to 2016 returns – Mineral Resources, Seven Group, and Great Eagle –contributed approximately half of the annual returns. These three top contributors share some common characteristics.

- **They are not constituents of the MSCI AC Asia Pacific Index.** The only way to beat the index is to be different from the index. We believe that investing in a concentrated selection of businesses that qualify from a strong business, good people, and deeply discounted price perspective enables us to produce long-term returns that are superior to the index. Given our concentration, we expect our returns, and the drivers of our performance, to be materially different from that of the index. In Asia, a significant number of constituents in the index are largely unattractive to us. Financials, which constitute 22% of the index, generally rank poorly when compared to other opportunities, given their highly levered capital structures, opaque balance sheets, and lack of owner-managers, which make it difficult to determine business values with a degree of certainty that would give us comfort. Similarly, information technology stocks, which represent 17% of the index, tend not to qualify, as they trade at high multiples that more fully reflect their high growth rates. State Owned Enterprises (SOE) also are prevalent in the index because of their size, but they generally do not meet our investment criteria. SOE's lack an ownership culture that closely aligns management incentives with minority shareholders, and they tend to be less focused on return on capital than owner-operated companies led by capital allocators who have significant equity at risk.

- **They are small-midcap stocks.** When we started the Fund, we identified smaller capitalization stocks in Asia as a significant return opportunity. They tend to be under-covered by the sell side, ignored by the major indices, under-owned, and therefore, in many cases, under-valued. In the past few years, investment banks have retreated from Asia and research coverage has dropped primarily among smaller cap stocks. These three companies each have only five sell side analysts covering them, with reduced research coverage by global bulge bracket banks.

- **They are in hated industries with high volatility.** The first half of the year was driven by global macro fears, and investors put a premium on high yielding and low volatility stocks. In this type of environment, companies with high volatility were generally hated and very cheap. In 2016, mining and Hong Kong real estate were among the most disliked industries globally. Mineral Resources and Seven Group, two mining services companies in Western Australia exposed to the iron ore sector in the Pilbara, and Great Eagle, a Hong Kong real estate conglomerate, were among the cheapest companies in our portfolio at the start of the year. Our mining services holdings were misunderstood by the market, given the economics of these businesses were driven primarily by production volume rather than price of the underlying commodity. These businesses experienced elevated levels of short interest in the first half of the year. We remained confident in our positions, given the high quality of the assets and capable management partners that drove above average value recognition. Late in the first half, iron ore prices started to rebound, benefitting both Mineral Resources and Seven Group. We sold both businesses, as they approached our appraisal. Despite the headwinds that Hong Kong real estate businesses faced during the year, Great Eagle was a top Fund contributor in 2016 with a 59% annual return. Great Eagle announced a HK$2 per share special dividend in the second quarter after monetizing commercial real estate in San Francisco at a sub 4% net operating income multiple, greatly increasing the dividend yield of the company, and allowing it to easily surpass the return of the Hang Seng Property Index, which was 0.6% in 2016.

- **They are led by owner-managers with significant equity capital at risk.** Great Eagle Chairman and CEO Dr. Lo Ka Shui owns 59% of the company and has been buying shares personally this year. He has also actively repurchased shares at the company level and opportunistically bought deeply discounted listed subsidiaries. Dr. Lo has an exceptional record of savvy acquisitions, divestitures, and business value growth. Similarly, founder CEO Chris Ellison at Mineral Resources owns 13% of the company, personally bought shares when cheap, and repurchased deeply discounted shares at the company level. Seven Group CEO Ryan Stokes, whose family controls 74% of the company, actively repurchased shares for the past three years as the mining services company was discounted by investors. We strongly believe that companies that are led by owner-managers will produce superior returns on capital versus those that are led by managements who have no equity at risk.

In 2016, seven investments accounted for almost 100% of our returns for the year. Six are small-mid cap stocks. Four are not included in the index, and another two are only small index constituents. They were all acquired during periods when the market shunned these companies. All seven are led by owner-operators with significant shareholdings.

In the fourth quarter, Singapore listed Global Logistic Properties (GLP) and Genting Singapore were the top contributors. GLP's positive developments are described further below. Genting Singapore rose during the quarter, as credit loss provisions bottomed out, the Japanese parliament approved a bill to legalize casino gambling, a first interim dividend was declared in addition to indications of a final dividend, and the company announced the sale of their stake in a joint venture casino in Jeju, Korea at a gain. The recently approved casino legislation in Japan will be modeled after Singapore's Integrated Resorts model and hence, Genting Singapore is in a strong position to win any potential Japanese business.

Australian child care center operator G8 Education was the third largest contributor in the quarter. The company pre-announced full year EBIT estimates, which were above consensus estimates, indicating an improvement in performance compared to a weaker first half.

Top Detractors

Chinese technology company Baidu and online discount retailer Vipshop were the two largest detractors to returns for the year and were among the top three detractors for the fourth quarter, as China fears rose with higher U.S. interest rates, uncertainty from a Trump presidency, and more weakness in the Chinese yuan. Baidu's core online search business was affected by new, stricter regulations imposed by regulators that require more careful vetting of online advertisers and limitations on the amount of paid search results that can appear on each web page. The new regulations affected the healthcare advertising segment heavily in the second and third quarters, as Baidu temporarily suspended some sponsored healthcare ads, which are among their top five search segments. Baidu's online search revenue, which grew 27% in 2015, stalled in the third quarter, as the new regulations became effective at the beginning of September. It is projected to decline further in the fourth quarter, as Baidu completes the refinement of its advertising customer base. We expect their core search business growth to resume this year after the rebasing in 2016.

Vipshop, despite growing revenues by over 30% this year, similarly suffered a share price decline in the fourth quarter in the face of increasing China macro fears and currency weakness. The market reacted negatively to third quarter results, partly due to the sequential quarterly shrinkage in total active customers. In the second quarter, Vipshop had strong, 62% year-over-year growth in total active customers, when younger customers, who typically have lower spending budgets, boosted the metric. In the third quarter, Vipshop's total active customers shrank sequentially as the company adjusted their mix of new customers to strike a balance between growth and quality of new customers. Despite the negative quarterly sequential growth in total active customers, year-over- year growth was still over 40% in the third quarter.

CK Hutchison, a global conglomerate comprised of five core businesses (retail, telecommunications, infrastructure, ports, and energy), was the other primary detractor for the year and fell 11% in the fourth quarter. The stock declined in the first half in the wake of the rejection of its acquisition of U.K. telecom company O2 by European regulators, in addition to Brexit, which created concerns about the impact on the company's sizable operations across Europe. Following a strong third quarter where the company's merger creating the largest Italian mobile operator was approved by regulators, the stock lost ground in the fourth quarter after the U.S. election. A stronger USD and expectations of tougher trade weighed on Hong Kong stocks in general and on the HK dollar's relationship to the British pound and euro, where over half of the company's earnings before interest and taxes (EBIT) originate.

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Our owner-operator partners, Victor Li and his father Li Ka-shing, continued to focus the company on its core competencies by selling its aircraft leasing business during the quarter. In recognition of the steep discount at which CK Hutchison trades to its intrinsic value, the company initiated its first ever share repurchase in the fourth quarter.

During the quarter, Hong Kong real estate conglomerate New World Development, as well as Cheung Kong Property and K. Wah International, were among the detractors to performance. The real estate businesses' share prices were impacted by the imposition of higher stamp duties on real estate transactions and poor sentiment towards the real estate sector, as interest rates increased significantly after the U.S. presidential election. We believe that Hong Kong real estate conglomerates trade at wide discounts to intrinsic value, even when fully reflecting a higher interest rate environment, as detailed in our third quarter 2016 letter.

Portfolio Changes

In 2016, we made ten new investments – four in Japan, three in China, two in Australia, and one in Malaysia.

The portfolio allocation to Japan rose from a low of 16.5% in first quarter to 25.5% at the end of the year. The pivot towards Japan was driven by the significant decline in share prices in Japan during the first half of the year, which created a great opportunity to invest in world class businesses at meaningful discounts to our appraised values. At the same time, we are more optimistic about Japan than we were a few years ago, given improvements in corporate governance and capital efficiency. The Japanese government has been instrumental in pushing for better capital efficiency and corporate governance, as the government, through the Government Pension Investment Fund and the Bank of Japan, is now the largest investor in the Japanese equity capital markets. Minority shareholders are more aligned with the Japanese government as fellow shareholders than at any time in the past. We are seeing record levels of share repurchases in Japan, and recently, the dividend yield of the TOPIX has surpassed that of the S&P 500, as dividends per share has grown in past years and share prices have retreated.

In 2016, unique bottom-up opportunities increasingly surfaced within a macro obsessed market. Minebea, the largest supplier of LCD backlights to Apple, became deeply discounted due to slow sales of the iPhone 6S that affected the Apple supply chain in the first half, fears of technological obsolescence as smartphones move from LCD technology to OLED screen technology, and general macro fears that resulted in Japanese stock prices broadly declining. The yen strengthening in the first half resulted in Minebea's mostly foreign denominated profits being translated into fewer yen, forcing Minebea to adjust their annual profit forecast downwards. As we wrote in the second quarter, we feel the market missed a highly attractive portion of Minebea's business that manufactures high precision equipment and components, such as ball bearing, motors, and sensors. Most of Minebea's value is driven by its machine components business, which generates 25% operating income margins and is the company's cash cow. This segment includes the small ball bearings business, which has 60% global market share, and the pivot assembly business, which has 80% global market share.

The volatility resulting from macro events and the rapid appreciation of the yen also allowed us to buy Japanese optical retailer JIN Co. and fashion retailer Adastria at attractive prices in the third quarter. Both companies' share prices declined significantly, despite being beneficiaries of a stronger yen, as they procure the bulk of their merchandise from Asia, in currencies that depreciated relative to the yen.

Adastria is the third largest apparel retailer in Japan after Fast Retailing (Uniqlo) and Shimamura. CEO Michio Fukuda owns approximately 35% of the company. Adastria forecasts to achieve 21% ROE (18% in 2016), 12% EBITDA margins, and positive same store sales growth this fiscal year ended February 2017. We were able to buy Adastria at less than 4x EBITDA and at a double digit FCF yield amongst the macro worries and slowdown in same store sales that affected the company in the third quarter. Adastria has doubled revenues in the last six years through strong organic growth and smart M&A. As the company grows, the benefits of scale and backward integration from that of a pure retailer to capturing margin associated with logistics, production management, and design should help drive future growth in profits. The company has been able to increase backward integration such that 45% of products are private label. The margin accretive online business is growing rapidly at a more than 30% annual pace, and the online business has grown from around 6% of sales in 2012 to 15% of sales in the last quarter. Management is reinvesting gains from scale and the more profitable online business to develop new brands and to expand overseas in Asia, which is still at a nascent stage. In the last quarter, Adastria repurchased 2.4% of the company at these discounted prices.

