Annual Report & Audited Financial Statements

For the year ended
31 December 2019

Longleaf Partners
Unit Trust

Longleaf Partners Funds

Contents

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") as adopted by the European Union. The Directors of the Manager are required to prepare financial statements which give a true and fair view.

In preparing these financial statements, the Directors of the Manager are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards and identify the standards in question, subject to any material departures from those standards being disclosed and explained in the notes to the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in business.

The Directors of the Manager are responsible for keeping adequate accounting records that are sufficient to:

- correctly record and explain the transactions of the Trust;
- enable, at any time, the assets, liabilities, financial position and profit or loss of the Trust to be determined with reasonable accuracy; and
- enable the Directors of the Manager to ensure that the financial statements comply with the Unit Trust Act, 1990 and enable those financial statements to be audited.

The Directors of 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 IFRS as adopted by the European Union 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 2019, as amended (collectively the "UCITS Regulations").

The financial statements are published on the Southeastern Asset Management website. The Directors of the Manager, together with the Investment Manager, are responsible for the maintenance and integrity of the financial information on this website.

The Directors of 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 keeping 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 Directors of 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.

Statement of Manager's Responsibilities

Dealings with Connected Parties

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

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

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Mike Kirby DocuSigned by: Mike Kirby 924E03A647A54F9...
22 April 2020

Depositary's Report

to the Unitholders of Longleaf Partners Unit Trust

We have enquired into the conduct of the Manager in respect of the Trust for the financial year ended 31 December 2019, 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 2019, as amended ('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
22 April 2020

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

Report on the audit of the financial statements

Opinion

In our opinion, Longleaf Partners Unit Trust's financial statements:

- give a true and fair view of the Funds' assets, liabilities and financial position as at 31 December 2019 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).

We have audited the financial statements, included within the Annual Report & Audited Financial Statements, which comprise:

- the Statements of Financial Position of each of the Funds as at 31 December 2019;
- the Statements of Comprehensive Income of each of the Funds for the year then ended;
- the Statements of Cash Flows of each of the Funds for the year then ended;
- the Statements of Changes in Net Assets Attributable to Holders of Redeemable Participating Units of each of the Funds for the year then ended;
- the Schedules of Investments for each of the Funds as at 31 December 2019; and
- the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)") and applicable law.

Our responsibilities under ISAs (Ireland) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, which includes IAASA's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where:

- the manager's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the manager has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Funds' ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Funds' ability to continue as going concerns.

Reporting on other information

The other information comprises all of the information in the Annual Report & Audited Financial Statements other than the financial statements and our auditors' report thereon. The manager is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Responsibilities for the financial statements and the audit

Responsibilities of the manager for the financial statements

As explained more fully in the Statement of Manager's Responsibilities set out on pages 1 and 2, the manager is responsible for the preparation of the financial statements in accordance with the applicable framework giving a true and fair view.

The manager is also responsible for such internal control as the manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the manager is responsible for assessing the Funds' ability to continue as going concerns, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the manager intends to cease operations, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA website at:

https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf.

This description forms part of our auditors' report.

Use of this report

This report, including the opinion, has been prepared for and only for the unitholders of each of the Funds as a body in accordance with the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended) 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.

PricewaterhouseCoopers

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Dublin
22 April 2020

Longleaf Partners Global UCITS Fund ended the year with a strong fourth quarter, returning 9.03%, beating the MSCI World Index's 8.56%. The Fund returned 17.54% for the year, ahead of our absolute return goal of inflation+10% but falling short of the Index's 27.67% return. US stocks soared to new heights, as we faced a continuation of the headwinds and in multiple other forums over the last decade: the continued dominance of Growth stocks over Value stocks (which eased somewhat in the last four months of the year), US markets outperforming Non-US markets, US dollar strength, concerns over US interest rates and broad geopolitical uncertainty, alongside temporary, unrelated stock-specific issues. 2019 was a strong year for equity market returns broadly across North America, South America and Europe. Asian equity markets were somewhat mixed, a US-China trade war and Hong Kong unrest drove volatility, but ultimately the region also ended the year in double-digit territory. Three primary factors, which have been a relative headwind over the last several years, accounted for approximately 80% of the relative shortfall in the period: no exposure to the Index's top-performing Information Technology sector, an average 14% exposure to Hong Kong-listed companies and an average 14% cash position. These three factors are interrelated and are a function of sticking to our value investment discipline, but in the face of the market headwinds described above, they have meaningfully dampened our relative results. Most companies in the portfolio were positive in the quarter and the year, with over half producing double-digit returns over the year. Two companies – CNX Resources (CNX) and CenturyLink – drove an additional -4% drag on relative returns for the year, more than accounting for the rest of the shortfall, but we believe these two businesses can be among the largest contributors on a prospective basis.

2019 saw a continuation of two key market trends, both of which are US-centric but have helped characterize global markets over the last decade. These trends have particularly played into the Fund's performance over the last six years. First is that the largest of the large capitalization companies in the US have been the top performers in the market. We noted the following in last quarter's letter:

At the last relative peak for value investing in May 2007, 16% of the S&P 500's market cap came from stocks with price-to-earnings (PE) ratios over 20x - the same level seen in mid to late 2014, when the Fund's performance began to meaningfully diverge from the Index. These were both evenly distributed valuation markets relative to history and other indexes. At the end of August 2019, the percentage of >20x PE stocks was all the way up to 49%. While that is not quite the once in a lifetime 69% level seen briefly in early March 2000, we are confident that the market is far more tilted than it has been in recent history to overvalued market favorites that have driven the last decade's returns.

Taking that analysis a step further, the current top 20 companies in the S&P 500 by market cap (excluding Amazon's high PE both then and now) have a weighted average next twelve months (NTM) PE of just over 26x vs. just over 16x at the start of 2014 and just under 17x in May 2007 (there were some seriously overestimated earnings per share (EPS) numbers for big banks and big oil at that point in 2007). Today's multiples are on after-tax margins that are near peak levels. Two-thirds of our portfolio today is comprised of single or low double-digit multiples on margins that can grow meaningfully, even without the benefit of a growing economy. The rest of the portfolio is in better-appreciated stocks trading at mid to high teens multiples on mid-cycle margins, which can lead to solid returns as the market leaders did in 2014. It is, however, much harder to compound over the long run when your starting point is a sub-4% cap rate on high margins at companies that have already grown to hundreds of billions in market cap. We were too early in our belief that the market was overvalued and missed the huge move by many companies over the last five to ten years. Bigger has been better, and our relative results have suffered, particularly in 2019, as we had no exposure to Information Technology or big banks, which drove the strong Financials sector performance.

On the other end of the spectrum, we have noticed an increasing amount of "rule-out" behavior by active managers. In a decade where US large cap has dominated everything, many investors choose to ignore great global values, particularly when they are domiciled in markets with greater macro uncertainty today, like Asia or Europe, so they choose instead to buy more familiar, US-based comparables at much higher multiples. Additionally, companies with an above market amount of trailing volatility or dividend uncertainty are ignored or actively bet against by the market. Many of our holdings don't pass some or all of these "tests", but that doesn't necessarily mean they are "low quality" or make them bad investments prospectively. We define a high-quality business as one with a long-term growth tailwind in its industry, pricing power or gross profit royalties, network effect benefits, a lack of technological and/or regulatory risks and an ability to grow FCF higher than revenue with a high incremental return on capital (ROC). High-quality partners are honorable people, think long term instead of quarter to quarter, are preferably large owners of their stock relative to their net worth and are incentivized on ROC, free cash flow (FCF) per share and/or total shareholder return (TSR). We find that the market tends to focus more on business rather than people quality, but our history has shown that good partners can achieve excess returns beyond what the business quality alone may suggest. This becomes even more evident in cases where we engage with management to bring our expertise and/or our network to bear to help drive superior outcomes. While a narrow band of traditional high-quality companies have ruled markets as of late, we have found compellingly discounted investment opportunities that have been temporarily passed over.

We go down the list of both what we own and what we don't own each day, keeping an open mind on how to build the best portfolio possible. When we rule things out, it is after careful analysis of Business, People and Price. We have learned not to focus too much on cheapness at the expense of quality. That said, we also do not believe that "quality at any price" is a strategy that works over the long run. We love owning reasonably priced companies in more defensive, understandable industries at this point in the market cycle. We have historically owned multiple companies in this "defensive" bucket over the last 10 years. With hindsight, our mistake in each case was selling them too early, but we are mildly comforted by the fact that after we sold, performance was driven by multiple expansion, not earnings growth. In a year when our portfolio returned greater than inflation+10% but still lagged the index, it has been difficult to find any new investment that qualifies on Business and People and is trading at a reasonable Price. If history is a guide, we will own global companies like these again, and we will look back and be amazed that the stocks we own today were ever available at the levels that we have paid for them.

Far more important to us than what we don't own, or what we may have missed out on, is how the companies we do own are performing. As we noted above, most companies were positive this year, but CNX and CenturyLink were notable underperformers in the year. CNX Resources faced strong headwinds in 2019, as the entire natural gas industry declined. Since we filed our 13D in 2015, CNX outperformed its Southwest Appalachian peers on average by over 50%, but the macro storm has overshadowed the strong progress made in improving its asset mix quality and leadership, including a new CEO, new Chairman and two additional board members that we recommended to the company. CNX has been a leader within the industry in capital allocation: spinning out its legacy coal business, selling non-core assets at great prices, cutting costs and buying back over 7% shares outstanding in the past year. CNX has $5-10+ per share of quality midstream assets, which includes high growth cash flows from their general partner interest, in addition to over $1 per share of FCF power from its E&P operations with strong reinvestment opportunities, all vs. its $8 per share stock price. The board and management team have been battle-tested and now stand in a position of relative strength in this industry's nadir. CenturyLink has been a global leader in consolidating the fragmented fiber and telecom industry through value-accretive acquisitions and mergers over time. CenturyLink is a prime example of a "rule-out" stock, as its price has been severely punished due to uncertainty over its dividend, which became a self-fulfilling prophecy, as management ultimately cut it earlier in 2019. We filed a 13D to discuss strategic options with the company, and we recently suggested a new board member, Hal Jones, who we believe brings unique industry insight and capital allocation discipline. Today, over 75% of CenturyLink's value is in fiber, which is a growing, high margin infrastructure asset with high barriers to entry. We expect to see management and the board explore ways to monetize this value in the near term.

We have been heartened to see the top detractor in 2018 - General Electric (GE) – begin to rebound in 2019, even after a rocky period earlier in the year. CEO Larry Culp is taking the right steps to increase value per share and to improve the overall quality of the business. GE returned over 20% in the quarter and over 50% for the year, but it is in the very early days of its transformation and trades well below our conservative appraisal still today. As GE continues to slim down and generate cash, it will be harder to ignore the power of the Aviation and Healthcare businesses or the prowess of Culp. The top four contributors in 2019 - GE, EXOR, LafargeHolcim and Melco - were all among the top detractors discussed in our 2018 year-end letter, highlighting how quickly the most hated companies can revert to drive strong future performance.

Contributors/Detractors

(2019 Investment return; 2019 Fund contribution; Q4 Investment return; Q4 Fund contribution)

General Electric (54%, 3.27%, 25%, 1.64%), the Aviation, Healthcare and Power business, was the top contributor in the fourth quarter and for the year, after having been the Fund's largest detractor in the third quarter and for the full year in 2018. Last quarter, the stock was overly punished after fraud investigator Harry Markopolos, working together with an undisclosed short seller, released a report alleging the company was concealing financial problems. GE management quickly dispelled the report as being flawed and outdated, and CEO Larry Culp and several other directors took advantage of the depressed share price to buy several million dollars' worth of shares personally. Once it became clear that the report was inaccurate and brought no new information to light, the share price rebounded to finally begin to reflect the strength of the business and the progress made over the course of the year. GE announced the sale of its biopharmaceuticals unit to Danaher for $21.4 billion. GE's remaining Healthcare businesses (primarily imaging and ultrasound equipment and services) have increased revenues moderately and margins significantly this year. Aviation grew a strong 8% in the third quarter due to solid demand for its leading-edge aviation propulsion (LEAP) engines, though this rate will slow in the year ahead as a result of Boeing's 737

Max problems. After several years of challenged results under prior management, Larry Culp's turnaround of GE Power showed major signs of progress this year, as the unit approached breakeven profitability. The company also announced a $1 billion long-term care insurance reserve charge in early November, which was lower than feared and will not pose a threat to its ongoing deleveraging plan. The stock trades at a low multiple of the earnings achievable within the next several years. We believe the world class Aviation and Healthcare businesses alone are conservatively worth over $15 per share, and the rest of the businesses have a meaningfully positive net value and are getting stronger under Culp's leadership.