In China, we bought three new consumption-oriented companies that are discounted because of macro worries, but continued to grow. We bought online discounted apparel retailer Vipshop in the first half and added to it in the fourth quarter, as prices weakened and our appraisal grew. We also purchased Hong Kong listed Chinese snack and beverage maker Dali Foods Group, as well as Yum China in the fourth quarter.

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Dali Group is the second largest domestic manufacturer of snack foods and non-alcoholic beverages in China. We were attracted to Dali's strong brands, leading market share across six product categories (including bread, cakes, pastries, biscuits, chips, energy drinks, herbal teas, and plant based dairy beverages), proven innovation track record, and entrenched distribution network covering approximately 2.5 million points of sale. The company went public in November 2015 at HK$5.25 per share, and its share price fell close to HK$3.7 per share last quarter during a period of high China macro fears and low appetite for Chinese holdings. Dali Group was trading at around 11x free cash flow, which is very cheap for a consumer business that does over 25% ROE and is expected to continue to compound at a high single digit growth rate. It has a net cash balance sheet and pays over a 3% dividend yield, which we expect to increase in the near future. We are partnered with Chairman and CEO Xu Shihui, who owns 85% of the company.

In November, Yum China was spun out of Yum! Brands, a company our team has known well for many years. Yum China has exclusive rights to KFC, China's leading quick-service restaurant concept, Pizza Hut, a leading casual dining brand, and Taco Bell. Yum China is the largest quick service restaurant in China with over 7,300 restaurants and more than 400,000 employees in 1,100+ cities. Yum China's brands and scale are unique advantages and fit the aspirations of a rapidly growing middle class, where eating outside the home is becoming more commonplace. New KFC stores achieve cash payback in three years and the company believes they can triple their store count in the long-term. Yum China has a net cash balance sheet and is in a strong position to return money to shareholders through share buybacks and dividends.

In Australia, we initiated a position in Asaleo Care, an Australian personal care and hygiene products company operating in Australia, New Zealand, and Fiji. Asaleo Care manufactures, markets, distributes, and sells essential, everyday consumer products across the Feminine Care, Incontinence Care, Baby Care, Consumer Tissue, and Professional Hygiene product categories. Asaleo Care holds the No. 1 or 2 market share position across its brands and is supported in new product development and technology by SCA, the Swedish global hygiene and forest products company that recently increased its stake in Asaleo Care to 36%. We took advantage of the steep price decline after the company revised down its profit forecast, following increased discounting by competitors, higher input costs from a weaker Australian dollar, and one off costs associated with the Every Day Pricing strategy with retailers. Asaleo Care has continued to repurchase shares in recognition of the deeply discounted price and strong free cash flow generation of the business.

In the fourth quarter, we added meaningfully to our position in Singapore listed Global Logistic Properties (GLP), such that it is now our largest position in the Fund, at roughly 9% as of the second week of January. Early in the fourth quarter, GLP was priced below its IPO price of S$1.96 per share, which was before the company had a $39 billion dollar fund management business, and traded at a steep 30% discount to stated book value. Partially fueled by the large gap between price and intrinsic value, press reports of a bid for the business by Chinese shareholders and a Chinese sovereign wealth fund spread in the fourth quarter. GIC, Singapore's sovereign wealth fund, is the largest shareholder in GLP with 37% ownership. Following a request from GIC in December, GLP announced that they are undertaking a strategic review of options available for its business to enhance shareholder value and appointed an investment bank as their sell side advisor. In January, GLP further announced that they are in discussions with various parties in connection with a possible sale of the company. Even today, we believe that GLP is undervalued, trading at just below book, compared to almost 1.6x book for its peers Prologis and Goodman. GLP's book value is understated because it does not reflect the value of the fund management business.

During the quarter, we exited small initial positions in Japanese watch maker Casio and Australian television broadcaster Nine Entertainment, as our level of conviction changed, and we felt that other opportunities offered more compelling risk adjusted returns. In addition to Casio and Nine Entertainment, we exited five investments in 2016 (Mineral Resources, Seven Group, WH Group, Iida, HIROSE Electric), as we reallocated capital towards more discounted businesses described above.

Portfolio Outlook

While the portfolio posted strong performance in 2016, it remains quite discounted, with a price-to-value ratio in the high-60s at year-end. As we look across the globe for potential investments, we believe Asia continues to provide one of the greatest opportunities to invest in high-quality businesses, led by aligned management teams with capital allocation prowess. Hong Kong, Japan, and other Asian markets remain cheap on an absolute and relative basis, as shown below. In Hong Kong, the market is still trading at just over book value, and the earnings yield (1/PE) is 5x the 10-year sovereign bond yield. The Japanese market is trading below historical averages at 1.3x book, and the earnings yield is 6.6% vs. 0.04% yield for Japanese 10-year sovereign bonds. We are almost fully invested with about 6% cash at the end of 2016, and we have a number of opportunities under evaluation. (See chart on next page)

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We are currently in a period of high uncertainty with bond yields reversing years of shrinking yields, Asian currencies weakening relative to the USD, and political and trade policies left in question after the U.S. election. Increased rhetoric by President-elect Trump over China and trade protectionism has increased risks in Asia, which we have incorporated into our assessment of our current and prospective investments.

Valuation Indicators

30-Dec-16 Countries	LTM P/B	NTM P/FE	NTM EY	LTM DY	Bond Yield	Spread	P/Sales
HKG	1.02	9.69	10.3%	2.18%	1.85%	0.34%	1.01
Korea	1.03	10.16	9.8%	1.46%	2.09%	-0.63%	0.63
Singapore	1.11	12.73	7.9%	3.76%	2.55%	1.21%	1.51
Japan	1.26	15.09	6.6%	2.09%	0.04%	2.06%	0.73
Germany	1.73	13.95	7.2%	2.51%	0.20%	2.31%	0.75
UK	1.86	14.48	6.9%	3.24%	1.09%	2.15%	1.31
Australia	1.77	15.76	6.3%	4.10%	2.76%	1.34%	1.70
US	2.66	17.75	5.6%	1.95%	2.44%	-0.50%	1.75
China	2.61	18.31	5.5%	0.98%	3.07%	-2.09%	1.96

Source: FactSet

Volatility allows us to exploit mispricing of assets caused by swings in fear and greed; it has been an ongoing ally in generating excess returns for the Fund. This current uncertainty is creating opportunity for us to invest in companies that have been overly discounted relative to our appraisals. We will continue to focus on owning companies with superior assets, strong balance sheets, and defensible businesses run by management partners focused on growing intrinsic value per share throughout the business cycle.

In 2016, our total returns were marginally affected by adverse moves in exchange rates by about 0.5% for the year. We have continued to leave our foreign currency exposures unhedged, as we do not believe they are materially overvalued, as measured through purchasing power parity. The devaluation of the Chinese Yuan in the last year posed a headwind for our returns on Chinese investments, which we hope to compensate for by investing in Chinese companies that are compounding value faster when translated into USD.

The same themes that underlined our desire to launch the Fund two years ago are still in place, and we expect them to continue to create opportunities to achieve superior risk adjusted returns.

Southeastern Asset Management, Inc.
February 2017

Longleaf Partners Asia Pacific UCITS Fund Schedule of Investments as at 31 December 2016

Security (Domicile)	Nominal Holdings	Fair Value US$	% of Net Assets
Transferable Securities (December 2015: 95.81%)			
Common Stock (December 2015: 95.81%)			
Auto Components (December 2015: 4.77%)			
Hyundai Mobis Company Limited (South Korea)	3,242	708,634	2.57
Capital Markets (December 2015: 4.56%)			
Commercial Services (December 2015: 5.78%)			
G8 Education Limited (Australia)	416,186	1,078,223	3.90
Construction & Engineering (December 2015: 1.67%)			
Cosmetics & Personal Care (December 2015: 4.33%)			
Asaleo Care Limited (Australia)	741,850	792,327	2.87
L'Occitane International S.A. (Hong Kong)	589,500	1,115,979	4.04
		1,908,306	6.91
Diversified Financial Services (December 2015: 3.94%)			
CK Hutchison Holdings Limited (Hong Kong)	92,500	1,048,520	3.80
Electronics (December 2015: 11.13%)			
Japan Aviation Electronics Industry Limited (Japan)	74,000	1,042,173	3.77
USHIO Inc. (Japan)	65,900	840,701	3.05
		1,882,874	6.82
Food Products (December 2015: 6.84%)			
Coca-Cola East Japan Company Limited (Japan)	23,600	520,159	1.89
Dali Foods Group Co Limited (China)	1,160,000	613,321	2.22
		1,133,480	4.11
Hotels, Restaurants & Leisure (December 2015: 8.95%)			
Genting Berhad (Malaysia)	232,700	414,980	1.50
Genting Singapore (Singapore)	1,672,300	1,045,079	3.78
Melco International Development Limited (Hong Kong)	469,000	637,470	2.31
Yum China Holdings Inc. (United States)	25,324	661,463	2.40
		2,758,992	9.99
Internet Software & Services (December 2015: 6.96%)			
Baidu Inc. ADR (China)	11,220	1,844,680	6.68
Vipshop Holdings Limited ADR (China)	129,335	1,423,979	5.16
		3,268,659	11.84
Lodging (December 2015: 5.07%)			
Melco Crown Entertainment Limited ADR (Hong Kong)	90,009	1,431,143	5.18
Metals & Mining (December 2015: 3.74%)			
Pharmaceuticals & Biotechnology (December 2015: Nil)			
Minebea Company Limited (Japan)	136,800	1,282,848	4.65
Real Estate Management & Development (December 2015: 23.37%)			
Cheung Kong Property Holdings Limited (Hong Kong)	165,500	1,014,833	3.68
Global Logistic Properties Limited (Singapore)	1,440,300	2,188,074	7.93
Great Eagle Holdings Limited (Hong Kong)	130,024	619,561	2.24
K Wah International Holdings Limited (Hong Kong)	2,380,353	1,105,071	4.00
New World Development Company Limited (Hong Kong)	1,194,276	1,262,888	4.57
		6,190,427	22.42

Longleaf Partners Asia Pacific UCITS Fund
Schedule of Investments as at 31 December 2016

Security (Domicile)	Nominal Holdings	Fair Value US$	% of Net Assets
Transferable Securities (December 2015: 95.81%)			
Common Stock (December 2015: 95.81%)			
Retail (December 2015: Nil)			
Jin Company Limited (Japan)	26,800	1,235,953	4.48
Telecommunication (December 2015: 4.70%)			
SoftBank Group Corp. (Germany)	17,500	1,162,674	4.21
Textiles, Apparel And Luxury Goods (December 2015:Nil)			
Adastria Co Limited (Japan)	36,900	956,637	3.46
Total Transferable Securities (Cost $26,277,497)		**26,047,370**	**94.34**
	Principal Amount		
Short Term Obligations (December 2015: 4.29%)			
United States			
State Street Repurchase Agreement State Street Bank, 0.01% due 03/01/2017, Repurchase price US$1,583,000 (Collateral: US$1,616,472 U.S. Treasury Note 1.750% due 30/09/2019) (United States)	1,583,000	1,583,000	5.73
Portfolio Of Investments		**27,630,370**	**100.07**
Cash and Cash Equivalents (December 2015: 0.00%)		896	0.00
Other creditors (December 2015: (0.10)%)		(20,024)	(0.07)
Net Asset Value		**27,611,242**	**100.00**

Analysis of Total Assets (unaudited)	**% of Total Current Assets**
Transferable securities admitted to official stock exchange listing	94.00
Short term obligations	5.71
Other current assets	0.29
Total Assets	**100.00**

Longleaf Partners Asia Pacific UCITS Fund
Statement of Changes in Composition of Portfolio (Unaudited)

	Acquisition Cost US$
Vipshop Holdings Limited ADR	1,979,936
Minebea Company Limited	1,181,380
Jin Company Limited	1,119,036
Adastria Company Limited	827,589
Asaleo Care Limited	819,912
Global Logistic Properties Limited	790,574
Melco Crown Entertainment Limited ADR	745,408
Yum China Holdings Inc.	706,853
Casio Computer Company Limited	559,531
Dali Foods Group Company Limited	555,786
Genting Berhad	479,396
CK Hutchison Holdings Limited	448,654
L'Occitane International S.A.	411,628
Baidu Inc. ADR	351,882
Hirose Electric Company Limited	261,089
SoftBank Group Corporation	259,743
Nine Entertainment Company Holdings	227,838
Melco International Development Limited	196,559
Great Eagle Holdings Limited	176,097
New World Development Company Limited	20,465

	Disposal Proceeds US$
Seven Group Holdings Limited	1,532,839
Mineral Resources Limited	1,518,277
WH Group Limited	993,008
Great Eagle Holdings Limited	793,866
Hirose Electric Company Limited	753,593
SoftBank Group Corporation	626,753
Melco Crown Entertainment Limited ADR	610,148
Casio Computer Company Limited	562,609
Coca-Cola East Japan Company Limited	518,926
Hyundai MOBIS Company Limited	477,440
Melco International Development Limited	468,239
Vipshop Holdings Limited ADR	420,159
Iida Group Holdings Company Limited	383,987
L'Occitane International S.A.	357,396
G8 Education Limited	338,417
Minebea Company Limited	280,270
Genting Singapore	230,205
Ushio Inc.	219,364
Jin Company Limited	203,315
CK Hutchison Holdings Limited	199,069
Nine Entertainment Company Holdings	185,643

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

A list of all purchases and sales of the Fund during the period ended 31 December 2016 can be obtained free of charge from the Swiss Representative.

Longleaf Partners Asia Pacific UCITS Fund
Statement of Comprehensive Income

	Notes	For the year ended 31 December 2016 US$	2015 US$
Income			
Dividend income	1	721,852	593,626
Bank interest		146	5
Net gain/(loss) on investments at fair value through profit or loss	2	2,616,641	(869,127)
Net foreign exchange (loss)/gain	2	(307)	398
Total net gain/(loss)		3,338,332	(275,098)
Expenses			
Management fees	5	(293,881)	(273,276)
Administration fees	5	(15,333)	(17,646)
Depositary fees	5	(37,104)	(38,714)
Audit fees		(15,675)	(16,511)
Other operating expenses		(59,415)	(80,372)
Total operating expenses before reimbursement		(421,408)	(426,519)
Expense reimbursement from manager	5	-	10,721
Total net expenses		(421,408)	(415,798)
Gain/(loss) for the financial year before taxation		2,916,924	(690,896)
Taxation			
Withholding tax	4	(19,021)	(26,587)
Gain/(loss) for the financial year after taxation		2,897,903	(717,483)
Increase/(decrease) in net assets attributable to holders of equity units resulting from operations		2,897,903	(717,483)

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.

Longleaf Partners Asia Pacific UCITS Fund
Statement of Financial Position

	Notes	31 December 2016 US$	31 December 2015 US$
Current Assets			
Cash and Cash Equivalents	1(h)	896	285
Dividends receivable		80,028	29,741
Interest receivable		1	-
Receivable for Management fee reimbursement	5	-	10,721
Financial assets at fair value through profit or loss	1(f)	26,047,370	23,136,248
Financial assets held for trading	1(f)	1,583,000	1,035,000
Total Current Assets		27,711,295	24,211,995
Current Liabilities			
Investment Management fees payable	5	(53,146)	(23,469)
Depositary fees payable	5	(6,666)	(5,508)
Administration fees payable	5	(2,773)	(1,224)
Audit fees payable		(16,592)	(17,546)
Other liabilities		(20,876)	(16,956)
Total Current Liabilities		(100,053)	(64,703)
Net assets attributable to holders of equity units		27,611,242	24,147,292
Equity			
Total unit capital and retained earnings attributable to equity unitholders		27,611,242	24,147,292

The notes to the financial statements form an integral part of these financial statements.
Details of the NAV per unit are set out in Note 3.

On Behalf of the Manager

Eimear Cowhey

Mike Kirby

25 April 2017

Longleaf Partners Asia Pacific UCITS Fund
Statement of Changes in Equity

		For the year ended 31 December	
		2016	**2015**
	Notes	**US$**	**US$**
Total equity at the beginning of the year		24,147,292	21,639,775
Proceeds from the issuance of equity units	3	1,891,000	3,225,000
Payments on redemptions of redeemable equity units	3	(1,324,953)	-
Net increase from unit transactions		566,047	3,225,000
Increase/(decrease) in net assets attributable to holders of equity units from operations		2,897;903	(717,483)
Total equity at the end of the year		27,611,242	24,147,292

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

Longleaf Partners Asia Pacific UCITS Fund
Statement of Cash Flows

	For the year ended 31 December	
	2016	**2015**
	US$	**US$**
Cash flows from operating activities		
Gain/(loss) for the financial year after taxation	2,897,903	(717,483)
Adjustments to reconcile net increase/(decrease) in net assets resulting from operations to net cash (used in) operating activities:		
Net (loss)/gain on investments at fair value through profit or loss	(2,616,641)	869,127
Cash (outflow) due to purchases and sales of investments during the year	(842,481)	(3,393,120)
(Increase) in debtors	(39,567)	(6,121)
Increase in creditors	35,350	22,345
Net cash (used in) operating activities	(565,436)	(3,225,252)
Cash flows from financing activities		
Proceeds from the issuance of redeemable participating units	1,891,000	3,225,000
Payments on redemptions of redeemable equity units	(1,324,953)	-
Cash and Cash Equivalents at beginning of year	285	537
Cash and Cash Equivalents at end of year	896	285
Interest received/(paid)	147	(3)
Dividends received	652,544	558,011
Interest received	(1)	

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

1. Significant Accounting Policies

Organisation
Longleaf Partners Unit 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 Central Bank (Supervision And Enforcement) Act 2013 (Section 48(1)) (Undertakings For Collective Investment In Transferable Securities) Regulations 2015 (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.

a) Basis of Preparation
The 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 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 share 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 share class.

The Trust has obtained the approval of the Central Bank of Ireland (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").

The principal accounting policies are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

b) Statement of Compliance
These financial statements are prepared in accordance with IFRS as adopted by the EU, the interpretations adopted by the International Accounting Standards Board ("IASB"), Irish statute comprising the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended.

New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2016 and not early adopted

IFRS 9 "Financial Instruments", issued on 24 July 2014, is the IASB's replacement of IAS 39 "Financial Instruments: Recognition and Measurement". The Standard includes requirements for recognition and measurement, impairment, derecognition and general hedge accounting. The Trust has yet to assess IFRS 9's full impact.

As IFRS 9 (2013) has a provisional effective date of 1 January 2018, as detailed below, it may be applied before the IASB completes the impairment phase of the project and the limited amendments to the classification and measurement phase. It should be noted however, that IFRS 9 has not yet been endorsed by the EU. Therefore, entities reporting in accordance with IFRS as adopted by the EU cannot currently adopt any part of IFRS 9.

The impact of IFRS 9 may change and be postponed as a consequence of further developments resulting from the IASB's financial instruments project. As a result it is impracticable to quantify the possible impact of IFRS 9 on the financial statements of the Trust.

The IASB have now tentatively decided to require entities to apply IFRS 9 for annual periods beginning on or after 1 January 2018. Entities are required to apply IFRS 9 (2013) retrospectively, in accordance with the requirements of IAS 8, with certain exceptions. IFRS 7 "Financial Instruments: Disclosures", requires additional disclosures on transition from IAS 39 "Financial Instruments: Recognition and Measurement" to IFRS 9.

There are no other standards, interpretations or amendments to existing standards that are not yet effective that would be expected to have a significant impact on the Trust.

c) Estimates and Judgments

The preparation of the financial statements, in accordance with IFRS, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the year. Actual results could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years.

Prices calculated by the Investment Manager on behalf of the Directors:
The price used at the year end for the Level 3 security as detailed in the Fair Value Hierarchy section of Note 6, is the best estimate of fair value as at the year end date.

Functional currency:
The Board of Directors considers the U.S. Dollar the currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. The U.S. Dollar is the currency in which the Trust measures its performance and reports its results. This determination also considers the competitive environment in which the Trust is compared to other U.S. investment products.

d) Transaction Costs

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument. When a financial asset or liability is recognized initially, an entity shall measure it at its fair value through profit or loss with transaction costs for such instruments being recognized directly in the Statement of Comprehensive Income.

Transaction costs charged by the Depositary on the settlement of purchases and sales of investments are included in operating expenses in the Statement of Comprehensive Income for each Fund.

Transaction costs on purchases and sales of equities are included in "net gain/(loss) on investment at fair value through profit or loss" in the Statement of Comprehensive Income for each Fund. These costs include identifiable brokerage charges, commission, transaction related taxes and other market charges. Transaction costs are included in note 5 'Significant Agreements' within the section 'Transaction Costs' for each relevant Fund.