EXOR (45%, 3.19%, 16%, 1.29%), the European holding company of the Agnelli family, was a top contributor for the year and among the top two in the fourth quarter. Chairman and CEO John Elkann continues to apply an admirable approach to capital allocation and portfolio management with a proven willingness to realize value through M&A, asset sales and spin-offs. In the fourth quarter, Exor announced an agreement with Groupe PSA to pursue a merger of EXOR's underlying holding Fiat Chrysler (FCA) and PSA's Peugeot. The merger will create the world's fourth-largest carmaker and reshape the automotive sector. Annual run-rate synergies are forecast at ~€3.7 billion derived principally from a more efficient allocation of resources for large-scale investments in vehicle platforms, powertrain and technology and from the enhanced purchasing capability inherent in the combined group's new scale. FCA will pay a special dividend prior to the merger, and EXOR will receive ~€1.5 billion, which we expect management to intelligently allocate at the holding company level. Earlier in the year, the company also announced its plan to split its underlying holding CNH Industrial by spinning out the non-core commercial vehicle business, IVECO, from the core agriculture equipment business, Case New Holland. This move should allow the market to more accurately value both businesses going forward. EXOR management has multiple levers to pull to continually grow and recognize value, and the company remains attractively discounted with significant upside today.

LafargeHolcim (42%, 1.72%, 12%, 0.53%), the world's largest cement producer, added to the Fund's strong returns for the quarter and the year. Lafarge benefitted as North American cement pricing grew modestly, while volumes surged 11% in the last quarter. Lafarge's European and Latin American operations also delivered excellent results. 2019 was also a good year for accretive asset sales, and as the year progressed, the market became more comfortable with the prospect of additional sales. Since assuming control two years ago, CEO Jan Jenisch has improved the company's operational and capital allocation discipline. He still has more levers to pull that are not dependent on global macro conditions. Our appraisal of Lafarge's value increased alongside the stock price throughout the year, and we trimmed our position as price appreciated in the first quarter and second half of the year.

Melco International (39%, 1.69%, 19%, 0.86%), the Asian casino and resort holding company, was another top contributor for the year and in the fourth quarter. Melco was the top performer within the Macau gaming sector. Its flagship property, City of Dreams, has been gaining market share in both mass and VIP segments thanks to Morpheus's ramp-up. Melco opened a new premium mass gaming area in October and is in the process of adding more villas, which should further drive mass growth at City of Dreams. We believe Melco will continue to be a beneficiary of the mass gaming growth, driven by growing disposable income per capita in China and the ongoing consumption upgrade that is bringing more overseas travel and infrastructure development. The recent Hong Kong turmoil has not had a significant impact on Macau visitation numbers. Melco has a strong balance sheet and is led by Chairman and CEO, Lawrence Ho, an owner-operator and adept capital allocator focused on building value per share. In the last 18 months, he has used the group's financial strength to repurchase close to 10% of Melco Resort's free float, privatize its Philippine subsidiary at cheap multiples and purchase 20% of Crown Resorts from former partner James Packer. Melco International also sold its Cyprus project stake to subsidiary Melco Resorts for $375 million, significantly reducing Melco International capex and enabling the company to focus aggressively on increasing shareholder returns. We would encourage you to listen to our podcast interview of Lawrence Ho to learn more about the history of Melco and his outlook for the business and the broader Macau gaming industry at https://southeasternasset.com/podcasts/melco-lawrence-ho-on-geopolitics-volatility-and-opportunity-in-asia/.

MinebeaMitsumi (47%, 1.31%, 33%, 1.07%), the Japanese manufacturer of high-precision equipment and components, was among the top contributors for the fourth quarter and the year. The stock declined in the first half due to market concerns over US-China trade friction, a slowdown in the data center industry that negatively impacted its dominant ball bearings business and a decreased earnings forecast in the first half. However, its automotive applications business is benefitting from a structural move into electrification, and monthly ball bearing shipments are back on track since the third quarter. In December, MinebeaMitsumi announced plans to acquire semiconductor business ABLIC at approximately7x EBITDA pre-synergies. We visited MinebeaMitsumi's factories in Cambodia and Thailand in December and had good discussions with CEO Yoshihisa Kainuma on shareholder return and capital allocation. We are confident that Mr. Kainuma will continue to create value for all shareholders, as he has done over the past decade for the company.

CNX Resources (-23%, -0.97%, 22%, 0.83%), the Appalachian natural gas E&P and midstream company, was a strong contributor in the fourth quarter but was the largest detractor from the Fund's annual performance. With gas prices declining over 25% and the industry's capital market access disappearing, 2019 was one of the worst relative and absolute years in the history of the US natural gas industry. Despite the painful losses this year, CNX has outperformed its peers since separating from its coal business two years ago. More importantly, CNX has a manageable balance sheet at a time when numerous gas competitors are struggling with larger on- and off-balance sheet liabilities. CNX's growing FCF coupon will allow the company to retire a majority of its debt in 2022 if necessary, and the company's borrowing base increased this quarter. CNX's 2020 production is over 80% hedged at prices above the current futures strip, which should help the company weather any additional market challenges in the near term. Management remains focused on operational improvements, and CNX recently announced a reduction in next year's capital expenditures and operating expenses to increase cash-flow projections. The company has retired over 7% of shares outstanding this year, a level that is unmatched by its natural gas peers. We believe we have some of the best partners in the industry with CEO Nick Deluliis and Chairman Will Thorndike.

Portfolio Activity

We initiated two new, undisclosed holdings in the fourth quarter. We have followed one of them for over 10 years, as it has undergone a transformation that has both grown its value per share and improved its quality. Currently though, it is in the "rule-out" box discussed above, even though it has best-in-class assets and management. The company is also far more defensive than it is perceived. The other is a company that we already owned in our Non-US strategy, but we were not able to buy as much of as we would have liked so far. Over the course of the year, we trimmed several stronger performers and fully exited Vestas, the global leader in wind turbine installation and servicing, in the fourth quarter after a 28% return in just under two years.

Outlook

The portfolio ended the quarter with a discounted price-to-value ratio (P/V) in the mid-60s% and 10% cash. We were able to purchase two new companies in the fourth quarter, and our on-deck list is longer today than we might have anticipated after the strong global market returns in the year. We began this commentary citing many of the same headwinds you have read from us for a while. The continuation of these headwinds does not mean that these trends will go on forever. Actually, it means that the opposite is more likely; and, we believe that when Mr. Market begins to “weigh” our values more efficiently, our stocks’ appreciation will be dramatic. We saw signs beginning in September that things could be starting to come our way. It’s hard to call a relative bottom, and it’s understandably harder to remain patient after an extended period of relative underperformance. We continue to work to get better each day, while sticking to our core discipline at a time of elevated markets. We were heartened by the strong absolute returns in the fourth quarter and the solid relative results, given our cash holdings and lack of exposure to the largest market favorites. We thank you for your long-term support and patience, which we believe will soon be rewarded.

The Investment Managers Report was prepared and dated prior to the escalation and economic impact of COVID-19. Please see Note 14 Subsequent Events in the Notes to the Financial Statements for additional information.

Southeastern Asset Management, Inc.
February 2020

Security (Domicile)	Nominal Holdings	Fair Value US$	% of Net Assets
Transferable Securities (December 2018: 90.18%)			
Common Stock (December 2018: 90.18%)			
Air Freight & Logistics (December 2018: 4.70%)			
FedEx Corporation (United States)	67,319	10,179,306	5.99
Chemicals (December 2018: 3.29%)			
OCI N.V. (Netherlands)	293,677	6,176,578	3.64
Construction Materials (December 2018: 4.66%)			
LafargeHolcim Limited (France listed) (Switzerland)	36,455	2,001,642	1.18
LafargeHolcim Limited (Switzerland listed) (Switzerland)	109,273	6,063,195	3.57
		8,064,837	4.75
Diversified Financial Services (December 2018: 12.07%)			
CK Hutchison Holdings Limited (Hong Kong)	1,095,691	10,447,473	6.15
EXOR N.V. (Netherlands)	192,659	14,928,574	8.79
		25,376,047	14.94
Diversified Telecommunication Services (December 2018: 7.55%)			
CenturyLink Inc. (United States)	1,066,855	14,093,154	8.30
Millicom International Cellular S.A. (Luxembourg)	5,000	239,474	0.14
		14,332,628	8.44
Energy - Alternate Sources (December 2018: 4.61%)			
Hotels, Restaurants & Leisure (December 2018: 10.39%)			
Melco International Development Limited (Hong Kong)	3,013,589	8,469,592	4.99
Industrial Conglomerates (December 2018: 10.20%)			
General Electric Company (United States)	1,117,563	12,472,003	7.34
United Technologies Corporation (United States)	49,138	7,358,907	4.33
		19,830,910	11.67
Insurance (December 2018: 4.55%)			
Fairfax Financial Holdings Limited (Canada)	17,639	8,274,631	4.87
Internet Software & Services (December 2018: 4.68%)			
Alphabet Inc. (United States)	5,212	6,968,548	4.10
Machinery (December 2018: 6.59%)			
CNH Industrial N.V. (Netherlands)	713,585	7,836,193	4.61
MinebeaMitsumi Inc. (Japan)	339,800	7,120,930	4.19
		14,957,123	8.80
Media (December 2018: 3.57%)			
Comcast Corporation (United States)	176,431	7,934,102	4.67

Security (Domicile)	Nominal Holdings	Fair Value US$	% of Net Assets
Oil, Gas & Consumable Fuels (December 2018: 5.05%)			
CNX Resources Corporation (United States)	937,029	8,292,707	4.88
Williams Companies Inc. (United States)	257,511	6,108,161	3.60
		14,400,868	8.48
Pharmaceuticals & Biotechnology (December 2018: 3.99%)			
Real Estate Management & Development (December 2018: 4.28%)			
CK Asset Holdings Limited (Hong Kong)	1,057,459	7,633,442	4.49
Total Common Stock		**152,598,612**	**89.83**
Total Transferable Securities (Cost $147,114,674)		**152,598,612**	**89.83**
Short Term Obligations (December 2018: 8.79%)			
State Street Repurchase Agreement State Street Bank 0.55% due 02/01/2020 (Collateral: US$17,914,975 U.S. Treasury Note 1.750% due 31/12/2026) (United States)	17,559,000	17,559,000	10.33
Total Short Term Obligations		**17,559,000**	**10.33**
Portfolio Of Investments (December 2018: 98.97%)		**170,157,612**	**100.16**
Bank Overdraft (December 2018: 0.00%)		(143,292)	(0.08)
Other Creditors (December 2018: 1.03%)		(134,414)	(0.08)
Net Asset Value		**169,879,906**	**100.00**

Analysis of total assets (unaudited)	**% of Total Current Assets**
Transferable securities admitted to an official stock exchange listing or traded on a regular market	89.60
Short term obligations	10.31
Other current assets	0.09
Total Assets	**100.00**

Statement of Changes in Composition of Portfolio (Unaudited)

Global Fund

	Acquisition Cost* US$
CenturyLink Inc.	5,815,445
Williams Companies Inc.	5,735,646
FedEx Corporation	3,965,836
CK Hutchison Holdings Limited	3,784,657
CNX Resources Corporation	2,465,555
CK Asset Holdings Limited	1,342,676
OCI N.V.	1,233,353
MinebeaMitsumi Inc.	1,110,158
Melco International Development Limited	962,602
CNH Industrial N.V.	961,686
Fairfax Financial Holdings Limited	886,875
Allergan Plc	871,287
Alphabet Inc.	749,637
United Technologies Corporation	720,912
Vestas Wind Systems A/S	711,987
Comcast Corporation	648,612
Yum China Holdings Inc.	549,237
LafargeHolcim Limited	480,911
Millicom International Cellular S.A.	217,912

	Disposal Proceeds* US$
Yum China Holdings Inc.	11,560,583
Vestas Wind Systems A/S	8,910,916
Allergan Plc	8,392,115
CenturyLink Inc.	3,101,351
Alphabet Inc.	2,860,486
General Electric Company	2,426,622
Melco International Development Limited	2,396,718
LafargeHolcim Limited	1,843,017
EXOR N.V.	1,505,846
United Technologies Corporation	1,088,055
CNH Industrial N.V.	792,008
Wabtec Corporation	529,568

*There were no other purchases or sales during the year ended 31 December 2019.

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 2019 can be obtained free of charge from the Swiss Representative. The Swiss Representative is listed in the Directory.

Statement of Comprehensive Income
Global Fund

		For the year ended 31 December	
		2019	2018
	Notes	US$	US$
Income			
Dividend income	1(j)	3,472,978	4,292,938
Net gain/(loss) on investments at fair value through profit or loss	2	27,362,340	(29,427,749)
Net foreign exchange (loss)	2	(4,990)	(31,586)
Other income		16,703	-
Total net income/(loss)		30,847,031	(25,166,397)
Expenses			
Management fees	5	(1,770,304)	(1,851,452)
Administration fees	5	(106,211)	(110,788)
Depositary fees	5	(85,719)	(103,202)
Audit fees		(24,611)	(21,385)
Other operating expenses		(182,351)	(154,319)
Total operating expenses		(2,169,196)	(2,241,146)
Operating income/(loss)		28,677,835	(27,407,543)
Finance costs (excluding increase in net assets attributable to holders of redeemable participating units)			
Interest expense		(684)	(74)
Taxation			
Withholding tax	4	(753,685)	(853,175)
Income/(Loss) for the financial year after interest and taxation		27,923,466	(28,260,792)
Increase/(Decrease) in net assets attributable to holders of redeemable participating units resulting from operations		27,923,466	(28,260,792)

Gains and losses arose solely from continuing operations.
There were no gains or losses other than those dealt with in the Statement of Comprehensive Income.
The notes to the financial statements form an integral part of these financial statements.

Statement of Financial Position

Global Fund

	Notes	31 December 2019 US$	31 December 2018 US$
Current Assets			
Cash and Cash Equivalents	1(h)	-	286
Dividends receivable		138,978	224,527
Receivable for investments sold		-	1,728,856
Receivable for fund units sold		-	1,413
Financial assets at fair value through profit or loss	1(f)	170,157,612	151,041,213
Interest receivable		268	186
Other receivables		5,868	5,378
Total Current Assets		170,302,726	153,001,859
Liabilities			
Current Liabilities			
Bank overdraft	1(h)	(143,292)	-
Management fees payable	5	(147,063)	(276,736)
Administration fees payable	5	(26,839)	(26,008)
Depositary fees payable	5	(28,265)	(32,776)
Audit fees payable		(20,952)	(16,470)
Other liabilities		(28,719)	(19,734)
Payable for fund units redeemed		(27,690)	(23,406)
Total Liabilities (excluding net assets attributable to redeemable participating unitholders)		(422,820)	(395,130)
Net assets attributable to holders of redeemable participating units	1(l)	169,879,906	152,606,729

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

DocuSigned by:
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Lisa Martensson

DocuSigned by:
Mike Kirby
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Mike Kirby

22 April 2020

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

Global Fund

		For the year ended 31 December	
		2019	2018
	Notes	US$	US$
Net assets attributable to holders of redeemable participating units at beginning of the year		152,606,729	192,902,367
Proceeds from the issuance of redeemable participating units	3	31,239,114	18,109,655
Payments on redemptions of redeemable participating units	3	(41,889,403)	(30,144,501)
Net decrease from unit transactions		(10,650,289)	(12,034,846)
Increase/(decrease) in net assets attributable to holders of redeemable participating units resulting from operations		27,923,466	(28,260,792)
Net assets attributable to holders of redeemable participating units at end of the year	1(l)	169,879,906	152,606,729

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

Statement of Cash Flows
Global Fund

	For the year ended 31 December	
	2019	2018
	US$	US$
Cash flows from operating activities		
Income/(loss) for the financial year after taxation	27,923,466	(28,260,792)
Adjustments to reconcile net increase/(decrease) in net assets resulting from operations to net cash provided by/(used in) operating activities:		
Net (gain)/loss on investments at fair value through profit or loss	(27,256,098)	29,474,848
Cash inflow due to purchases and sales of investments during the year	9,868,555	10,629,564
Decrease/(increase) in debtors	84,977	(46,333)
(Decrease)/increase in creditors	(119,886)	80,342
Net cash provided by/(used in) operating activities	10,501,014	11,877,629
Cash flows from financing activities		
Proceeds from the issuance of redeemable participating units	31,240,527	18,259,052
Payments on redemptions of redeemable participating units	(41,885,119)	(30,146,543)
Net cash (used in) financing activities	(10,644,592)	(11,887,491)
(Decrease) in cash and cash equivalents	(143,578)	(9,862)
Cash and cash equivalents at beginning of year	286	10,148
(Bank overdraft)/Cash and cash equivalents at end of year	(143,292)	286

Interest paid	(684)	(29)
Dividends received	3,558,527	4,251,938
Interest received	106,160	47,078

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

Investment Manager's Report (Unaudited)

Asia Pacific Fund

Longleaf Asia Pacific UCITS Fund ended the year with a strong fourth quarter, returning 10.45% and outpacing the MSCI AC Asia Pacific Index's 9.46% in the period. The Fund ended the year up 18.58%, narrowly trailing the Index.

Portfolio Returns at 31/12/19 – Net of Fees

	4Q19	1 Year	3 Year	5 Year	Since Inception 2/12/2014
Asia UCITS (Class I USD)	10.45%	18.58%	8.71%	7.01%	6.62%
MSCI AC Asia Pacific Index	9.46%	19.36%	10.77%	6.93%	6.52%
Relative Returns	+0.99%	-0.78%	-2.06%	+0.08%	+0.10%

Selected Indices	4Q19	1 Year	3 Year	5 Year
Hang Seng Index*	8.35%	12.87%	12.45%	7.27%
TOPIX Index (JPY)*	8.57%	18.11%	6.65%	6.40%
TOPIX Index (USD)*	7.84%	19.76%	9.12%	8.39%
MSCI Emerging Markets*	11.84%	18.42%	11.58%	5.61%

*Source: Bloomberg; Periods longer than 1 year have been annualized

Market Commentary

2019 was an extraordinarily good year for equity market returns broadly, and US stocks soared to new heights. The broad trends that have defined the past decade continued: Growth stocks over Value stocks, US markets outperforming Non-US markets (including Asia), US dollar strength, continued strength in fixed income, and further rate cuts by central banks globally.

Asian equity markets were somewhat mixed, as ongoing fears of a trade war and unrest in Hong Kong (HK) drove volatility, but ultimately also ended the year strongly, with the MSCI AC Asia Pacific index gaining over 19%, recovering from its 13% loss in 2018. Laggards in 2018, were the leaders in 2019. Nevertheless, this year has been tough for Asia, with significant inter and intra-quarter volatility. The slowdown arrived early in Asia for semiconductors, autos, and gambling. Asian markets suffered from the China-US trade war, disputes between Japan and Korea, mass protests in HK, a sharp decline in auto sales, a strong dollar, a weak renminbi, falling commodity prices, and Brexit fears. The year finished with a strong fourth quarter, aided by quantitative easing, rate cuts, a phase one trade deal between China and the US, and lower prospects of direct Chinese intervention to quell mass protests in HK.

Contrary to expectations, our significant exposure to HK (35% overweight vs. the index) and our significant underweight to Japan (12% underweight) did not hurt our relative performance in 2019. Our HK investments contributed the largest returns for the year, and our Japanese investments were the largest contributor to returns in the fourth quarter as a result of strong stock-specific performance. Most companies in the portfolio were positive in the quarter and the year, with over sixty percent of the investments producing positive double-digit returns over the year. Speedcast International, the Australian listed communications service provider, was a 3.4% drag on returns for the year, we exited the position in the quarter.

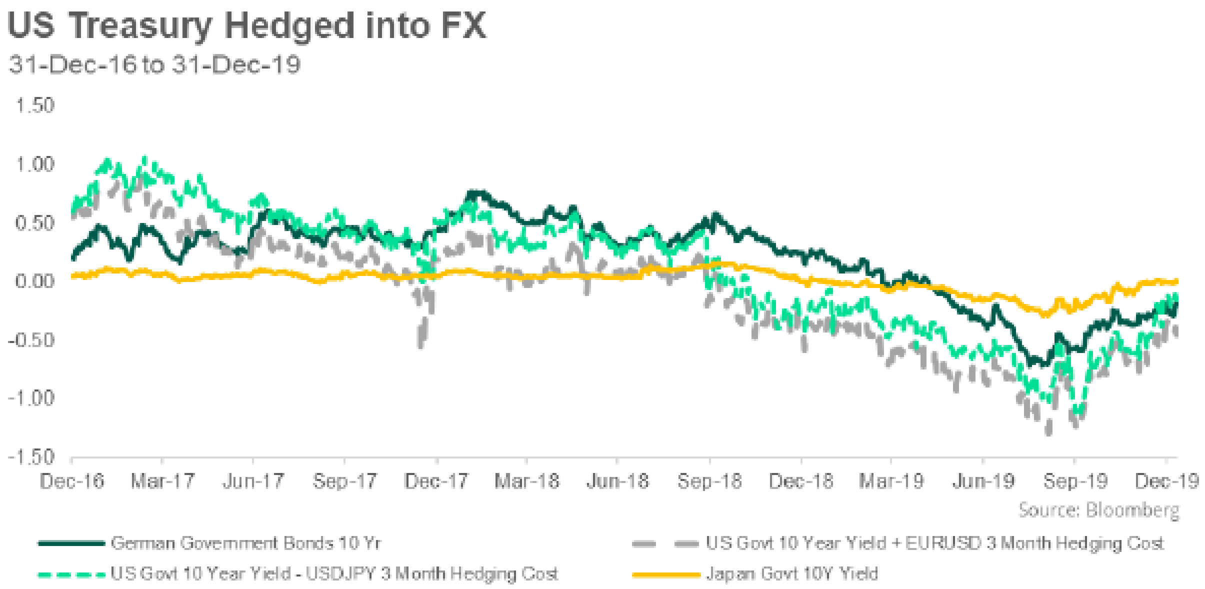
While currency was a moderate headwind for the first 9 months of 2019, currency was a positive contributor for both the Fund and the index in the fourth quarter and the full year, as the US dollar pulled back from its multi-year high seen earlier in the year. In the fourth quarter, strong stock-specific performance across multiple sectors in Japan and HK drove our relative outperformance.

Growth has continued to outperform Value globally and in Asia, and large-cap companies outperformed small-cap this year. This trend accelerated in the last quarter, where the top four MSCI AC Asia Pacific Index constituents that account for 10% of the index – tech giants Alibaba, Tencent, TSMC, and Samsung Electronics – contributed 23% of index returns. Except for Samsung Electronics, they all trade above 25x earnings.

Almost every asset class did well last year, from "low volatility" long-dated US government bonds and fixed income credit to equities and commodities. In particular, US markets continued to strengthen, further increasing the valuation disparity between the US and Asian capital markets, not just in equities, but in fixed income and currencies.

For the past decade, it has paid to be overweight US equities, the US dollar, and fixed income, as the cost of capital decreased with dramatically lower interest rates, tighter credit spreads, a large reduction in corporate tax rates, and unprecedented amounts of quantitative easing. Long duration assets, whether long-dated bonds or fast compounding tech companies that typically have 100% of their value in the terminal value (free cash flow in the explicit forecast period is negative or negligible) — have been the biggest beneficiaries over the past decade. While a meaningful rise in yields may be unlikely, the very low absolute starting point of yields, combined with flat yield curves, means that the tail risk of large losses associated with a duration sell-off is elevated in long-duration assets.

The extraordinary 11-year bull market in US equities has now compounded to a 351% total return (with dividends reinvested into the S&P 500 Index), while the MSCI AC Asia Pacific Index has generated 150% over that same period. These backward-looking returns make it easy for investors to forget that the prior decade ending in 2008, which saw Asian markets handily outpace US markets by almost 50 percentage points. US dollar strength has negatively impacted the index's total performance over the last decade and our performance since inception. We are hard-pressed to recall a time when three such significant indicators: US vs. Asia, Value vs. Growth, and USD vs. Non-USD — have all had a over a decade-long run so lopsidedly in favor of US Growth. This bodes well for the next decade if we believe markets eventually revert from the short-term voting machine to Ben Graham's long-term weighing machine.



Our conviction on Asian currencies being attractive relative to the US dollar has increased in the past year, as US Treasury yields have continued to compress. The carry trade that created significant foreign demand for higher-yielding US bonds has stopped working. After hedging costs, European and Japanese investors no longer enjoy a better return on US Treasuries than investing in their local government bonds, decreasing foreign demand for US Treasuries and the US dollar.

At some point, the relative and absolute value of Asian equities will become undeniably attractive, not just from a relative return perspective, but also from a risk diversification perspective. When 10 trillion dollars of bonds are negative-yielding, and credit spreads are as tight as they've ever been, how much higher can things go? The current top 20 companies in the S&P 500 by market cap (excluding Amazon's high PE both then and now) have a weighted average next twelve months (NTM) PE of just over 26x vs. just over 16x at the start of 2014. Today's multiples are on after-tax margins that are near peak levels.