Transaction costs on the purchase and sale of bonds and repurchase agreements are included in the purchase and sale price of the investment. These costs cannot be practically or reliably gathered as they are embedded in the cost of the investment and cannot be separately verified or disclosed.

e) Foreign Currency Translation

Functional and presentation currency
The financial statements are presented in U.S. Dollars, which is the Trust's functional and presentation currency.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the statement of financial position date. Realized and unrealized foreign currency gains and losses are accounted for in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within "net gain/(loss) on investments at fair value through profit or loss".

f) Financial Assets and Financial Liabilities at Fair Value Through Profit or Loss

Classification
The Trust classifies its investments in equity securities, warrants and money market instruments as financial assets or financial liabilities at fair value through profit or loss. This category has two sub-categories: financial

assets or financial liabilities held for trading; and those designated at fair value through profit or loss upon initial recognition.

- *Financial assets and liabilities held for trading (Short-Term Obligations; Repurchase Agreements)*
  A financial asset or financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term or if on initial recognition is part of a portfolio of identifiable financial investments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking.
- *Financial assets and liabilities designated at fair value through profit or loss at inception (Transferable Securities)*
  Financial assets and financial liabilities designated at fair value through profit or loss at inception are financial instruments that are not classified as held for trading but are managed, and their performance is evaluated on a fair value basis in accordance with the Trust's documented investment strategy.

The Trust's policy requires the Investment Manager and the Board of Directors of the Manager to evaluate the information about these financial assets and liabilities on a fair value basis together with other related financial information.

Recognition and Derecognition
Regular purchases and sales of investments are recognized on the trade date, the date on which the relevant Fund commits to purchase or sell the investment. Financial assets and financial liabilities at fair value through profit or loss are initially recognized at fair value. Transaction costs are expensed as incurred in the Statement of Comprehensive Income.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or the Trust has transferred substantially all risks and rewards of ownership.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the financial assets or financial liabilities at fair value through profit or loss category are presented in the Statement of Comprehensive Income within "net gain/(loss) on investments at fair value through profit or loss" in the period in which they arise.

Fair Value Measurement
- *Investments*
  Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the reporting date. The Trust adopts IFRS 13, 'Fair value measurement', and for fair valuation input it utilises the last traded market price for both financial assets and financial liabilities where the last traded price falls within the bid-ask spread.

  In circumstances where the last traded price is not within the bid-ask spread, management will determine the point within the bid-ask spread that is most representative of fair value.

  Prices will be obtained for this purpose by the Administrator from independent sources, such as recognized pricing services or brokers specializing in the relevant markets, which in the opinion of the Administrator represent objective and accurate sources of information.

  If the investment is normally quoted, listed or traded on or under the rules of more than one recognized market, the relevant recognized market shall be that which the Manager, the Administrator as its delegate or the Investment Manager as its delegate determines, provides the fairest criterion of value for the investment.

  If prices for an investment quoted, listed or traded on the relevant recognized market are not available at the relevant time, or are unrepresentative in the opinion of the Manager, the Administrator as its delegate or the Investment Manager as its delegate, such investment shall be valued at its probable realization value estimated with care and in good faith by the Manager or the Administrator as its delegate or the Investment Manager as its delegate or by a competent person, firm or corporation appointed by the Manager and approved for the purpose by the Depositary. Securities quoted, listed or traded on a regulated market but acquired at a premium or at a discount outside or off the relevant market may be valued taking into account the level of premium or discount at the date of valuation and the Depositary must ensure the adoption of such a procedure is justifiable in the context of establishing the probable realization value of the security.

- *Repurchase Agreements*
  Repurchase agreements are used in the management of cash balances. Securities purchased under agreements to resell are valued at fair value and adjusted for any movements in foreign exchange rates. Repurchase agreements are generally held until the next business day so fair value is equal to par. Interest rates vary for each repurchase agreement and are set at the initiation of the agreement. It is the Funds' policy to take custody of securities purchased under repurchase agreements and to value the securities on a daily basis to protect the Funds in the event the securities are not repurchased by the counterparty. The relevant Fund will generally obtain additional collateral if the market value of the underlying securities is less than the face value of the repurchase agreements plus any accrued interest. In the event of default on the obligation to repurchase, a Fund has the right to liquidate the collateral and apply the proceeds in satisfaction of the obligation. As at 31 December 2016, the Global Fund, the U.S. Fund and the Asia Pacific Fund each held one repurchase agreement. Realized and unrealized gains and losses arising from repurchase agreements are accounted for in the Statement of Comprehensive Income.

g) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position where the Trust currently has a legally enforceable right to set-off the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

h) Cash and Cash Equivalents

Cash and cash equivalents includes deposits held at call with banks and other short-term investments in an active market with original maturities of three months or less.

i) Interest Income

Income on deposit interest is accounted for on an accruals basis and interest on interest bearing securities is accounted for on the effective interest basis. Income which suffers a deduction of tax at source is shown gross of withholding tax.

j) Dividend Income

Dividend income from financial assets at fair value through profit or loss is recognized in the Statement of Comprehensive Income within dividend income when the relevant Fund's right to receive payment is established gross of withholding tax which is recognized separately.

k) Expenses

Expenses are recognized in the Statement of Comprehensive Income on an accruals basis.

l) Description of Units

Redeemable Participating Units

All units in the Global Fund are classified as Redeemable participating units. Redeemable participating units are redeemable at the unitholder's option and are classified as financial liabilities. A redeemable participating unit can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's net asset value. A redeemable participating unit is carried at the redemption amount that is payable at the Statement of Financial Position date if the unitholder exercises the right to put the unit back to the Fund.

Redeemable participating units are issued and redeemed at the unitholder's option at prices based on the Fund's net asset value per unit at the time of issue or redemption. The Fund's net asset value per unit is calculated by dividing the net assets attributable to the holders of redeemable participating units by the total number of outstanding redeemable participating units.

Investment positions are valued in accordance with the provisions of the Fund's prospectus, for the purpose of determining the net asset value per unit for subscriptions and redemptions.

All issued redeemable participating units are fully paid. The Fund's capital is represented by these redeemable participating units with no par value and each carrying one vote.

They may be paid dividends at the discretion of the Manager. The relevant movements are shown on the Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Units.

Equity Units
Because all units of the U.S. Fund and the Asia Pacific Fund are in a single share class, they must be presented as equity in accordance with IAS 32 "Financial Instruments: Presentation". The standard requires entities to classify puttable financial instruments, or components of instruments that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation as equity.

m) Securities Financing Transactions
Securities Financing Transactions Regulation (Regulation (EU) 2015/2365) ("SFTR") came into force on 12 January 2016 and, amongst other requirements, introduces new disclosure requirements in the Trust's annual and semi-annual reports published after 13 January 2017 detailing the Trust's use of securities financing transactions and total return swaps. The repurchase agreements held on each Fund are in scope for SFTR. As a result, additional disclosures have been included in Appendix 2 to these financial statements.

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

Global Fund	2016 US$	2015 US$
Realized (loss)/gain on investments sold	(18,218,383)	61,640,572
Total change in unrealized gain/(loss) on investments	30,116,325	(94,460,418)
Net gain/(loss) on investments at fair value through profit or loss	11,897,942	(32,819,846)
Net foreign exchange gain	15,319	259,792

U.S. Fund	2016 US$	2015 US$
Realized (loss)/gain on investments sold	(978,235)	136,275
Total change in unrealized gain/(loss) on investments	4,063,721	(5,135,812)
Net gain/(loss) on investments at fair value through profit or loss	3,085,486	(4,999,537)
Net foreign exchange (loss)/gain	(1,751)	459

Asia Pacific Fund	2016 US$	2015 US$
Realized gain on investments sold	991,618	725,209
Total change in unrealized gain/(loss) on investments	1,625,023	(1,594,336)
Net gain/(loss) on investments at fair value through profit or loss	2,616,641	(869,127)
Net foreign exchange (loss)/gain	(307)	398

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.

For the Global Fund, 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. IAS 32 "Financial Instruments: Presentation" requires that all units of the U.S. Fund and the Asia Pacific Fund must be presented as equity.

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 year ended 31 December 2016

	Class I U.S. Dollar	Class I Euro	Class I British Pound
Units in issue at the beginning of year	16,779,699	1,631,836	484,627
Units issued	3,080,583	2,740	647,118
Units redeemed	(10,774,770)	(1,106,724)	(311,967)
Units in issue at the end of year	9,085,512	527,852	819,778
Net Asset Value	US$135,023,772	€ 7,394,004	£9,821,889
Number of Units in Issue	9,085,512	527,852	819,778
Net Asset Value per Unit	US$14.86	€ 14.01	£11.98

For the year ended 31 December 2015

	Class I U.S. Dollar	Class I Euro	Class I British Pound
Units in issue at the beginning of year	36,322,266	3,621,177	21,207,235
Units issued	653,044	198,324	182,119
Units redeemed	(20,195,611)	(2,187,665)	(20,904,727)
Units in issue at the end of year	16,779,699	1,631,836	484,627
Net Asset Value	US$213,711,394	€ 19,032,554	£4,172,300
Number of Units in Issue	16,779,699	1,631,836	484,627
Net Asset Value per Unit	US$12.74	€ 11.66	£8.61

For the year ended 31 December 2014

	Class I U.S. Dollar	Class I Euro	Class I British Pound	Class A U.S. Dollar[a]	Class A Swiss Franc[a]
Units in issue at the beginning of year	45,830,976	3,777,067	56,821	39,109	109
Units issued	4,560,254	215,355	21,939,362	39,000	-
Units redeemed	(14,068,964)	(371,245)	(788,948)	(78,109)	(109)
Units in issue at the end of year	36,322,266	3,621,177	21,207,235	–	–
Net Asset Value	US$515,813,548	€ 42,361,756	£192,690,960	–	–
Number of Units in Issue	36,322,266	3,621,177	21,207,235	–	–
Net Asset Value per Unit	US$14.20	€ 11.70	£9.09	–	–

[a] The Class A U.S. Dollar and Class A Swiss Franc closed on 10 July 2014.

U.S. Fund	For the year ended 31 December 2016	For the year ended 31 December 2015	For the year ended 31 December 2014
	Class I U.S. Dollar	Class I U.S. Dollar	Class I U.S. Dollar
Units in issue at the beginning of year	2,578,944	2,526,169	3,234,367
Units issued	547,829	1,505,782	1,426,641
Units redeemed	(2,535,258)	(1,453,007)	(2,134,839)
Units in issue at the end of year	591,515	2,578,944	2,526,169
Net Asset Value	US$9,791,983	US$34,558,026	US$38,750,341
Number of Units in Issue	591,515	2,578,944	2,526,169
Net Asset Value per Unit	US$16.55	US$13.40	US$15.34

Asia Pacific Fund	For the year ended 31 December 2016	For the year ended 31 December 2015	For the period* ended 31 December 2014
	Class I U.S. Dollar	Class I U.S. Dollar	Class I U.S. Dollar
Units in issue at the beginning of year/period	2,516,480	2,192,708	–
Units issued	192,455	323,772	2,192,708
Units redeemed	-146,769	–	–
Units in issue at the end of year/period	2,562,166	2,516,480	2,192,708
Net Asset Value	US$27,611,242	US$24,147,292	US$21,639,775
Number of Units in Issue	2,562,166	2,516,480	2,192,708
Net Asset Value per Unit	US$10.78	US$9.60	US$9.87

* The Asia Pacific Fund was launched on 2 December 2014.