Regional Valuation Multiples

As of December 2019

Country	Price to Book	NTM Price to Earnings	LTM Price to Earnings	NTM Earnings Yield	Dividend Yield	Bond Yield	LTM EV to EBITDA	LTM Price to Sales
Hong Kong	1.50	11.65	14.17	8.59	2.10	1.70	11.32	1.62
South Korea	1.01	11.95	17.08	8.37	1.80	1.67	8.34	0.68
Singapore	1.15	13.37	15.86	7.48	3.53	1.74	16.10	1.43
Japan	1.32	15.01	15.74	6.66	2.21	-0.02	9.26	0.83
China	2.28	15.08	27.43	6.63	1.43	3.20	18.34	1.56
Australia	2.20	17.49	19.15	5.72	3.70	1.38	12.27	2.16
United States	3.27	18.87	23.75	5.30	1.74	1.92	14.37	2.05

Source: FactSet

Asian equities are one of the last bastions of liquid, "yieldy" assets available to investors today. Asian equities are not only trading at lower multiples/higher earnings yield, but we believe that earnings growth will be faster, and currency headwinds in the past decade will more likely be a tailwind. We have invested in companies we believe will grow earnings per share at double-digit growth rates, are financially sound, can grow through the cycle, and are held at single or low double-digit multiples on margins that can grow meaningfully, even without the benefit of a growing economy. It is much harder to compound over the long run when your starting point is a sub-4% cap rate on high margins at companies that have already grown to hundreds of billions of dollars in market capitalization. Bigger has been better, and our relative results faced a headwind, particularly in 2019, as we had limited exposure to Information Technology or Financials, which drove the strong index performance.

Portfolio Discussion

As we wrote last quarter, over 40% of the portfolio is in businesses listed in HK. However, the look-through economic exposure is far lower, in the mid-single digits. We have a long history of investing successfully in HK, and we remain convicted in the long-term value of our HK-listed investments. While it is a fluid situation that we are closely monitoring, we do not believe that the protests in HK have permanently impaired the long-term valuation for our businesses listed there. In the last quarter, we took advantage of events in HK to add two high-quality franchises to our portfolio. Our long-term investment focus in Asia centers around our network, providing insight into the quality of business and people, particularly when these critical variables are changing for the better. Many companies in the region possess extraordinarily under-realized potential. We believe our philosophy, experience, and network allow us to look past short-term price noise and provide a distinct advantage in understanding what qualitative improvements can mean for future value realization.

In Japan, we are seeing significant changes at the grassroots level after years of the Abe government's Three Arrows initiative. Companies are showing more focus on return on invested capital (ROIC) and profits, particularly when owner-operators are at the helm. We also see an increased willingness to appoint independent board members that bring oversight and capital allocation discipline. This is the case with Ebara and Hitachi. As a result, Japanese companies were the highest percentage of our overall research process and the largest incremental use of capital in 2019.

Performance Review

4Q19	Contribution to Portfolio Return (%)	Total Return (%)
Top Five		
MinebeaMitsumi	+2.33	+33
Melco International	+1.41	+19
Baidu	+1.26	+23
L'Occitane	+0.96	+21
Hitachi	+0.70	+15
Bottom Five		
Speedcast	-0.80	-35
Bharti Infratel	-0.40	-1
First Pacific	-0.36	-11
Vocus Group	-0.11	-13
Escorts Limited	+0.10	+8

2019	Contribution to Portfolio Return (%)	Total Return (%)
Top Five		
MinebeaMitsumi	+2.88	+47
Man Wah	+2.80	+83
Melco International	+2.65	+40
WH Group	+2.07	+41
Midea Group	+1.67	+59
Bottom Five		
Speedcast	-3.43	-74
Baidu	-1.20	-20
First Pacific	-0.09	-9
MGM China	+0.08	-1
Bharti Infratel	+0.12	+3

MinebeaMitsumi - the Japanese manufacturer of high precision equipment and components, was the top contributor for the fourth quarter and the full year, despite headwinds from uncertain global macroeconomic conditions and trade friction between the US and China. The company's most profitable business - miniature precision ball bearings – which MinebeaMitsumi dominates with over 60% global market share, suffered from weakness in demand. While demand from automotive applications remains healthy, supported by a structural move into electrification, ball-bearing demand for fan motors was weak in the first half due to a slow down in the data center industry. As a result, the company lowered its full-year earnings forecast. However, we saw clear signs of recovery in the business starting in the third quarter. In December, MinebeaMitsumi announced the acquisition of ABLIC for an attractive price of about 7x earnings before interest, tax, depreciation and amortization (EBITDA) pre-synergies. ABLIC specializes in ultra-low power analog semiconductors and is expected to deliver synergies in sales, production, and R&D. Last month, we visited MinebeaMitsumi's factories in Cambodia and Thailand and had a productive discussion with CEO Yoshihisa Kainuma on shareholder returns and capital allocation. We were happy to see the company resumed repurchasing shares in December after the ABLIC acquisition announcement. We are confident that Kainuma-san will continue to create value for shareholders, as he has done over the past decade.

Melco International - the Asian casino and resort holding company, was another top contributor in the year and the fourth quarter. Melco was the top performer within the Macau gaming sector after posting strong quarterly results. Its flagship property, City of Dreams, has been gaining market share in both mass and VIP segments thanks to the Morpheus hotel tower ramping up as expected. Melco opened a new premium mass gaming area in October and is in the process of adding more villas, which should drive further premium mass growth at City of Dreams. In 2019, overall industry revenue declined by around 5%, driven by a sharp contraction of around 20% YOY in VIP gaming revenue. However, the higher-margin mass business continued to grow at a double-digit growth rate. We expect structural growth in the mass-market to continue, driven by growing disposable income in China and the ongoing consumption upgrade that is driving more travel overseas. The turmoil in Hong Kong has not had a significant impact on Macau visitation numbers. Infrastructure improvements in and around Macau are also facilitating fast and affordable travel to Macau. We believe Melco, which derives over 90% of its Macau EBITDA from non-VIP business, will continue to be a beneficiary of mass gaming growth. Most importantly, Melco has a strong balance sheet and is led by Chairman and CEO Lawrence Ho, an owner-operator and adept capital allocator focused on building value per share. In the last 18 months, he has adeptly used the group's financial strength to repurchase close to 10% of Melco Resort's free float, privatize its Philippine subsidiary at attractive multiples and purchase up to 20% of Crown Resorts from former partner James Packer. Melco International also sold its Cyprus project stake to subsidiary Melco

Resorts for $375 million, significantly reducing Melco International's spending obligations and enabling the company to focus more aggressively on increasing shareholder returns. We would encourage you to listen to our podcast interview with Lawrence Ho to learn more about the history of Melco and his outlook for the business and the broader gaming industry at: https://southeasternasset.com/podcasts/melco-lawrence-ho-on-geopolitics-volatility-and-opportunity-in-asia/

Baidu - the dominant online search business in China, was a top contributor in the quarter, but a detractor for the year. Macro weakness and increased online advertising inventory impacted the entire industry in 2019. Baidu's migration of its medical ad landing pages from third party sites onto its own servers added increased control and compliance over this important industry segment, but it also temporarily decreased revenues, further compounding macro industry headwinds. Increased sponsorship expenses during Chinese New Year and promotional expenses for app installation put further pressure on profitability and free cash flow (FCF) in the first half of the year. Baidu management exerted stricter financial discipline and eliminated any spending that didn't meet ROI targets. In the third quarter, Baidu's Core operating margin delivered strong sequential improvements that were well above consensus estimates. While macro uncertainty remains, it is encouraging to see that user time spent in Baidu's ecosystem has grown faster than peers in September and October, and Baidu should enjoy faster growth in 2020 simply because of the low base effect in 2019. We support Baidu's decision to launch an additional US$1 billion share buyback program to take advantage of the mispricing of its shares. The company's recent move to sell some Trip.com shares and raise US$1 billion of offshore cash demonstrated its commitment to complete this value-accretive buyback program. While the share price has partly recovered from its lows, Baidu's core advertising business is still trading at a low-single-digit FCF multiple and remains substantially undervalued.

L'Occitane - the natural and organic-based cosmetics company, was a contributor in the quarter. During the half-year ending in September, its sales grew by 22.1% YOY, helped by all brands achieving respectable growth in the second quarter, which accelerated from the first quarter and included the consolidation of the newly-acquired Elemis brand. Same-store sales growth was 1.7% or 2.4% excluding Hong Kong during the period, which was in-line with our expectations. Although gross margins declined from 82.4% in 1H FY2019 to 81.2% in 1H FY2020, this was primarily due to a mix shift towards Elemis, which has lower gross margins, but higher operating margins. Operating margins, therefore, improved significantly from 1% in 1H FY2019 to 5.7% in 1H FY2020, driven by the consolidation of Elemis and L'Occitane's exerting more discipline on marketing expenses. The company reported another strong month following the half year-end in its key markets, and its November 11 (Singles' Day in China) sales were up over 80% YOY. While the share price has appreciated this year, we still see upside with margins on an uptrend for legacy brands, opportunities for Elemis to grow in Asia, and a turnaround at the Limelife brand.

Hitachi - the Japanese industrial conglomerate, was a contributor for the quarter and the year. Hitachi announced a series of value-unlocking corporate activities. In October, Hitachi merged its auto parts business with associates of Honda to create synergies and to achieve 10% operating profit margins by March 2022. In December, Hitachi sold its medical diagnostic imaging-related business to Fujifilm for over 18x EBITDA and announced the sale of subsidiary Hitachi Chemical to Showa Denko for about 12x EBITDA - almost double our appraisal for the business. We expect Hitachi to continue assessing opportunities to unlock value for its remaining listed subsidiaries. In addition, Hitachi successfully resolved a potential 700 billion yen claim by Mitsubishi Heavy Industries for a power plant liability in South Africa and will end up settling this liability for just 21bn yen in net cash payments. Hitachi management and board are driving initiatives focused on capital efficiency and shareholder return. This year, Hitachi introduced ROIC targets (>10%) and an Operating Income margin target of 10% by FY2021 as part of its Mid-term management plan. While Hitachi is selling its subsidiary for double-digit EBITDA multiples, the unlisted Hitachi stub, which excludes the value of its listed subsidiaries, is still trading at a low single-digit EBITDA multiple. We are confident that as Hitachi continues to review other opportunities to unlock value within the group, the re-rating of the business will continue towards levels closer to its global peers.

Speedcast International - the largest global satellite communications network service provider, was the largest detractor in the quarter and the year. We discussed Speedcast in detail in last quarter's letter. Given the significant price correction, we re-underwrote the investment case and concluded that merger integration would take longer than initially thought and can only be executed after addressing the immediate cash flow and balance sheet concerns. We believe organic growth will be difficult to achieve until the merger integration is complete. We decided to exit this investment and reallocate capital to more attractive opportunities.

Bharti Infratel - the dominant mobile tower operator in India, was also a detractor in the quarter. Our going-in investment case last year was that Infratel is a dominant franchise with long-term recurring revenues in a secular growth market, high free cash generation, a net cash balance sheet, discounted share price, and a pathway to independence from mobile operator ownership. The company has delivered better results than we expected and paid sizable dividends. Its valuation remains attractive, but we trimmed our position during the quarter primarily due to two key reasons, both beyond the company's control:

• Bharti Infratel's merger with Indus has been delayed multiple times as it awaits approval from India's Department of Telecommunications (DOT) ministry. We expect this merger to be value accretive, and the completion of the merger should enable a stake sale by mobile operators, thus making Infratel independent and drive a re-rating of Infratel.

• The surprise verdict by India's Supreme Court on a 15-year old lawsuit to impose huge penalties on the mobile incumbents has put the survivability of one of India's largest mobile operators, Vodafone-Idea (VI), into question. VI is Bharti Infratel's second-largest tenant and VI owes about $4 billion to the Government of India (GOI) due to be paid within three months. VI's balance sheet is already highly levered, and this Supreme Court order is a significant blow.

Bharti Infratel had relatively flat stock performance despite the turbulence that this sector underwent during this quarter. However, there was an almost 50% move between the intra-quarter low and high for the company. The GOI realizes that it will be the biggest loser if they push the second-largest mobile operator into bankruptcy, as the majority of VI's debt is owed to the GOI. The GOI has formed a special committee to provide relief to the sector. The sector is becoming more rational with an almost 40% increase in mobile data charges in the last few months, which bodes well for long-term network capex spending by the operators. As a result, the stock price has recovered from depressed levels in recent weeks.

First Pacific - the HK-listed investment holding company with its primary operations in the Philippines and Indonesia was a detractor in the quarter and year. In December, the stock price of Metro Pacific Investment Corporation (MPIC, a core asset of First Pacific and an infrastructure company with investments in energy, toll roads, water and hospitals in the Philippines) had a sharp correction. The Philippine water regulator revoked the resolution authorizing the 15-year extension of the concession agreement for MPIC's water concession in Metro Manila. The stock price of MPIC, which owns 51% of the Maynilad water concession, declined by 19%. Although MPIC successfully sold its hospital business at an attractive multiple, which was accretive to its net asset value, the overall sentiment in regulated sectors in the Philippines has turned negative due to increasing regulatory risk. Despite 2019 being a transformational year for First Pacific as it made many positive corporate governance actions that can lead to better capital allocation decisions, we reduced our investment due to its high exposure to Philippine regulatory risk and financial leverage. We are still keeping a close eye on capital allocation decisions made by the company and its debt reduction progress.

Vocus - the Australian telecommunications service provider, was a detractor during the quarter. There are concerns that NBN (National Broadband Network), a quasi-government monopoly that was established to bring high-speed internet access to Australians, is looking to enter the enterprise market. Such scope creep on the part of NBN might lead to over-building of corporate telco infrastructure and increase competition in enterprise space, which has so far been insulated from any NBN impact. Vocus is a challenger in the enterprise market and an NBN entry into this space would make it tougher for Vocus to gain share. We exited our small position in Vocus as the Price/Value ratio was over 90%, and we used the cash to fund other opportunities.

Chinese reclining sofa maker Man Wah and white goods maker Midea Group were both top five contributors for the year, as much of the macro and trade war fears – that severely affected their share prices last year – dissipated as both companies demonstrated their earnings resilience. Man Wah – up 83% in 2019 – was particularly undervalued, as its high exposure to the US market worried investors. Man Wah acquired a production plant in Vietnam – which enables tax-free exports to the US – ahead of the escalation in the trade war and ramped up production faster than expected. While around 40% of Midea's sales are overseas, only a mid-single-digit percentage of their exports are impacted by US tariffs, as Midea has 18 production facilities outside China, limiting the impact of any tariff increases on earnings.

Both Midea and Man Wah are beneficiaries of the powerful consumption upgrade trend driven by the rise in disposable income among Chinese consumers. This upgrade trend continued to drive demand for both Midea and Man Wah's products and allowed them to grow earnings in the past few quarters, despite a weak macro-economic environment. Both companies took advantage of the fear in the capital markets and repurchased shares at value-accretive prices this year. Midea also successfully privatized listed subsidiary Wuxi Little Swan at a highly attractive price. Cycles of greed and fear allow us to take advantage of market sentiment to acquire world-class companies run by competent managers at a significant discount to intrinsic value.

Portfolio Changes

This year, we meaningfully increased our Japan exposure by buying three new Japanese companies - Hitachi, Ebara, and Seria. During the fourth quarter, we took advantage of the volatility in HK and initiated an investment in two companies - Swiss luxury goods maker Richemont and Chinese online travel agency Trip.com Group (formerly known as Ctrip). Both companies' share prices suffered because of weakness in their HK business due to the political situation in HK. Richemont and Trip.com are cheap because of their sizable revenue exposure to mainland Chinese travelers, who have drastically reduced travel to HK in the past six months. In both cases, we believe the demand for their products and services are fungible, and whatever shrinkage in demand they see in HK will be made up by demand for their products and services elsewhere in time. We are confident that the near-term disruption in their HK businesses does not meaningfully change the long-term global demand for Richemont and Trip.com's offerings.

Trip.com is the largest online travel agency (OTA) in the world, in terms of gross market value, in the fourth quarter. Trip.com is the dominant OTA in China, with around 55% market share in hotel and transportation bookings. As discussed above, the share price of Trip.com was under pressure, mainly because of political problems in Hong Kong, a major travel destination for mainland Chinese. The demonstrations in Hong Kong discouraged Chinese tourist travel and negatively impacted both airline and hotel occupancy and prices. This dampened the company's near-term growth rate, but we are optimistic about the long-term outlook for Chinese tourism. With increasing disposable income per capita, Chinese consumers continue to upgrade their consumption patterns, and tourism (both domestic and international) is a key component of this consumption upgrade theme. Tourists who initially planned to travel to Hong Kong are starting to re-direct their travel plans to other regions. Outbound travel is a massive opportunity for Trip.com, as the number of passport-carrying Chinese citizens increase, visa restrictions decrease, and airfares decrease with the increasing penetration of budget airlines in Asia. Outbound is also the highest margin revenue stream for Trip.com because the average ticket price and take rates for international bookings are much higher than for domestic travel.

We know Trip.com well through our investment in Baidu, which owned 18% of Trip.com until recently. Baidu sold one-third of its stake in late September, adding a large supply of shares to an already volatile market and further depressing the share price. Through our interaction with Baidu management, we understand that Baidu sold Trip.com shares to raise dollars (outside of China) and we believe this would help to fund Baidu's ADR share buyback. Baidu continues to be the largest shareholder in Trip.com post the stake disposal and remains confident in Trip.com's business and prospects. We believe that the market underappreciates the operating leverage of this business. Trip.com generates close to 80% gross profit margins. Even when revenues decelerated due to regional headwinds in 2019, the company still delivered a sizable operating margin expansion. Unlike western OTAs who typically pay Google a significant amount of money for advertising, Trip.com doesn't have to pay as much of a "Google toll" because 80% of their traffic comes from their own mobile super app, thus disintermediating the need for search advertising. As a result, search advertising expense per unit of GMV is much lower for Trip.com vs. its western peers. The company also enjoys a strongly negative working capital cycle, as it takes payment from travelers in advance and pays service providers later. Thus, while on a price-earnings basis, the stock doesn't look that cheap, on an FCF basis, Trip.com is attractively priced. We paid low-double digits going in FCF multiple for this dominant OTA player with tremendous growth potential.

Richemont owns a portfolio of world-class jewelry, watch, and fashion brands. Included in their collection are Cartier, Van Cleef & Arpels, Buccellati, and specialist watch brands like A. Lange & Soehne, Baume & Mercier, IWC Schaffhausen, Jaeger-LeCoultre, Panerai, Piaget, and Vacheron Constantin. They also own online distributors Yoox Net-a-Porter (YNAP) and Watchfinder & Co, giving them a leadership position in the online luxury e-commerce space. Richemont is run by South African founder-owner Johann Rupert, who controls the company with a 10% stake and 51% of the voting rights, and whose philosophy of creating long-term value through building brand equity resonates with our own. We believe Asian customers account for over 60% of Richemont's global sales. Concerns of a slowdown in China, the uncertainties of a trade war, and a steep decline in mainland Chinese visitors to Hong Kong, previously a large and highly profitable market for Richemont, allowed us to buy this world-class portfolio of luxury brands at a discount to our appraisal. The value of luxury brands has recently been highlighted by LVMH's offer to acquire Tiffany & Co for 25x earnings and 14x EBITDA. In our view, Tiffany & Co is a lower quality brand than those in Richemont's portfolio, like Cartier and Van Cleef & Arpels. Richemont's brand portfolio currently trades at 17.5x FCF, excluding its investment portfolio and YNAP as non-earning assets. 85%+ of the watches Richemont sells retail at above $3,500, putting them firmly in the luxury/jewelry space rather than competing with lower-priced wearable tech.

In September, we also initiated a small position in Indian agricultural equipment manufacturer, Escorts, which is one of the top five farm equipment manufacturers in India with around 11.5% market share. India is in the early stages of agriculture mechanization. The tractor market is under-penetrated, offering a long runway for growth. Escorts aims to increase its market share to 15% in the next three years by filling gaps in its product portfolio and distribution footprint and by offering in-house financing and digital tractor solutions. Escorts is run by a second-generation, western-educated owner-manager, Nikhil Nanda, who is focused on compounding value per share. During his years at Escorts, the company has shrunk to grow by exiting unprofitable and unrelated non-core businesses, and focusing on three core engineering verticals: farm equipment, construction equipment, and railway equipment. The farm equipment business accounts for 85% of its NAV. The ongoing slowdown in India, combined with the non-banking financial crisis (which resulted in tighter credit availability) and delayed monsoons, led to a sharp decline in tractor sales in recent months. This drove a sharp decrease in Escort's share price, allowing us to buy this franchise at a high-single going-in FCF multiple. We believe the current issues are cyclical and the long-term growth prospects of India's farm equipment sector are attractive. Escorts is well placed to gain share in this growing industry and increase margins. We believe the market does not give credit to Escorts for the 27% of the company that it holds as treasury stock. This is a hugely valuable asset for the company that can be used as currency for potential M&A or canceled.

In the fourth quarter, we exited our small position in Vocus as price approached value. As discussed above, we sold Speedcast and reduced our weighting in Bharti Infratel and First Pacific.

In the first quarter, we exited Yum China at a 35% gain, as the price approached our value. This is our second time in three years that we bought and sold Yum China - volatility creates opportunities to buy world-class franchises at substantial discounts to intrinsic value. We also exited our investment in Chinese e-commerce operator, Vipshop, in the first quarter. In hindsight, we sold prematurely, given the rapid recovery of the stock price this year. We exited due to a lack of material improvement in incremental demand coming from the Tencent and JD.com alliance two years ago, slowing revenue growth with minimal operating leverage in the business, and increasing competition in the Chinese e-commerce space. We also disagreed with management's capital allocation approach, as Vipshop was committed to deploying more capital towards building up its logistics and distribution network. Recent moves by the company to explore selling its express delivery business and warehouse infrastructure to improve profitability and returns have been taken positively by the market, and Tencent increased its stake in December to almost 10%, up from the initial 7% stake purchase in December 2017.

Outlook

We expect to see continued market opportunities in 2020, as we face a presidential election in the US, Brexit continuing its slow progression, hopes for a resolution to the US-China trade war, HK unrest, and more geopolitical uncertainty. We expect volatility to continue, allowing us to opportunistically allocate capital to the most attractive investments from a risk-adjusted perspective. We believe this flexibility to choose investments across the region spanning market capitalization, coupled with our network and deep company specific fundamental analysis, gives us a distinct advantage versus those mandates that can only invest in one country or sub-region.

Our Price-to-Value ratio is in the high-60s%, having dipped below 60% during the quarter, and our cash level is low, while our on-deck list is attractive.

The Investment Managers Report was prepared and dated prior to the escalation and economic impact of COVID-19. Please see Note 14 Subsequent Events in the Notes to the Financial Statements for additional information.

Southeastern Asset Management, Inc.
February 2020

Schedule of Investments as at 31 December 2019
Asia Pacific Fund

Security (Domicile)	Nominal Holdings	Fair Value US$	% of Net Assets
Transferable Securities (December 2018: 94.47%)			
Common Stock (December 2018: 94.47%)			
Auto Components (December 2018: 4.28%)			
Hyundai Mobis Company Limited (South Korea)	21,856	4,838,200	4.48
Auto Manufacturers (December 2018: 4.70%)			
Toyota Motor Corporation (Japan)	67,700	4,806,385	4.45
Cosmetics & Personal Care (December 2018: 4.99%)			
L'Occitane International S.A. (Luxembourg)	2,200,25	5,212,404	4.83
Diversified Financial Services (December 2018: 4.47%)			
CK Hutchison Holdings Limited (Hong Kong)	477,500	4,552,988	4.21
Diversified Telecommunication Services (December 2018: 7.93%)			
Food Products (December 2018: 8.12%)			
First Pacific Company Limited (Hong Kong)	6,550,40	2,227,656	2.06
WH Group Limited (Hong Kong)	2,923,50	3,020,183	2.80
		5,247,839	4.86
Home Furnishings (December 2018: 2.92%)			
Midea Group Company Limited (China)	479,438	4,009,254	3.71
Hotels, Restaurants & Leisure (December 2018: 17.46%)			
Melco International Development Limited (Hong Kong)	3,115,000	8,754,604	8.11
MGM China Holdings Limited (China)	3,969,200	6,479,245	6.00
		15,233,849	14.11
Household Durables (December 2018: 3.80%)			
Man Wah Holdings Limited (Hong Kong)	6,125,200	4,362,622	4.04
Internet Software & Services (December 2018: 12.57%)			
Baidu Inc. ADR (China)	53,575	6,771,880	6.27
Trip.Com Group Limited ADR (China)	144,652	4,851,628	4.49
		11,623,508	10.76
Machinery (December 2018: 6.75%)			
Ebara Corporation (Japan)	160,400	4,908,472	4.54
Escorts Limited (India)	143,004	1,261,385	1.17
Hitachi Limited (Japan)	126,300	5,377,238	4.98
MinebeaMitsumi Inc. (Japan)	391,800	8,210,654	7.60
		19,757,749	18.29
Real Estate Management & Development (December 2018: 11.67%)			
CK Asset Holdings Limited (Hong Kong)	913,000	6,590,641	6.10
New World Development Company Limited (Hong Kong)	3,477,334	4,765,978	4.41
		11,356,619	10.51