Significant shareholders

The following table details the number of shareholders with significant holdings of at least 20 per cent of the relevant sub-fund and the percentage of that holding as at 31 December 2016 and 31 December 2015.

Fund	Number of significant shareholders 31 Dec 2016	Total Holding as at 31 Dec 2016	Total Shareholding as a % of the sub fund as at 31 Dec 2016	Number of significant shareholders 31 Dec 2015	Total Holding as at 31 Dec 2015	Total Shareholding as a % of the sub fund as at 31 Dec 2015
Global Fund	1	2,666,744	25.56	1	7,425,950	46.58
U.S. Fund	2	280,753	47.46	3	1,963,833	80.69
Asia Pacific Fund	1	2,000,000	78.06	1	2,000,000	80.93

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. Significant Agreements

Investment Management Fees

The Investment Manager is entitled to receive investment management fees in respect of the Funds payable out of the assets of the Funds ("Management Fees") accruing daily and payable monthly in arrears at an annual percentage rate of 1.0% of the average daily Net Asset Value for Class I shares of the Global and U.S. Funds and at an annual percentage rate of 1.15% of the average daily Net Asset Value for Class I shares of the Asia Pacific Fund.

The Investment Manager is also entitled to reimbursement of all reasonable out-of-pocket expenses incurred for the benefit of the Trust including expenses incurred by it in the performance of its duties.

The Investment Manager may from time to time, at its sole discretion waive, reduce or, out of its own resources, rebate to some or all of the unitholders, the Trust or any Fund part of the aforementioned fees.

The Investment Manager has voluntarily agreed to reimburse or waive such portions of its fees as is necessary to ensure that the total expense ratio attributable to the Class I Shares of the Global and U.S. Funds shall not exceed 1.6% of the Net Asset Value of the Funds or 1.75% of the Net Asset Value of the Asia Pacific Fund.

A reimbursement of US$Nil (2015: US$10,721) was reimbursed by the Investment Manager in respect of the Class I shares of the Asia Pacific Fund. A reimbursement of US$9,056 (2015: US$ Nil) was reimbursed by the Investment Manager in respect of the Class I shares of the U.S. Fund.

The Investment Manager earned a total fee of US$2,052,982 (2015: US$5,838,385) of which US$302,088 (2015: US$257,837) was outstanding at the year end.

Administration Fees

The Administrator is entitled to a fee payable out of the assets of each Fund accruing daily and payable monthly in arrears at the end of each calendar month at an annual rate not to exceed 0.06% of the combined average net asset value of the Funds between zero and US$400 million, 0.05 % of the combined average net asset value of the Funds between US$400 million and US$1,000 million, 0.04% of the combined average net asset value of the Funds between US$1,000 million and US$1,500 million and 0.03% of the combined average net asset value of the Funds in excess of US$1,500 million.

The Administrator is also entitled to receive a fee of US$7,500 per annum per Fund for the preparation of annual and semi-annual financial statements and a minimum annual fee for the Trust, exclusive of out-of-pocket expenses, of US$10,000 for reporting services under the UCITS Regulations.

The Manager will also reimburse the Administrator out of the assets of the relevant Fund for all reasonable expenses incurred for the benefit of the Fund when contracting with entities providing paying or transfer agency services. The Administrator is also entitled to reimbursement of all reasonable out-of-pocket expenses incurred for the benefit of the Fund out of the assets of the Fund in respect of which such charges and expenses were incurred.

Depositary Fees

The Depositary is entitled to a fee payable out of the assets of the relevant Fund in the Trust accruing daily and payable monthly in arrears at the end of each calendar month at an annual rate not to exceed 0.02% of the combined average net asset value of the Funds between zero and US$100 million, 0.015% of the combined average net asset value of the Funds between US$100 million and US$300 million and 0.010% of the combined average net asset value of the Funds in excess of US$ 300 million. An additional annual fee of 0.005% of total net asset value per Fund was introduced on 18 March 2016, to reflect the change in Depositary responsibilities under UCITS V.

The Depositary is also entitled to reimbursement of properly vouched out of pocket expenses incurred by the Depositary, or any sub-custodian, for the benefit of the Funds out of the assets of the Funds in respect of which such charges and expenses were incurred.

Transaction Costs
As disclosed in Note 1, transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of the financial asset or financial liability. The Funds incurred transaction costs as follows:

For the year ended 31 December 2016 and 31 December 2015, the Funds incurred transaction costs as follows:

	For the year ended 31 December US$	
	2016	2015
Global Fund	126,475	564,371
U.S. Fund	11,347	21,279
Asia Pacific Fund	30,759	45,221

6. Financial Instruments

In accordance with IFRS 7 Financial Instruments: Disclosure, this note details the way in which the Trust manages risks associated with the use of financial instruments.

As an investment fund, the management of the financial instruments is fundamental to the management of the relevant Fund's business. The Funds' risk management process is managed by Southeastern Asset Management Inc., in its capacity as Investment Manager and oversight of these functions is carried out by both the Depositary, and by the Board of Directors of the Manager.

The relevant Fund's investment portfolios comprise mainly quoted equity instruments that it intends to hold for an indefinite period of time. The Funds' may hold debt instruments for cash management or investment purposes. The Funds' also hold repurchase agreements, warrants and money market instruments as detailed in the Schedules of Investments.

The Funds' investing activities expose them to various types of risk that are associated with the financial instruments and markets in which they invest. The most important types of financial risk to which the Funds are exposed are market risk, liquidity risk and credit risk.

Stock selection, asset allocation and cash management is determined by the Investment Manager who manages the distribution of the assets to achieve the investment objectives. The composition of the relevant Fund's portfolio is monitored by the Investment Manager on an intraday basis.

The nature and extent of the financial instruments outstanding at the balance sheet date and the risk management policies employed by the relevant Fund are discussed below.

Market Risk

This is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and price risk.

The Funds' strategy on the management of investment risk is driven by the relevant Fund's investment objective. The Funds' overall investment objective is to preserve capital and to increase the value of the capital over time.

Although it is impossible to guarantee any capital preservation, the Investment Manager believes that the philosophy of purchasing companies at a substantial discount to their intrinsic values should deliver absolute positive returns in the medium to long term. The discount to intrinsic value should act as a margin of safety for each investment. The Investment Manager is a fundamental, bottom-up investor with the stock selection process taking prominence over asset and sector allocation.

The Investment Manager monitors individual stock and cash positions on an intraday basis using various reporting tools.

These levels are discussed at the quarterly Manager's Board meeting.

The Funds' market risk is managed on a daily basis by the Investment Manager in accordance with policies and procedures in place. The investments of each fund are subject to normal market fluctuations and the risks inherent in investment in international securities markets and there can be no assurances that appreciation will occur. Stock markets can be volatile and stock prices can change substantially.

Details of the Funds' investment portfolios at 31 December 2016 are disclosed in the Schedule of Investments sections. All individual investments in equity instruments are disclosed separately.

Currency Risk

Foreign currency risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in the rate of exchange between the currency in which the financial asset or financial liability is denominated and the functional currency of the relevant Fund. The Funds may invest in financial instruments and enter into transactions denominated in currencies other than its functional currency. Consequently, the Funds are exposed to risks that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse effect on the value of that portion of the relevant Fund's assets or liabilities denominated in currencies other than the U.S. Dollar. The Funds may use currency forwards to hedge currency exposure but do not routinely do so.

The Investment Manager monitors the Funds' currency exposures on an intraday basis. The delegates of the Board of Directors of the Manager monitor these exposures on a monthly basis through reporting from the Investment Manager and the Administrator.

Some expenses are payable in currencies other than the base currency but the foreign currency exposure on these is not material.

The currency exposure as at 31 December 2016 and 2015 are shown below.

Global Fund	**at 31 December 2016 US$**		
	Net Monetary Assets	Net Non-Monetary Assets	Total
Brazilian Real	-	604,945	604,945
Euro	98,782	24,259,938	24,358,720
Hong Kong Dollar	-	28,724,182	28,724,182
Malaysian Ringgit	-	740,793	740,793
Swiss Frank	-	5,244,244	5,244,244
	98,782	59,574,102	59,672,884

	at 31 December 2015 US$		
	Net Monetary Assets	Net Non-Monetary Assets	Total
Brazilian Real	-	527,731	527,731
Euro	225,068	69,691,621	69,916,689
Hong Kong Dollar	-	59,566,639	59,566,639
Malaysian Ringgit	-	2,572,023	2,572,023
	225,068	132,358,014	132,583,082

At 31 December 2016, if the exchange rate between the U.S. Dollar and the relevant foreign currency increased by 5% (based on monetary and non-monetary items) with all other variables held constant, the net assets attributable to unitholders for the Global Fund would have increased by US$2,841,566 (2015: US$ 6,313,480). A 5% decrease would have an equal and opposite effect on the value of the Global Fund.

U.S. Fund	**at 31 December 2016 US$**		
	Net Monetary Assets	Net Non-Monetary Assets	Total
Euro	–	1,081,412	1,081,412
	at 31 December 2015 US$		
	Net Monetary Assets	Net Non-Monetary Assets	Total
Euro	–	2,904,768	2,904,768

At 31 December 2016, if the exchange rate between the U.S. Dollar and the relevant foreign currency increased by 5% (based on monetary and non-monetary items) with all other variables held constant, the net assets attributable to unitholders for the U.S. Fund would have increased by US$51,496 (2015: US$ 138,322). A 5% decrease would have an equal and opposite effect on the value of the U.S. Fund.