Security (Domicile)	Nominal Holdings	Fair Value US$	% of Net Asset
Retail (December 2018: Nil)			
Cie Financiere Richemont S.A. (Switzerland)	42,235	3,319,275	3.07
Seria Company Limited (Japan)	149,600	4,089,200	3.79
		7,408,475	6.86
Telecommunication (December 2018: 4.81%)			
Bharti Infratel Limited (India)	723,560	2,559,591	2.37
Softbank Group Corporation (Japan)	111,400	4,876,153	4.51
		7,435,744	6.88
Total Common Stock		**105,845,636**	**97.99**
Total Transferable Securities (Cost $99,444,496)		**105,845,636**	**97.99**
Short Term Obligations (December 2018: 5.65%)			
State Street Repurchase Agreement State Street Bank, 0.55% due 02/01/2020 (Collateral US$2,368,100 U.S Treasury Note 1.750% due 31/12/2026) (United States)	2,321,000	2,321,000	2.15
Total Short Term Obligations		**2,321,000**	**2.15**
Portfolio Of Investments (December 2018: 100.12%)		108,166,636	100.14
Bank Overdraft (December 2018: 0.00%)		(97,688)	(0.09)
Other Creditors (December 2018: (0.12)%)		(49,134)	(0.05)
Net Asset Value		**108,019,814**	**100.00**

Analysis of total assets (unaudited)	**% of Total Current Assets**
Transferable securities admitted to an official stock exchange listing or traded on a regulated market	97.74
Short term obligations	2.14
Other current assets	0.12
Total Assets	**100.00**

Statement of Changes in Composition of Portfolio (Unaudited)

Asia Pacific Fund

	Acquisition Cost US$
Trip.Com Group Limited ADR	4,661,747
Ebara Corporation	4,401,011
Hitachi Limited	4,335,021
Seria Company Limited	3,431,036
Baidu Inc. ADR	2,975,801
Cie Financiere Richemont S.A.	2,937,076
First Pacific Company Limited	1,776,974
Bharti Infratel Limited	1,630,291
SpeedCast International Limited	1,594,167
Melco International Development Limited	1,486,660
CK Hutchison Holdings Limited	1,381,625
MGM China Holdings Limited	1,092,893
CK Asset Holdings Limited	1,089,113
Escorts Limited	1,010,889
WH Group Limited	920,656
L'Occitane International S.A.	848,121
Softbank Group Corporation	809,234
New World Development Company Limited	732,318
Hyundai Mobis Company Limited	461,461
Midea Group Company Limited	377,020

	Disposal Proceeds US$
Yum China Holdings Inc.	4,723,365
WH Group Limited	4,269,500
Bharti Infratel Limited	3,140,588
Vipshop Holdings Limited	3,096,583
Vocus Group Limited	2,927,140
SpeedCast International Limited	2,147,771
First Pacific Company Limited	2,095,603
Softbank Group Corporation	1,944,461
Man Wah Holdings Limited	1,768,047
L'Occitane International S.A.	1,459,994
MGM China Holdings Limited	1,268,812
CK Asset Holdings Limited	873,293
MinebeaMitsumi Inc.	872,699
CK Hutchison Holdings Limited	728,733
Hyundai Mobis Company Limited	635,281
Midea Group Company Limited	490,877
Hitachi Limited	446,323
New World Development Company Limited	337,178
Toyota Motor Corporation	314,240
Melco International Development Limited	310,856

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 2019 can be obtained free of charge from the Swiss Representative. The Swiss Representative is listed in the Directory.

Statement of Comprehensive Income

Asia Pacific Fund

	Notes	For the year ended 31 December 2019 US$	2018 US$
Income			
Dividend income	1(j)	2,152,025	1,613,820
Net gain/(loss) on investments at fair value through profit or loss	2	15,903,271	(19,696,662)
Net foreign exchange (loss)	2	(32,726)	(40,359)
Total net income/(loss)		18,022,570	(18,123,201)
Expenses			
Management fees	5	(1,185,351)	(856,892)
Administration fees	5	(61,889)	(44,707)
Depositary fees	5	(102,995)	(53,361)
Audit fees		(23,852)	(19,545)
Other operating expenses		(165,573)	(111,156)
Total operating expenses		(1,539,660)	(1,085,661)
Operating income/(loss)		16,482,910	(19,208,862)
Finance costs (excluding increase in net assets attributable to holders of redeemable participating units)			
Interest expense		(107)	(1,586)
Taxation			
Withholding tax	4	(141,914)	(74,581)
Income/(Loss) for the financial year after taxation		16,340,889	(19,285,029)
Increase/(Decrease) in net assets attributable to holders of redeemable participating units resulting from operations	1(l)	16,340,889	(19,285,029)

Gains and losses arose solely from continuing operations.
There were no gains or losses other than those dealt with in the Statement of Comprehensive Income.
The notes to the financial statements form an integral part of these financial statements.

Statement of Financial Position

Asia Pacific Fund

	Notes	31 December 2019 US$	31 December 2018 US$
Current Assets			
Cash and Cash Equivalents	1(h)	-	575
Dividends receivable		121,247	86,297
Interest receivable		35	71
Financial assets at fair value through profit or loss	1(f)	108,166,636	90,441,971
Other receivables		6,617	22,426
Total Current Assets		108,294,535	90,551,340
Liabilities			
Current Liabilities			
Bank overdraft	1(h)	(97,688)	-
Management fees payable	5	(101,905)	(177,446)
Administration fees payable	5	(13,101)	(11,882)
Depositary fees payable	5	(13,810)	(5,372)
Audit fees payable		(18,883)	(15,160)
Other liabilities		(29,334)	(11,977)
Total Current Liabilities		(274,721)	(221,837)
Net assets attributable to holders of redeemable participating units	1(l)	108,019,814	90,329,503

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

DocuSigned by:
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Lisa Martensson

DocuSigned by:
Mike Kirby
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Mike Kirby

22 April 2020

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

Asia Pacific Fund

		For the year ended 31 December	
		2019	2018
	Notes	US$	US$
Net assets attributable to holders of redeemable participating units at beginning of the year		90,329,503	52,967,534
Proceeds from the issuance of redeemable participating units	3	15,645,511	60,287,388
Payments on redemptions of redeemable participating units	3	(14,296,089)	(3,640,390)
Net increase from unit transactions		1,349,422	56,646,998
Increase /(decrease) in net assets attributable to holders of redeemable participating units resulting from operations		16,340,889	(19,285,029)
Net assets attributable to holders of redeemable participating units at end of the year	1(l)	108,019,814	90,329,503

Statement of Cash Flows

Asia Pacific Fund

	For the year ended 31 December	
	2019	**2018**
	US$	**US$**
Cash flows from operating activities		
Income/(Loss) for the financial year after taxation	16,340,889	(19,285,029)
Adjustments to reconcile net increase/(decrease) in net assets resulting from operations to net cash provided by/(used in) operating activities:		
Net (gain)/loss on investments at fair value through profit or loss	(15,875,559)	19,712,269
Cash (outflow) due to purchases and sales of investments during the year	(1,849,106)	(57,175,301)
(Increase) in debtors	(19,105)	(75,599)
(Decrease)/increase in creditors	(44,804)	104,345
Net cash (used in) operating activities	(1,447,685)	(56,719,315)
Cash flows from financing activities		
Proceeds from the issuance of redeemable participating units	15,645,511	60,287,388
Payments on redemptions of redeemable participating units	(14,296,089)	(3,640,390)
Net cash provided by financing activities	1,349,422	56,646,998
(Decrease) in cash and cash equivalents	(98,263)	(72,317)
Cash and Cash Equivalents at beginning of year	575	72,892
(Bank overdraft)/Cash and Cash Equivalents at end of year	(97,688)	575
Interest paid	(107)	(1,641)
Dividends received	2,117,075	1,560,615
Interest received	27,748	15,552

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 UCITS Regulations. The primary investment objective of the Trust is to deliver long term capital growth over time through the identification of and investment in undervalued companies located around the world.

The Trust 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"). Longleaf Partners U.S. UCITS Fund fully redeemed on 27 March 2018 and a separate set of audited financial statements was prepared for this Fund for the extended period from 1 January 2017 to 27 March 2018. The Central Bank's approval for this Fund was withdrawn on 28 February 2019.

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, which is also 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.

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

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

b) Statement of Compliance
These financial statements are prepared in accordance with IFRS as adopted by the European Union, Irish statute comprising: 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 2019, as amended (collectively the "UCITS Regulations").

New standards, amendments and interpretations issued and effective for the financial year beginning 1 January 2019

IFRIC 23 "Uncertainty over Income Tax Treatments" was issued in June 2017 and became effective for periods beginning on or after 1 January 2019. It clarifies the accounting for uncertainties in income taxes which is applied to the determination of taxable profits (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments in accordance with IAS 12. It clarifies that the Trust should consider whether tax treatments should be considered independently or collectively, whether the relevant tax authority will or will not accept each tax treatment and, the requirement to reassess its judgements and estimates if facts and circumstances change.

The application of IFRIC 23 has not had a significant effect on the Trust's financial position, performance or disclosures in its financial statements.

IFRS 16 "Leases" was issued in January 2016 and became effective for periods beginning on or after 1 January 2019. The application of IFRS 16 has not had a significant impact on the Trust's financial position, performance or disclosures in its financial statements.

New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2019 and not early adopted

IFRS 17 “Insurance Contracts” was issued in May 2017 and will become effective for accounting periods beginning on or after 1 January 2021. It applies to: insurance contracts, including reinsurance contracts, issued by an entity; reinsurance contracts held by an entity; and investment contracts with discretionary participation features issued by an entity that issues insurance contracts. An insurance contract is defined as ‘a contract under which one party (the issuer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder’. The new standard is not expected to have a significant impact on the Trust’s financial position, performance or disclosures in its financial statements.

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 Judgements

The preparation of the financial statements, in accordance with IFRS as adopted by the European Union, 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.

Functional currency:

The Board of Directors of the Manager considers the U.S. Dollar the currency that most faithfully represents the economic effect of the underlying transactions, events and conditions, as detailed in Note 1(e).

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

Fair value:

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 inactive 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 quoted market price used for financial assets and financial liabilities held by the Fund is the last traded price or quoted mid-price at the relevant Valuation Point.

The determination of the fair value of financial assets and financial liabilities may require estimation and the application of judgement, but as there were no financial assets or financial liabilities classified as Level 3 at year end 31 December 2019 or prior year-end, as such the fair valuation of financial assets and financial liabilities did not require the use of estimates or judgments.

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

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

IFRS 9 "Financial Instruments" ("IFRS 9") replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial instruments, including derecognition and impairment of such financial instruments. The Directors of the Manager have determined that in order for the financial statements to give a true and fair view it is necessary to fair value all financial instruments through profit or loss as permitted by IFRS 9 since all financial instruments are managed on a fair value basis.

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 in accordance with IFRS 9.

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 2019, the Global 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. All cash at bank balances and bank overdraft are held with State Street Bank and Trust Company, which had a Standard and Poor's credit rating at the reporting date of AA- (31 December 2018: AA-).

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 and is recognised in gains and losses arising from investments at fair value through profit or loss as it accrues. 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 and in the Asia Pacific 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.

m) Securities Financing Transactions

In order to comply with the requirements of Securities Financing Transactions Regulation (Regulation (EU) 2015/2365) ("SFTR") additional mandatory disclosure around the Repurchase Agreements held on each Fund have been included in unaudited 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	**2019 US$**	**2018 US$**
Realized gain on investments sold	6,023,033	2,283,231
Total change in unrealized gain on investments	21,233,065	(31,758,079)
Interest income on investments at fair value through profit or loss	106,242	47,099
Net gain/(loss) on investments at fair value through profit or loss	27,362,340	(29,427,749)
Net foreign exchange (loss)	(4,990)	(31,586)

Asia Pacific Fund	**2019 US$**	**2018 US$**
Realized (loss)/gain on investments sold	(3,387,358)	145,418
Total change in unrealized gain on investments	19,262,917	(19,857,687)
Interest income on investments at fair value through profit or loss	27,712	15,607
Net gain/(loss) on investments at fair value through profit or loss	15,903,271	(19,696,662)
Net foreign exchange (loss)	(32,726)	(40,359)

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

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

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

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

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

A summary of unitholder activity is detailed below:

Global Fund	**For the year ended 31 December 2019**		
	Class I U.S. Dollar	Class I Euro	Class I British Pound
Units in issue at the beginning of year	8,797,129	232,269	815,658
Units issued	1,686,802	101,112	40,340
Units redeemed	(1,907,592)	(11,891)	(428,227)
Units in issue at the end of year	8,576,339	321,490	427,771
Net Asset Value	US$156,347,142	€5,159,421	£5,847,383
Number of Units in Issue	8,576,339	321,490	427,771
Net Asset Value per Unit	US$18.23	€16.05	£13.67