Asia Pacific Fund	**at 31 December 2016 US$**		
	Net Monetary Assets	Net Non-Monetary Assets	Total
Australian Dollar	18,021	1,870,550	1,888,571
Euro	11,518	–	11,518
Hong Kong Dollar	47,744	7,417,643	7,465,387
Japanese Yen	2,746	7,041,145	7,043,891
Korean Won	-	708,634	708,634
Malaysian Ringgit	-	414,980	414,980
Singapore Dollar	-	3,233,154	3,233,154
	80,029	20,686,106	20,766,135
	at 31 December 2015 US$		
	Net Monetary Assets	Net Non-Monetary Assets	Total
Australian Dollar	23,477	3,399,931	3,423,408
Euro	1,518	-	1,518
Hong Kong Dollar	-	7,980,824	7,980,824
Japanese Yen	6,336	5,134,994	5,141,330
Korean Won	-	1,150,775	1,150,775
Singapore Dollar	-	2,564,439	2,564,439
	31,331	20,230,963	20,262,294

At 31 December 2016, if the exchange rate between the U.S. Dollar and the relevant foreign currency increased by 5% (based on monetary and non-monetary items) with all other variables held constant, the net assets attributable to unitholders for the Asia Pacific Fund would have increased by US$988,863 (2015: US$964,870). A 5% decrease would have an equal and opposite effect on the value of the Asia Pacific Fund.

Interest Rate Risk

This is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The majority of the relevant Fund's assets are non-interest bearing so there is very limited exposure to this risk type. The majority of interest-bearing financial assets mature in the short-term. The Investment Manager monitors the interest rate risk exposure on a daily basis. The delegates of the Board of Directors of the Manager monitor this exposure on a monthly basis through reporting from the Investment Manager and the Administrator.

Notes to the Financial Statements (continued)

The interest profiles of 31 December 2016 and 31 December 2015 are shown below.

Global Fund

at 31 December 2016 US$	Interest-bearing asset maturity				
	Up to 1 year	1 – 5 years	Over 5 years	Non-interest bearing	Total
Cash and Cash Equivalents	975	–	–	–	975
Transferable Securities	–	–	–	122,738,007	122,738,007
Short Term Obligations	32,234,000	–	–	–	32,234,000
Other assets	–	–	–	280,322	280,322
Total assets	32,234,975			123,018,329	155,253,304
Other liabilities	–	–	–	(341,738)	(341,738)
Total liabilities	–	–	–	(341,738)	(341,738)
Net assets	32,234,975	–	–	122,676,591	154,911,566

at 31 December 2015 US$	Interest-bearing asset maturity				
	Up to 1 year	1 – 5 years	Over 5 years	Non-interest bearing	Total
Cash and Cash Equivalents	–	–	–	594	594
Transferable Securities	–	–	–	230,031,948	230,031,948
Short Term Obligations	10,608,000	–	–	–	10,608,000
Other assets	–	–	–	237,753	237,753
Total assets	10,608,000	–		230,270,295	240,878,295
Other liabilities	–	–	–	(332,472)	(332,472)
Total liabilities	–	–	–	(332,472)	(332,472)
Net assets	10,608,000	–	–	229,937,823	240,545,823

U.S. Fund

at 31 December 2016 US$	Interest-bearing asset maturity				
	Up to 1 year	1 – 5 years	Over 5 years	Non-interest bearing	Total
Cash and Cash Equivalents	990	–	–	–	990
Transferable Securities	–	–	–	8,477,812	8,477,812
Short Term Obligations	1,379,000	–	–	–	1,379,000
Other assets	–	–	–	11,699	11,699
Total assets	1,379,990	–	–	8,489,511	9,869,501
Other liabilities	–	–	–	(77,518)	(77,518)
Total liabilities	–	–	–	(77,518)	(77,518)
Net assets	1,379,990	–	–	8,411,993	9,791,983

	at 31 December 2015 US$				
	Interest-bearing asset maturity				
	Up to 1 year	1 – 5 years	Over 5 years	Non-interest bearing	Total
Cash and Cash Equivalents	–	–	–	917	917
Transferable Securities	–	40,000	52,481	31,021,957	31,114,438
Short Term Obligations	3,512,000	–	–	–	3,512,000
Other assets	–	–	–	3,501	3,501
Total assets	3,512,000	40,000	52,481	31,026,375	34,630,856

	Up to 1 year	1 – 5 years	Over 5 years	Non-interest bearing	Total
Bank overdraft	–	–	–	–	–
Other liabilities	–	–	–	(72,830)	(72,830)
Total liabilities	–	–	–	(72,830)	(72,830)
Net assets	3,512,000	40,000	52,481	30,953,545	34,558,026

Asia Pacific Fund	at 31 December 2016 US$				
	Interest-bearing asset maturity				
	Up to 1 year	1 – 5 years	Over 5 years	Non-interest bearing	Total
Cash and Cash Equivalents	896	–	–	–	896
Transferable Securities	–	–	–	26,047,370	26,047,370
Short Term Obligations	1,583,000	–	–	–	1,583,000
Other assets	–	–	–	80,029	80,029
Total assets	1,583,896		–	26,127,399	27,711,295
		–	–		
Other liabilities	–	–	–	(100,053)	(100,053)
Total liabilities	–	–	–	(100,053)	(100,053)
Net assets	1,583,896	–	–	26,027,346	27,611,242

	at 31 December 2015 US$				
	Interest-bearing asset maturity				
	Up to 1 year	1 – 5 years	Over 5 years	Non-interest bearing	Total
Cash and Cash Equivalents	–	–	–	285	285
Transferable Securities	–	–	–	23,136,248	23,136,248
Short Term Obligations	1,035,000	–	–	–	1,035,000
Other assets	–	–	–	40,462	40,462
Total assets	1,035,000	–	–	23,176,995	24,211,995
Other liabilities	–	–	–	(64,703)	(64,703)
Total liabilities	–	–	–	(64,703)	(64,703)
Net assets	1,035,000	–	–	23,112,292	24,147,292

At 31 December 2016, if the market interest rates had increased by 1% with all other variables remaining constant, the net assets attributable to unitholders would have increased by US$10 (2015: US$6) for the Global Fund, US$10 (2015: US$934) for the U.S. Fund and US$9 (2015: US$3) for the Asia Pacific Fund. As market interest rates at year-end were less than 1%, a decrease of a full 1% on cash and bank balances and short-term obligations is theoretically not possible. There would be no interest income under this scenario.

Price Risk

Price risk is the risk that the value of an instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk and currency risk), whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market. As the majority of the Funds' financial instruments are carried at fair value with fair value changes recognized in the Statement of Comprehensive Income, all changes in market conditions will directly affect the net asset value of the relevant Funds.

Price risk is mitigated by the Investment Manager by constructing a diversified portfolio of instruments traded on various markets. In addition, price risk can be hedged using derivative financial instruments such as options or futures, although the Investment Manager decided not to do so in 2016.

The Investment Manager monitors the Funds stock level and asset class exposures on an intraday basis. The exposures are discussed at the quarterly meetings of the Board of Directors of the Manager. Details of the Funds investment portfolios at 31 December 2016 are disclosed in the Schedule of Investments section.

At 31 December 2016, if the price of each security held by the relevant Fund had increased by 1% the overall value of the Trust would have increased by US$1,549,720 (2015: US$2,406,399) for the Global Fund, by US$98,586 (2015: US$346,264) for the U.S. Fund and by US$276,303 (2015: 241,712) for the Asia Pacific Fund. A 1% decrease would have an equal and opposite effect on the value of each Fund.

Liquidity Risk

This is the risk that the Trust will encounter difficulty in meeting obligations associated with financial liabilities. The Funds' constitution provide for the daily creation and cancellation of units and they are therefore exposed to the liquidity risk of meeting unitholder redemptions at any time. To meet the redemption liability, the Funds may be required to sell assets. If the Funds are invested in less liquid securities, the relevant Fund may find it more difficult to sell these positions quickly and there is the risk that they may be sold below their fair value.

The Investment Manager monitors and manages the Funds' liquidity position on a daily basis and it is communicated to the delegates of the Board of Directors of the Manager every month. The Board of Directors of the Manager is able, by the provisions in the governing documents, to defer redemptions of significant size to facilitate an orderly disposition of securities in the interest of the remaining unitholders.

The Global Fund invests in securities that are considered to be liquid and readily realizable, as they are all listed on local stock exchanges with the exception of MLog S.A., which is unlisted. As at 31 December 2016 MLog S.A. represents 0.39% of the Global Fund's Net Asset Value (2015: 0.22%). As at 31 December 2016, it was estimated that 94% of the Global Fund's assets could be liquidated within five trading days, including 87% of the Fund's assets which could be sold within one day. This calculation was based on one third of the average daily trading volume of each security held.

The U.S. Fund invests in securities that are considered to be liquid and readily realizable, as they are all listed on local stock exchanges. As at 31 December 2016, it was estimated that 100% of the U.S. Fund's assets could be liquidated within five trading days, including 100% of the Fund's assets which could be sold within one day. This calculation was based on one third of the average daily trading volume of each security held.

The Asia Pacific Fund invests in securities that are considered to be liquid and readily realizable, as they are all listed on local stock exchanges. As at 31 December 2016, it was estimated that 100% of the Asia Pacific Fund's assets could be liquidated within five trading days, including 82% of the Fund's assets which could be sold within one day. This calculation was based on one third of the average daily trading volume of each security held.

All payables are due for settlement within one month; at the year end, these amounted to US$341,738 (2015: US$332,472) for the Global Fund, US$77,518 (2015: US$72,830) for the U.S. Fund and US$100,053 (2015: US$ 64,703) for the Asia Pacific Fund.

The net assets attributable to holders of redeemable units of US$154,911,566 (2015: US$240,545,823) for the Global Fund, and the total equity of US$9,791,983 (2015: US$34,558,026) for the U.S. Fund and US$27,611,242 (2015: US$24,147,292) for the Asia Pacific Fund have no stated maturity date.

Credit Risk

Credit risk is the risk that counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the relevant Fund. This includes counterparty risk and issuer risk. In relation to the Trust it can arise for example from receivables to another party, placing deposits with other entities, transacting in debt securities and entering into derivative contracts.

The Funds keep only a low exposure to debt instruments. Substantially all of the Investments and cash of the Funds are held by the Depositary, and its sub-custodians, on behalf of the Funds. The investments are clearly segregated from the Depositary's own assets. However, bankruptcy or insolvency of the Depositary, or one of its sub-custodians, could cause the Fund's rights with respect to assets held by the Depositary or sub-custodian to be delayed or limited, especially in regards to cash held on deposit. For this reason, the Investment Manager may choose to purchase government bonds for the Funds to reduce any excess cash balances held at the Depositary. The Funds manage this risk by having the Investment Manager monitor the credit quality and financial position of the Depositary. The credit rating of State Street Corporation, the parent company of the Depositary, as provided by Standard and Poor's rating agency at the reporting date was A (31 December 2015: A).

Issuer risk is associated with transacting in debt securities and is monitored by the Investment Manager based on evaluation of each counterparty.

There were no significant concentrations of credit risk to counterparties at 31 December 2016 apart from the Repurchase Agreements as disclosed in the Schedule of Investments for each Fund.

For the Funds, counterparty risk relates to unsettled transactions with brokers for investments on local markets. This risk is considered small due to the short settlement periods involved. The delivery-versus-payment settlement process used on most markets limits such risk to the price movement in a security from trade date to settlement date. On a daily basis, the Investment Manager monitors any trades which have not settled on the correct date. The delegates of the Board of Directors of the Manager monitor any overdue unsettled trades on a monthly basis through reporting from the Administrator.

Offsetting and amounts subject to master netting arrangements and similar agreements

As at 31 December 2016 and 2015 the Funds were not subject to a master netting arrangement with its sole counterparty. All of the repurchase agreements held by the Funds are held with this counterparty. The following tables present the Funds' financial assets which have not been offset in the statement of financial position. The tables are presented by type of financial instrument. There were no financial liabilities set off in the statement of financial position of the Funds as at year ended 31 December 2016 or 31 December 2015.

Global Fund

Description and counterparty	Gross amounts of recognised financial assets	Stock Collateral*	Net amount at 31 December 2016 US$
State Street Repurchase Agreement, State Street Bank	32,234,000	32,234,000	-

Description and counterparty	Gross amounts of recognised financial assets	Stock Collateral*	Net amount at 31 December 2015 US$
State Street Repurchase Agreement, State Street Bank	10,608,000	10,608,000	-

U.S. Fund

Description and counterparty	Gross amounts of recognised financial assets	Stock Collateral*	Net amount at 31 December 2016 US$
State Street Repurchase Agreement, State Street Bank	1,379,000	1,379,000	-

Description and counterparty	Gross amounts of recognised financial assets	Stock Collateral*	Net amount at 31 December 2015 US$
State Street Repurchase Agreement, State Street Bank	3,512,000	3,512,000	-

Asia Pacific Fund

Description and counterparty	Gross amounts of recognised financial assets	Stock Collateral*	Net amount at 31 December 2016 US$
State Street Repurchase Agreement, State Street Bank	1,583,000	1,583,000	-

Description and counterparty	Gross amounts of recognised financial assets	Stock Collateral*	Net amount at 31 December 2015 US
State Street Repurchase Agreement, State Street Bank	1,035,000	1,035,000	-

*Stock Collateral pledged which is not offset in the Statement of Financial Position.

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 (excluding MLog S.A, described below as Level 3) are classified as Level 1.

Repurchase agreements 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 31 December 2016 and 31 December 2015 are classified as follows:

Global Fund	**at 31 December 2016 US$**			
	Level 1	Level 2	Level 3	Total
Transferable securities	122,133,062	-	604,945	122,738,007
Short Term Obligations	-	32,234,000	-	32,234,000
	122,133,062	32,234,000	604,945	154,972,007

	at 31 December 2015 US$			
	Level 1	Level 2	Level 3	Total
Transferable securities	229,504,217	-	527,731	230,031,948
Short Term Obligations	10,608,000	-	-	10,608,000
	240,112,217	-	527,731	240,639,948

U.S. Fund	**at 31 December 2016 US$**			
	Level 1	Level 2	Level 3	Total
Transferable securities	8,477,812	-	-	8,477,812
Short Term Obligations	-	1,379,000	-	1,379,000
	8,477,812	1,379,000	-	9,856,812

	at 31 December 2015 US$			
	Level 1	Level 2	Level 3	Total
Transferable securities	31,021,957	92,481	-	31,114,438
Short Term Obligations	3,512,000	-	-	3,512,000
	34,533,957	92,481	-	34,626,438

Asia Pacific Fund	**at 31 December 2016 US$**			
	Level 1	Level 2	Level 3	Total
Transferable securities	26,047,370	-	-	26,047,370
Short Term Obligations	-	1,583,000	-	1,583,000
	26,047,370	1,583,000	-	27,630,370

	at 31 December 2015 US$			
	Level 1	Level 2	Level 3	Total
Transferable securities	23,136,248	-	-	23,136,248
Short Term Obligations	1,035,000	-	-	1,035,000
	24,171,248	-	-	24,171,248

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 year ended 31 December 2016 and year ended 31 December 2015.

The Global Fund's shares of MLog S.A. are considered Level 3 securities. The shares were acquired directly from the issuer in two private placement transactions. In 2015, pursuant to a corporate reorganization, the Global Fund exchanged its preferred stock for new preferred stock and common stock. The new preferred shares were subsequently redeemed by MLog S.A. for cash. Due to the lack of an active trading market, all or a portion of these shares may be illiquid. Judgment plays a greater role in valuing illiquid securities than those for which a more active market exists. The Investment Manager engages an independent third party for assistance with the valuation of this security. At 31 December 2016, MLog S.A. was valued using the income approach utilizing fundamental data relating to the issuer. The Directors believe that the value shown is reasonable and prudent, however actual sales prices may differ from these values and the differences could be material.

As required by IFRS 13, the valuation spread for the purpose of presenting the sensitivity analysis of MLog S.A was determined by the Investment Manager based on company specific developments. The following table provides quantitative information about significant unobservable inputs used to determine the fair valuation of the Global Fund's Level 3 assets and the sensitivity of the valuation to changes in those significant unobservable inputs. Because the Investment Manager considers a variety of factors and inputs, both observable and unobservable, in determining fair values, the unobservable inputs presented do not reflect all inputs significant to the fair value determination. Theoretically, if the shares cannot be sold and the company has no residual assets to recover, the remaining value could go to zero.

Investments in Securities	**Fair value at 31 December 2016**	**Valuation Technique**	**Unobservable Input**	**Value or Range of Input**	**Impact to Valuation from an increase in Input***
Common Stock	$604,945	Discounted Cash Flow Method	Revenue Growth Rate Discount Rate	4-197% 11-35%	Increase Decrease

*Represents the directional change in the fair value of Level 3 investments that would result in an increase from the corresponding unobservable input. A decrease to the unobservable input would have the opposite effect. Significant increases and decreases in these unobservable inputs in isolation could result in significantly higher or lower fair value measurements.

The following table reconciles fair value changes in the Global Fund's Level 3 holdings in MLog S.A. for the year ended 31 December 2016:

		Common Stock
Fair Value at 31 December 2015	$	527,731
Reorganization		-
Redemption		-
Realized gain/loss		-
Change in unrealized appreciation		77,214
Fair Value at 31 December 2016	$	604,945

The following table reconciles fair value changes in the Global Fund's Level 3 holdings in MLog S.A. (31 December 2015: Manabi S.A.) for the year ended 31 December 2015:

		Preferred Stock	Common Stock
Fair Value at 31 December 2014	$	3,358,588	-
Reorganization		(754,901)	754,901
Redemption		(992,842)	-
Realized loss		(4,716,727)	-
Change in unrealized appreciation/(depreciation)		3,105,882	(227,170)
Fair Value at 31 December 2015	$	-	527,731

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, IFRS13 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 31 December 2016 are classified as follows:

Global Fund

	At 31 December 2016			
Assets	Level 1	Level 2	Level 3	Total US$
Cash and Cash Equivalents	975	-		975
Other Assets	-	280,322	-	280,322
Total	975	280,322	-	281,297
Liabilities				
Other Liabilities	-	(341,738)	-	(341,738)
Net assets attributable to holders of redeemable participating units	-	(154,911,566)	-	(154,911,566)
Total	-	(155,253,304)	-	(155,253,304)

	At 31 December 2015			
Assets	Level 1	Level 2	Level 3	Total US$
Cash and Cash Equivalents	594	-	-	594
Other Assets	-	237,753	-	237,753
Total	594	237,753	-	238,347
Liabilities				
Other Liabilities	-	(332,472)	-	(332,472)
Net assets attributable to holders of redeemable participating units	-	(240,545,823)	-	(240,545,823)
Total	-	(240,878,295)	-	(240,878,295)

U.S. Fund

	At 31 December 2016			
Assets	Level 1	Level 2	Level 3	Total US$
Cash and Cash Equivalents	990	-	-	990
Other Assets	-	11,699	-	11,699
Total	990	11,699	-	12,689
Liabilities				
Other Liabilities	-	(77,518)	-	(77,518)
Net assets attributable to holders of redeemable participating units	-	(9,791,983)	-	(9,791,983)
Total	-	(9,869,501)	-	(9,869,501)

	At 31 December 2015			
Assets	Level 1	Level 2	Level 3	Total US$
Cash and Cash Equivalents	917	-	-	917
Other Assets	-	3,501	-	3,501
Total	917	3,501	-	4,418
Liabilities				
Other Liabilities	-	(72,830)	-	(72,830)
Net assets attributable to holders of redeemable participating units	-	(34,558,026)	-	(34,558,026)
Total	-	(34,630,856)	-	(34,630,856)

Asia Pacific Fund

	At 31 December 2016			
Assets	Level 1	Level 2	Level 3	Total US$
Cash and Cash Equivalents	896	-	-	896
Other Assets	-	80,029	-	80,029
Total	896	80,029	-	80,925
Liabilities				
Other Liabilities	-	(100,053)	-	(100,053)
Net assets attributable to holders of redeemable participating units	-	(27,611,242)	-	(27,611,242)
Total	-	(27,711,295)	-	(27,711,295)

	At 31 December 2015			
Assets	Level 1	Level 2	Level 3	Total US$
Cash and Cash Equivalents	285	-	-	285
Other Assets	-	40,462	-	40,462
Total	285	40,462	-	40,747
Liabilities				
Other Liabilities	-	(64,703)	-	(64,703)
Net assets attributable to holders of redeemable participating units	-	(24,147,292)	-	(24,147,292)
Total	-	(24,211,995)	-	(24,211,995)

Global Exposure

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

7. Exchange Rates

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

	31 December 2016	31 December 2015
Australian Dollar	1.385713	1.372307
Brazilian Real	3.254700	3.956250
British Pound	0.811425	0.678334
Euro	0.949983	0.920175
Hong Kong Dollar	7.754500	7.750050
Japanese Yen	116.875000	120.195000
Korean Won	1,207.800000	1,172.550000
Malaysian Ringgit	4.486000	4.293500
New Zealand Dollar	1.439470	1.462095
Singapore Dollar	1.448150	1.417900
Swiss Franc	1.018300	1.001600

8. 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 31 December 2016 and 2015, the Funds' derivative positions include a warrant and convertible preferred stock held on the Global Fund as at 31 December 2016, with an aggregate unrealized gain/(loss) of US$4,089,591 (2015: US$(6,029,065)).

As at 31 December 2016 and 2015, 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 years ended 31 December 2016 and 2015.