Global Fund	**For the year ended 31 December 2018**		
	Class I U.S. Dollar	Class I Euro	Class I British Pound
Units in issue at the beginning of year	9,099,242	522,000	892,312
Units issued	846,926	82,054	62,946
Units redeemed	(1,149,039)	(371,785)	(139,600)
Units in issue at the end of year	8,797,129	232,269	815,658
Net Asset Value	US$136,480,539	€3,105,762	£9,860,164
Number of Units in Issue	8,797,129	232,269	815,658
Net Asset Value per Unit	US$15.51	€13.37	£12.09

Global Fund	**For the year ended 31 December 2017**		
	Class I U.S. Dollar	Class I Euro	Class I British Pound
Units in issue at the beginning of year	9,085,512	527,852	819,778
Units issued	451,438	45,298	138,368
Units redeemed	(437,708)	(51,150)	(65,834)
Units in issue at the end of year	9,099,242	522,000	892,312
Net Asset Value	US$167,113,936	€7,926,834	£12,056,005
Number of Units in Issue	9,099,242	522,000	892,312
Net Asset Value per Unit	US$18.37	€15.19	£13.51

Asia Pacific Fund	**For the year ended 31 December 2019**	
	Class I U.S. Dollar	Class I British Pound
Units in issue at the beginning of year	6,456,381	1,285,216
Units issued	843,083	328,920
Units redeemed	(791,514)	(313,493)
Units in issue at the end of year	6,507,950	1,300,643
Net Asset Value	US$90,104,855	£13,524,809
Number of Units in Issue	6,507,950	1,300,643
Net Asset Value per Unit	US$13.85	£10.40

Asia Pacific Fund	For the year ended 31 December 2018	
	Class I U.S. Dollar	Class I British Pound
Units in issue at the beginning of year	3,441,160	120,809
Units issued	3,279,541	1,182,907
Units redeemed	(264,320)	(18,500)
Units in issue at the end of year	6,456,381	1,285,216
Net Asset Value	US$75,397,228	£11,715,266
Number of Units in Issue	6,456,381	1,285,216
Net Asset Value per Unit	US$11.68	£9.12

Asia Pacific Fund	For the year ended 31 December 2017	
	Class I U.S. Dollar	Class I British Pound*
Units in issue at the beginning of year	2,562,166	-
Units issued	894,306	120,809
Units redeemed	(15,312)	-
Units in issue at the end of year	3,441,160	120,809
Net Asset Value	US$51,176,306	£1,326,687
Number of Units in Issue	3,441,160	120,809
Net Asset Value per Unit	US$14.87	£10.98

* The share class was launched 15 September 2017.

Significant shareholders

The following table details the number of shareholders with significant holdings of at least 20 per cent of the relevant Fund and the percentage of that holding as at 31 December 2019 and 31 December 2018.

Fund	Number of significant shareholders 31 Dec 2019	Total Units held as at 31 Dec 2019	Total Shareholding as a % of the Fund as at 31 Dec 2019	Number of significant shareholders 31 Dec 2018	Total Units held as at 31 Dec 2018	Total Shareholding as a % of the Fund as at 31 Dec 2018
Global Fund	2	5,953,754	63.76	1	2,666,744	26.97
Asia Pacific Fund	2	3,756,361	48.11	2	3,756,361	48.52

Note 9 provides further detail of the significant shareholders of the Asia Pacific Fund included in the table above.

4. Taxation

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

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

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

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

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

5. Significant Agreements

Investment Management Fees

The Investment Manager is entitled to receive investment management fees in respect of the active Funds payable out of the assets of the active 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 Fund 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 are necessary to ensure that the total expense ratio attributable to the Class I Shares of the Global Fund shall not exceed 1.6% of the Net Asset Value of the Global Fund or 1.75% of the Net Asset Value of the Asia Pacific Fund.

There was no investment management fee reimbursement to the Funds for year ended 31 December 2019 or for year ended 31 December 2018.

The Investment Manager earned a total fee of US$2,955,655 (2018: US$2,708,344) of which US$248,968 (2018: US$454,182) was outstanding at the year end.

Manager Fees

The Manager does not receive a fee out of the assets of the Funds. The Manager is reimbursed for all of its expenses incurred in the normal course of business plus a 10% markup by the Investment Manager.

Administration Fees

The Administrator is entitled to a fee payable out of the assets of each active 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 active Funds between zero and US$400 million, 0.05% of the combined average net asset value of the active Funds between US$400 million and US$1,000 million, 0.04% of the combined average net asset value of the active Funds between US$1,000 million and US$1,500 million and 0.03% of the combined average net asset value of the active Funds in excess of US$1,500 million.

The Administrator is also entitled to receive a fee of US$7,500 per annum per active 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 active 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 0.025% of the combined average net asset value of the active Funds between zero and US$100 million, 0.020% of the combined average net asset value of the active Funds between US$100 million and US$300 million and 0.015% of the combined average net asset value of the active Funds in excess of US$300 million.

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.

For the year ended 31 December 2019 and 31 December 2018, the Funds incurred transaction costs as follows:

	For the year ended 31 December US$	
	2019	**2018**
Global Fund	67,268	101,684
Asia Pacific Fund	100,782	195,870

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 Funds' 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.

Investment 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 Funds' respective 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 investment selection process taking prominence over asset and sector allocation.

The Investment Manager monitors individual investment 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 2019 are disclosed in the Schedule of Investments sections. All individual investments in equity instruments are disclosed separately. The Funds' sensitivity to fluctuations in market prices is detailed in the Price Risk section below.

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 2019 and 2018 are shown below.

Global Fund	**at 31 December 2019 US$**		
	Net Monetary Assets	Net Non-Monetary Assets	Total
Danish Krone	29,589	-	29,589
Euro	70,936	30,942,987	31,013,923
Hong Kong Dollar	-	26,550,506	26,550,506
Japanese Yen	-	7,120,930	7,120,930
Swedish Krona	-	239,474	239,474
Swiss Franc	-	6,063,195	6,063,195
	100,525	70,917,092	71,017,617

	at 31 December 2018 US$		
	Net Monetary Assets	Net Non-Monetary Assets	Total
Danish Krone	17,736	7,029,784	7,047,520
Euro	142,577	25,738,216	25,880,793
Hong Kong Dollar	13,494	20,679,783	20,693,277
Japanese Yen	-	3,823,950	3,823,950
Swiss Franc	-	4,101,423	4,101,423
	173,807	61,373,156	61,546,963

At 31 December 2019, 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$3,381,791 (2018: US$2,930,808). A 5% decrease would have an equal and opposite effect on the value of the Global Fund.

Asia Pacific Fund	at 31 December 2019 US$		
	Net Monetary Assets	Net Non-Monetary Assets	Total
China Yuan Renminbi	-	4,009,254	4,009,254
Danish Krone	16,306	-	16,306
Euro	12,274	-	12,274
Hong Kong Dollar	55,024	45,966,321	46,021,345
Indian Rupee	-	3,820,976	3,820,976
Japanese Yen	37,644	32,268,102	32,305,746
Korean Won	-	4,838,200	4,838,200
Swiss Franc	-	3,319,275	3,319,275
	121,248	94,222,128	94,343,376

	at 31 December 2018 US$		
	Net Monetary Assets	Net Non-Monetary Assets	Total
Australian Dollar	-	6,417,131	6,417,131
China Yuan Renminbi	-	2,637,651	2,637,651
Danish Krone	16,669	-	16,669
Euro	12,537	-	12,537
Hong Kong Dollar	57,091	41,899,013	41,956,104
Indian Rupee	-	4,526,687	4,526,687
Japanese Yen	-	14,687,264	14,687,264
Korean Won	-	3,868,113	3,868,113
	86,297	74,035,859	74,122,156

At 31 December 2019, 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$4,492,542 (2018: US$3,529,628). 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.

The interest profiles of 31 December 2019 and 31 December 2018 are shown below.

Global Fund	at 31 December 2019 US$				
	Interest-bearing asset maturity				
	Up to 1 year	1 – 5 years	Over 5 years	Non-interest bearing	Total
Transferable Securities	-	-	-	152,598,612	152,598,612
Short Term Obligations	17,559,000	-	-	-	17,559,000
Other Assets	-	-	-	145,114	145,114
Total Assets	17,559,000	-	-	152,743,726	170,302,726
Bank Overdraft	(143,292)	-	-	-	(143,292)
Other Liabilities	-	-	-	(279,528)	(279,528)
Total Liabilities	(143,292)	-	-	(279,528)	(422,820)
Net Assets	17,415,708	-	-	152,464,198	169,879,906

	at 31 December 2018 US$				
	Interest-bearing asset maturity				
	Up to 1 year	1 – 5 years	Over 5 years	Non-interest bearing	Total
Cash and Cash Equivalents	286	-	-	-	286
Transferable Securities	-	-	-	137,624,213	137,624,213
Short Term Obligations	13,417,000	-	-	-	13,417,000
Other Assets	-	-	-	1,960,360	1,960,360
Total Assets	13,417,286	-	-	139,584,573	153,001,859
Other Liabilities	-	-	-	(395,130)	(395,130)
Total Liabilities	-	-	-	(395,130)	(395,130)
Net Assets	13,417,286	-	-	139,189,443	152,606,729

Asia Pacific Fund	at 31 December 2019 US$				
	Interest-bearing asset maturity				
	Up to 1 year	1 – 5 years	Over 5 years	Non-interest bearing	Total
Transferable Securities	-	-	-	105,845,636	105,845,636
Short Term Obligations	2,321,000	-	-	-	2,321,000
Other Assets	-	-	-	127,899	127,899
Total Assets	2,321,000	-	-	105,973,535	108,294,535
Bank Overdraft	(97,688)				(97,688)
Other Liabilities	-	-	-	(177,033)	(177,033)
Total Liabilities	(97,688)	-	-	(177,033)	(274,721)
Net Assets	2,223,312	-	-	105,796,502	108,294,535

	at 31 December 2018 US$				
	Interest-bearing asset maturity				
	Up to 1 year	1 – 5 years	Over 5 years	Non-interest bearing	Total
Cash and Cash Equivalents	575	-	-	-	575
Transferable Securities	-	-	-	85,332,971	85,332,971
Short Term Obligations	5,109,000	-	-	-	5,109,000
Other assets	-	-	-	108,794	108,794
Total assets	5,109,575	-	-	85,441,765	90,551,340
Other liabilities	-	-	-	(221,837)	(221,837)
Total liabilities	-	-	-	(221,837)	(221,837)
Net assets	5,109,575	-	-	85,219,928	90,329,503

At 31 December 2019, 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$Nil (2018: US$3) for the Global Fund and US$Nil (2018: US$6) 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 Fund.

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 2019.

The Investment Manager monitors the Funds' investment 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 2019 are disclosed in the Schedule of Investments section.

At 31 December 2019, 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$1,701,576 (2018: US$1,510,412) for the Global Fund and by US$1,081,666 (2018: US$904,420) 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. As at 31 December 2019, it was estimated that 100% of the Global Fund's assets could be liquidated within five trading days, including 77% 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 2019, it was estimated that 93% of the Asia Pacific Fund's assets could be liquidated within five trading days, including 63% 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$422,820 (2018: US$395,130) for the Global Fund and US$274,721 (2018: US$221,837) for the Asia Pacific Fund.

The net assets attributable to holders of redeemable units of US$169,879,906 (2018: US$152,606,729) for the Global Fund and US$108,019,814 (2018: US$90,329,503) 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 Funds' 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 2018: A). All cash at bank balances and bank overdraft are held with State Street Bank and Trust Company, which had a Standard and Poor's credit rating at the reporting date of AA- (31 December 2018: AA-).

Issuer risk is associated with transacting in debt securities and is monitored by the Investment Manager based on evaluation of each counterparty. The Funds did not hold debt securities at 31 December 2019 or at 31 December 2018.

There were no significant concentrations of credit risk to counterparties at 31 December 2019 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

The Funds were not subject to a master netting arrangement with its sole counterparty for the Repurchase Agreements as at 31 December 2019 and 2018. 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 2019 or 31 December 2018.

Global Fund

Description and counterparty	Gross amounts of recognised financial assets	Stock Collateral*	Net amount at 31 December 2019 US$
State Street Repurchase Agreement, State Street Bank	17,559,000	17,559,000	-

Description and counterparty	Gross amounts of recognised financial assets	Stock Collateral*	Net amount at 31 December 2018 US$
State Street Repurchase Agreement, State Street Bank	13,417,000	13,417,000	-

Asia Pacific Fund

Description and counterparty	Gross amounts of recognised financial assets	Stock Collateral*	Net amount at 31 December 2019 US$
State Street Repurchase Agreement, State Street Bank	2,321,000	2,321,000	-

Description and counterparty	Gross amounts of recognised financial assets	Stock Collateral*	Net amount at 31 December 2018 US$
State Street Repurchase Agreement, State Street Bank	5,109,000	5,109,000	-

*Stock Collateral held, 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.

Short Term Obligations are classified as Level 2.

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

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

The financial assets and liabilities at 31 December 2019 and 31 December 2018 are classified as follows:

Global Fund	**at 31 December 2019 US$**			
	Level 1	Level 2	Level 3	Total
Transferable securities	152,598,612	-	-	152,598,612
Short Term Obligations	-	17,559,000	-	17,559,000
	152,598,612	17,559,000	-	170,157,612

	at 31 December 2018 US$			
	Level 1	Level 2	Level 3	Total
Transferable securities	137,624,213	-	-	137,624,213
Short Term Obligations	-	13,417,000	-	13,417,000
	137,624,213	13,417,000	-	151,041,213

Asia Pacific Fund	**at 31 December 2019 US$**			
	Level 1	Level 2	Level 3	Total
Transferable securities	105,845,636	-	-	105,845,636
Short Term Obligations	-	2,321,000	-	2,321,000
	105,845,636	2,321,000	-	108,166,636

	at 31 December 2018 US$			
	Level 1	Level 2	Level 3	Total
Transferable securities	85,332,971	-	-	85,332,971
Short Term Obligations	-	5,109,000	-	5,109,000
	85,332,971	5,109,000	-	90,441,971

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 2019 and year ended 31 December 2018.

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 2018. This position was sold during the year ended 31 December 2018. There were no Level 3 holdings for the year ended 31 December 2019.

		Common Stock
Fair Value at 31 December 2017	$	95,074
Change in unrealized appreciation		4,196,609
Realised loss		(4,291,683)
Fair Value at 31 December 2018	$	-

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 2019 are classified as follows:

Global Fund

	At 31 December 2019			
Assets	Level 1	Level 2	Level 3	Total US$
Other Assets	-	145,114	-	145,114
Total	-	145,114	-	145,114
Liabilities				
Bank Overdraft	(143,292)	-	-	(143,292)
Other Liabilities	-	(279,528)	-	(279,528)
Net assets attributable to holders of redeemable participating units	-	(169,879,906)	-	(169,879,906)
Total	(143,292)	(170,159,434)	-	(170,302,726)

	At 31 December 2018			
Assets	Level 1	Level 2	Level 3	Total US$
Cash and Cash Equivalents	286	-	-	286
Other Assets	-	1,960,360	-	1,960,360
Total	286	1,960,360	-	1,960,646
Liabilities				
Other Liabilities	-	(395,130)	-	(395,130)
Net assets attributable to holders of redeemable participating units	-	(152,606,729)	-	(152,606,729)
Total	-	(153,001,859)	-	(153,001,859)

Asia Pacific Fund

	At 31 December 2019			
Assets	Level 1	Level 2	Level 3	Total US$
Other Assets	-	127,899	-	127,899
Total	-	127,899	-	127,899
Liabilities				
Bank Overdraft	(97,688)	-	-	(97,688)
Other Liabilities	-	(177,033)	-	(177,033)
Net assets attributable to holders of redeemable participating units	-	(108,019,814)	-	(108,019,814)
Total	(97,688)	(108,196,847)	-	(108,294,535)

	At 31 December 2018			
Assets	Level 1	Level 2	Level 3	Total US$
Cash and Cash Equivalents	575	-	-	575
Other Assets	-	108,794	-	108,794
Total	575	108,794	-	109,369
Liabilities				
Other Liabilities	-	(221,837)	-	(221,837)
Net assets attributable to holders of redeemable participating units	-	(90,329,503)	-	(90,329,503)
Total	-	(90,551,340)	-	(90,551,340)

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 2019	31 December 2018
Australian Dollar	-	1.419749
British Pound	0.754945	0.784560
China Yuan Renminbi	6.965700	6.865700
Danish Krone	6.661850	6.516500
Euro	0.891504	0.872791
Hong Kong Dollar	7.792300	7.830500
Indian Rupee	71.378150	69.815000
Japanese Yen	108.655000	109.605000
Korean Won	1156.450000	1,115.800000
Swedish Krone	9.366350	-
Swiss Franc	0.967800	0.982900

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 2019, the Funds did not hold any derivative positions (2018: none).

As at 31 December 2019 and 2018, 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 2019 and 2018.

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 for the Trust and is paid a management fee for its services. For the Global Fund, the Investment Manager earned a fee of US$1,770,304 (2018: US$1,851,452) of which US$147,063 (2018: US$276,736) was outstanding at the year end. For the Asia Pacific Fund the Investment Manager earned a fee of US$1,185,351 (2018: US$856,892) of which US$101,905 (2018: US$177,446) was outstanding at the year end.

There was no management fee-reimbursement applied to the Global Fund or to the Asia Pacific Fund in 2019 (2018: 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. The Manager does not receive a fee out of the assets of the Funds. The Manager is reimbursed for all of its expenses incurred in the normal course of business plus a 10% markup by the Investment Manager.

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

Eimear Cowhey resigned as a Director of the Manager on 19 November 2019.

Gwin Myerberg, who resigned as a Director of the Manager on 15 March 2019, is an employee of Southeastern Asset Management, Inc.

Transactions with other related parties:
The Pyramid Peak Foundation (the "Foundation) provided the Asia Pacific Fund’s initial seed capital. Because some of the members of the Foundation’s governing board are also owners of the Investment Manager, the Asia Pacific Fund and Pyramid Peak Foundation are considered related parties. The Pyramid Peak Foundation’s holding in the Asia Pacific Fund constitutes approximately 27% (2018: 27%) of the Asia Pacific Fund’s assets at 31 December 2019 and are therefore noted as significant unitholders in Note 3.

In addition, employees of the Investment Manager owned approximately 1.4% (2018: 1.9%) and 32.7% (2018: 33.7%) of the Global and Asia Pacific Funds at 31 December 2019 respectively.

The Manager uses the services of KB Associates for operational and compliance support services. Mike Kirby, a Director of the Manager, is a principal of KB Associates. Total fees paid to KB Associates were €44,413 and €44,983 for 2019 and 2018, respectively, and amounts accrued at year end related to these services were nil at 31 December 2019 and 2018.

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 2019 or in 2018.

11. Contingent Liability

There are no contingent liabilities at 31 December 2019 or 2018.

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 2019 or 2018.

13. Significant Events During the Year

The Central Bank's approval for the Longleaf Partners U.S. UCITS Fund was withdrawn on 28 February 2019.

Gwin Myerberg resigned as Chairperson and Director of the Manager and Isaac Byrd was appointed Director of the Manager, both effective 15 March 2019.

Eimear Cowhey was appointed Chairperson of the Manager effective 15 March 2019.

Eimear Cowhey resigned as Director of the Manager and Chairperson effective 19 November 2019.

Michael Kirby was appointed Chairman of the Manager and Lisa Martensson was appointed Director of the Manager, both effective 19 November 2019.

The Prospectus was revised on 18 December 2019, the primary amendments being the changes to the composition of the Board of Directors of the Manager and to reflect the revocation of the Longleaf Partners U.S. UCITS Fund.

There were no other significant events during the year ended 31 December 2019.

14. Significant Events Since the Year End

On 11 March 2020, the Director-General of the World Health Organisation ("WHO") announced that the WHO had assessed the worldwide outbreak of COVID-19 as a pandemic. National governments and supranational organisations in multiple states have taken steps designed to protect their populations from COVID-19, including requiring or encouraging home working, the cancellation of sporting, cultural and other events and restricting or discouraging gatherings of people. COVID-19 has created market turmoil and increased market volatility generally and this has impacted the prices of all asset classes, resulting in an impact to the Net Asset Values of the Funds. Increased market turmoil could also lead to investor redemptions in the Funds. The uncertainty and instability for a prolonged period could have an adverse impact on the Funds' business and there can be no assurance that the risks associated with COVID-19 will not alter significantly the investment portfolio and could lead to investor redemptions. The financial statements reflect the position at 31 December 2019 and the results for the year then ended, and do not include any impacts from the coronavirus outbreak.

The directors of the Manager and the Trust's delegates are closely monitoring the advice and developments relating to the spread of the COVID-19, which is fluid and rapidly changing.

There have been US$48.2 million of net redemptions from the Global Fund since year end 31 December 2019. The Global Fund net asset value as of 21 April 2020 is US$82,846,927.

There were no other significant events since the year ended 31 December 2019.

15. Approval of the Financial Statements

The Board of Directors of the Manager approved these financial statements on 22 April 2020.

The Trust is an umbrella open-ended unit trust established in Ireland as an Undertaking for Collective Investment in Transferable Securities pursuant to 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"). Longleaf Partners U.S. UCITS Fund fully redeemed on 27 March 2018. 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 2019, the Class I U.S. Dollar, the Class I GBP and the Class I Euro shares of the Global Fund and the Class I U.S. Dollar and the Class I GBP 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 papers and certificates of deposit.

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

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

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

Classes	Minimum initial application	Minimum Holding
Class I U.S. Dollar 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

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
Class I GBP Shares	GBP equivalent of US$1,000,000	GBP equivalent of US$100,000

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

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

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

Directory

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

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

Directors of the Manager
Isaac Byrd (American)* (appointed 15 March 2019)
Eimear Cowhey (Irish)*†
(resigned 19 November 2019)
Michael Kirby (Irish) (Chairperson)*
Steve McBride (American)*
Gwin Myerberg (American)* (resigned 15 March 2019)
Lisa Martensson (Irish) (appointed 19 November 2019)

Company Secretary
Dechert Secretarial Limited
5 Earlsfort Terrace
Dublin 2
Ireland

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

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

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

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

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
Dublin 1
Ireland

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

Information for Investors in Switzerland (unaudited)

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

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

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 unit are reported in Note 3 of the financial statements. The Investment Manager's report also contains the cumulative returns for the year.

Historical performance does not constitute an indicator of current or future performance. Performance data do not take into account the commissions and fees levied on subscription and redemption of units.

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 2019 expressed as an annualised percentage of the average net asset value (NAV) of that Fund.

	Global Fund	Asia Pacific Fund
Total Expense Ratio		
Class I U.S. Dollar Shares	1.23	1.49
Class I Euro Shares	1.23	-
Class I GBP Shares	1.22	1.49

Appendix 1 – Remuneration Disclosure (unaudited)

The Manager has implemented a remuneration policy (the “Remuneration Policy) pursuant to the provisions of the European Union (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations 2016 (the “UCITS V Regulations”), which became effective on 18 March 2016. These provisions require management companies, such as the Manager, 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 Remuneration Policy is appropriate to the Manager’s size, internal organisation and the nature, scope and complexity of its activities. The Remuneration Policy is available at ucits.longleafpartners.com and is reviewed at least annually. No material changes have been made to the Remuneration Policy during the financial reporting period.

The Manager applies the provisions of its Remuneration Policy to its “Identified Staff” being “those categories of staff, including senior management, risk takers and control functions receiving total remuneration that falls within the remuneration bracket of senior management and risk takers whose professional activities have a material impact on the risk profiles of the management companies or of the UCITS that they manage”.

The Manager 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 Manager. The Manager has appropriate arrangements in place to ensure that there is no circumvention of the remuneration rules set forth in the UCITS V Regulations and related guidance issued by ESMA or the Central Bank.

The Manager pays the independent directors a fixed fee per annum. This fee is not related to the performance of the Manager or the Trust. 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.

The Manager is required pursuant to the UCITS V Regulations to provide quantitative disclosure of remuneration which is attributed to the Trust. Such disclosure is made in accordance with the Manager’s interpretation of currently available regulatory guidance on quantitative remuneration disclosure and in accordance with the Remuneration Policy as summarised above. As market or regulatory practice develops the Manager may consider it appropriate to alter the method by which the quantitative remuneration disclosure is calculated. Where such changes are made, this may result in the remuneration disclosure not being comparable to disclosure made in previous years.

	Fixed Remuneration	Variable Remuneration	Total Remuneration	Number of Beneficiaries
All Staff	€103,405	Nil	€103,405	5

The aggregate 2019 total remuneration paid to Identified Staff was €103,405, of which €58,992 relates to senior management and €44,413 relates to other Identified Staff.

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 2019 consisted of Repurchase Agreements as detailed hereunder:

Longleaf Partners Global UCITS Fund

Market value	17,559,000
% of Net Assets	10.33%
Counterparty Name	State Street Bank
Counterparty Country of Establishment	U.S.A
Maturity Date	02/01/2020
Settlement	Bilateral
Collateral Description	Collateral: U.S. Treasury Note 1.750% due 31/12/2026 Total collateral value US$17,914,975.

Longleaf Partners Asia Pacific UCITS Fund

Market value	2,321,000
% of Net Assets	2.15%
Counterparty Name	State Street Bank
Counterparty Country of Establishment	U.S.A
Maturity Date	02/01/2020
Settlement	Bilateral
Collateral Description	Collateral: U.S. Treasury Note 1.750% due 31/12/2026 Total collateral value is US$2,368,100.

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 2019 is US$133,954 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.