9. Related Party Transactions

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

Transactions with entities with significant influence:
Southeastern Asset Management, Inc. serves in an appointed role as the Investment Manager, and is paid a management fee for its services. For the Global Fund the Investment Manager earned a fee of US$1,569,457 (2015: US$5,184,333) of which US$232,887 (2015: US$203,838) was outstanding at the year end. For the U.S. Fund the Investment Manager earned a fee of US$189,644 (2015: US$380,776) of which US$16,055 (2015: US$30,530) was outstanding at the year end. For the Asia Pacific Fund the Investment Manager earned a fee of US$293,881 (2015: US$273,276) of which US$53,146 (2015: US$23,469) was outstanding at the year end.

A management fee reimbursement of US$Nil (2015: US$10,721) was reimbursed by the Investment Manager in respect of the Asia Pacific Fund of which US$Nil (2015: US$10,721) was outstanding at year end. A management fee reimbursement of US$9,056 (2015: US$Nil) was reimbursed by the Investment Manager in respect of the U.S. Fund of which US$9,056 (2015: US$Nil) was outstanding at year end. There was no management fee-reimbursement applied to the Global Fund (2015: US$Nil).

The basis of calculation of the Investment Management fee and the Investment Management fee reimbursement is disclosed in note 5.

The Investment Manager has been appointed by the board members of the Manager, which is a wholly owned subsidiary of the Investment Manager.

Directors of the Manager, Steve McBride and Gwin Myerberg are employees of Southeastern Asset Management, Inc. and there are two Irish directors, Eimear Cowhey and Michael Kirby.

Transactions with other related parties:
The Poplar Foundation provided the Global Fund's initial seed capital and has made subsequent investments. Because some members of the Foundation's governing board are also owners of the Investment Manager, the Global Fund and the Foundation are considered related parties. The Global Fund holds approximately Nil% (2015: 38%) of the Foundation's assets, and constitutes approximately Nil% (2015: 49%) of the Global Fund's assets.

The Pyramid Peak Foundation provided the U.S. and Asia Pacific Funds' initial seed capital. Because some of the members of the Foundation's governing board are also owners of the Investment Manager, the U.S. Fund and the Foundation are considered related parties. The U.S. Fund holds approximately 0.20% (2015: 0.14%) of the Pyramid Peak Foundation's assets, and constitutes approximately 12% (2015: 3%) of the U.S. Fund's assets. The Asia Pacific Fund holds approximately 3% (2015: 3%) of the Pyramid Peak Foundation's assets, and constitutes approximately 78% (2015: 81%) of the Asia Pacific Fund's assets.

In addition, employees of the Investment Manager owned approximately 0.5% (2015: 0.3%) and 5% (2015: 5%) of the Global and Asia Pacific Funds at 31 December 2016 respectively.

KB Associates ("KBA") have been engaged by the Manager to provide UCITS and Compliance 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.

10. Soft Commission Arrangements
There were no soft commission arrangements entered into by the Investment Manager, on behalf of the Trust, during the year ended 31 December 2016 or in 2015.

11. Contingent Liability
There are no contingent liabilities at 31 December 2016 or 2015.

12. 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 years ended 31 December 2016 or 2015.

13. Significant Events During the Year

UCITS V Regulations became effective on 18 March 2016 and include the following changes:

- The Trustee Custodian is now referred to as the Depositary;
- A new depositary regime which includes a clarification of depositary eligibility, duties, responsibilities and liabilities;
- Rules governing remuneration policies of UCITS managers consistent with those under AIFMD and the Capital Requirements Directive;
- The harmonisation of the minimum administrative sanctions regime across member states rules.

A revised Depositary Agreement was issued on 23 May 2016 to reflect changes in Depositary responsibilities under UCITS V and an additional annual fee for Depositary services of 0.005% of total net asset value per Fund was introduced on 18 March 2016.

14. Significant Events Since the Year End
There were no significant events since the year ended 31 December 2016.

15. Approval of the Financial Statements
The Board of Directors of the Manager approved these financial statements on 25 April 2017.

Longleaf Partners Unit Trust

Background to Longleaf Partners Unit Trust (Unaudited)

The Trust is an umbrella open-ended unit trust established in Ireland as an Undertaking for Collective Investment in Transferable Securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended and Central Bank (Supervision And Enforcement) Act 2013 (Section 48(1)) (Undertakings For Collective Investment In Transferable Securities) Regulations 2015 (collectively the "UCITS Regulations"). The Trust was constituted on 23 December 2009 as an open ended umbrella structure unit trust.

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 has 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"). 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 31 December 2016, the Class I U.S. Dollar, the Class I GBP and the Class I Euro shares of the Global Fund, the Class I U.S. Dollar shares of the U.S. Fund and the Class I U.S. Dollar shares 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 paper 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 Shares	US$1,000,000	US$100,000
Class I Euro Shares	EUR equivalent of US$1,000,000	EUR equivalent of US$100,000
Class I GBP Shares	GBP equivalent of US$1,000,000	GBP equivalent of US$100,000
Class A U.S. Dollar Shares	US$500,000	US$100,000
Class A Euro Shares	EUR equivalent of US$500,000	EUR equivalent of US$100,000
Class A Swiss Franc Share	CHF equivalent of US$500,000	CHF equivalent of US$100,000

Longleaf Partners Unit Trust

U.S. Fund
The U.S. 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 primarily in the United States 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 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 Shares	US$1,000,000	US$100,000
Class I Euro Shares	EUR equivalent of US$1,000,000	EUR equivalent of US$100,000
Class I GBP Shares	GBP equivalent of US$1,000,000	GBP equivalent of US$100,000
Class A U.S. Dollar Shares	US$500,000	US$100,000
Class A Euro Shares	EUR equivalent of US$500,000	EUR equivalent of US$100,000
Class A Swiss Franc Shares	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 Shares	US$1,000,000	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.

Longleaf Partners Unit Trust

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.

Longleaf Partners Unit Trust

Directory

Manager
Longleaf Management Company (Ireland) Limited
Third Floor
3 George's Dock
IFSC
Dublin D01X5X0
Ireland

Directors of the Manager
Eimear Cowhey (Irish)*†
Michael Kirby (Irish)*
Steve McBride (American)*
Gwin Myerberg (American)*

Investment Manager
Southeastern Asset Management, Inc.
6410 Poplar Avenue
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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

Independent Auditors
PricewaterhouseCoopers
Chartered accountants and registered auditors
One Spencer Dock
North Wall Quay
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Legal Advisers as to Irish law
Dechert
3 George's Dock
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Company Secretary
Dechert Secretarial Limited
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Swiss Representative and Distributor
ACOLIN Fund Services AG
Affolternstrasse 56
8050 Zurich
Switzerland

Swiss Paying Agent
NPB Neue Private Bank AG
Limmatquai 1
8022 Zurich
Switzerland

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

Longleaf Partners Unit Trust

Information for Investors in Switzerland (unaudited)

1. **Representative in Switzerland**
   ACOLIN Fund Services AG., Affolternstrasse 56, 8050 Zurich, is the representative in Switzerland for the Units distributed in Switzerland.

2. **Paying Agent in Switzerland**
   NPB Neue Private Bank AG., Limmatquai 1, 8022 Zurich, is the paying agent in Switzerland for the Units distributed in Switzerland.

3. **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.

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

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

6. **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 Funds during the year ended 31 December 2016 expressed as an annualised percentage of the average net asset value (NAV) of that Fund.

	Global Fund	U.S. Fund	Asia Pacific Fund
Total Expense Ratio			
Class I U.S. Dollar Shares	1.19%	1.60%	1.66%
Class I Euro Shares	1.19%	n/a	n/a
Class I GBP Shares	1.19%	n/a	n/a

Longleaf Partners Unit Trust

Appendix 1 - Remuneration Disclosure (unaudited)

The Management Company (the "Company") complies with Directive 2014/91/EU (UCITS V) remuneration principles in a way and to the extent that is appropriate to its size, its internal organisation and the nature, scope and complexity of its activities. The UCITS V provisions, which became effective on 18 March 2016, require management companies, such as the Company, to establish and apply remuneration policies and practices that promote sound and effective risk management, and do not encourage risk taking which is inconsistent with the risk profile of the UCITS. The Company's remuneration policy, which complies with these requirements, is available at ucits.longleafpartners.com and is reviewed at least annually. There were no material changes to the remuneration policy of the Company during the period.

The Company's Remuneration Policy applies to those categories of staff, including senior management, controlled functions (as defined by the Central Bank) and any employee receiving total remuneration who fall within the remuneration bracket of senior management in addition to any persons who are considered risk takers whose professional activities have a material impact on the risk profile of the Company ("Identified Staff"). The Company does not offer performance-related remuneration to its Identified Staff. Some categories of Identified Staff are paid directly by separate entities and do not receive a fee directly from the Company; however, the entities themselves are paid fixed fees and/or are paid on a time-spend basis by the Company for such services. The Company pays the independent directors a fixed fee per annum. This fee is not related to the performance of the Company. No pension payments are made. A number of factors are included in determining the fee paid including the size and risk profile of the funds under management and the current market rate for directorships of this nature.

As this report is made before the completion of the first full calendar year after the UCITS V requirements became effective, the Company does not consider that the quantitative remuneration data available to it is sufficiently relevant or that it provides a proper basis for comparison and it has therefore elected not to make any quantitative disclosures in accordance with UCITS V.

Longleaf Partners Unit Trust

Appendix 2 - Securities Financing Transactions Regulation (unaudited)

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 published after 13 January 2017, on the use made of SFTs. The SFT's held by the Funds at 31 December 2016 consisted of repurchase agreements as detailed hereunder:

Longleaf Partners Global UCITS Fund

Market value	US$32,234,000
% of Net Assets	20.81%
Counterparty Name	State Street Bank
Counterparty Country of Establishment	U.S.A
Maturity Date	03/01/2017
Settlement	Bilateral
Collateral Description	Collateral: U.S. Treasury Note 1.750% due 30/09/2019. Total collateral value is US$ 32,882,893.

Longleaf Partners U.S. UCITS Fund

Market value	US$1,379,000
% of Net Assets	14.08%
Counterparty Name	State Street Bank
Counterparty Country of Establishment	U.S.A
Maturity Date	03/01/2017
Settlement	Bilateral
Collateral Description	Collateral: U.S. Treasury Note 3.375% due 15/11/2019. Total collateral value is US$1,407,437.

Longleaf Partners Asia Pacific UCITS Fund

Market value	US$1,583,000
% of Net Assets	5.73%
Counterparty Name	State Street Bank
Counterparty Country of Establishment	U.S.A
Maturity Date	03/01/2017
Settlement	Bilateral
Collateral Description	Collateral: U.S. Treasury Note 1.750% due 30/09/2019. Total collateral value is US$1,616,472.

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 year ended 31 December 2016 is US$2,199 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.