Longleaf Partners Funds

Quarterly Summary Report

For the Quarter Ended March 31, 2017

Southeastern Asset Management, Inc.®

Advisor to Longleaf Partners Funds

March 31, 2017

Longleaf Partners Funds Shareholder Letter

We are pleased to report that in the first quarter of 2017, all four Longleaf Partners Funds continued to make good progress toward delivering our annual return goal of inflation plus 10% following substantial absolute results in 2016 as well as benchmark outperformance by the Partners, International and Global Funds. The Small-Cap, Global, and International Funds exceeded their respective benchmarks — the Russell 2000, MSCI World, and MSCI EAFE indices — in the quarter, and although compounding at a strong rate, the Longleaf Partners Fund fell short of the S&P 500 Index after substantially outperforming the previous twelve months.

	One Year	1Q
Partners Fund	**20.23%**	**3.90%**
S&P 500 Index	17.17	6.07
Small-Cap Fund	**19.71**	**3.93**
Russell 2000 Index	26.22	2.47
International Fund	**18.70**	**8.80**
MSCI EAFE Index	11.67	7.25
Global Fund	**29.22**	**8.70**
MSCI World Index	14.77	6.38

Past performance does not guarantee future results.

The large majority of our holdings across all of the Funds posted positive returns that reflected company-specific progress. Our two gaming-related investments —Wynn Resorts in the Partners, Small-Cap, and Global Funds and Melco International and K. Wah International (through its partial ownership of Galaxy) in the Global and International Funds — were among our most substantive performance contributors. Macau, where these companies operate, continued to grow, with industry gross gaming revenue accelerating above consensus estimates in the last two months to approximately 18% growth year-over-year. Wynn's and Melco's newer properties are ramping up more quickly than previously expected. The MSCI EAFE Index, which represents developed markets outside of the U.S., had larger gains than the S&P 500. Likewise, our investments based in Europe and Asia, including those held in the U.S. Funds, were a notable source of our appreciation. The Longleaf Partners Fund's low Information Technology exposure, elevated cash balance (which the Small-Cap and International Funds also have) and energy-related holdings impacted its relative results over the last three months.

As we have mentioned in recent quarters, we continue to find more opportunities outside of the U.S., and we were pleased to initiate two non-U.S. positions in the first quarter. We identified no new U.S. qualifiers. We also continued to trim and sell those businesses that approached our appraisal values. As a result, our cash reserves remained significant across all of the Funds with the exception of Global. Cash is the residual of our longstanding investment discipline to buy only when a large discount exists between price and value and to sell when no margin of safety remains. We have found that the low return on holding cash over limited periods is dwarfed by the opportunity from the next discounted qualifying investment that our liquidity buys. We continue to search for stocks that meet our criteria and are confident we will find them, whether because of company-specific opportunities or broad market corrections.

Non-Earning Assets

Over our 42 year history, we have found undervalued opportunities to put our cash to work in different ways. One common source of new investment qualifiers has been identifying and analyzing non-earning assets (NEAs). Stock prices rarely reflect much value for assets that are not currently earning or are under earning their potential. In some cases, no credit is warranted. Passive and most quantitative approaches

Average Annual Total Returns (3/31/17) Partners Fund: Since Inception (4/8/87): 10.47%, Ten Year: 3.37%, Five Year: 7.82%, One Year: 20.23%. Small-Cap Fund: Since Inception (2/21/89): 11.14%, Ten Year: 7.80%, Five Year: 14.07%, One Year: 19.71%. International Fund: Since Inception (10/26/98): 7.44%, Ten Year: 0.91%, Five Year: 5.95%, One Year: 18.70%. Global Fund: Since Inception (12/27/12): 7.54%, Ten Year: na, Five Year: na, One Year: 29.22%.

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As reported in the Prospectus dated May 1, 2016, the total expense ratios for the Longleaf Partners Funds are: Partners Fund 0.93%, Small-Cap Fund 0.91%, International Fund 1.28%, and Global Fund 1.54%. The expense ratios are subject to fee waiver to the extent a fund's normal annual operating expenses exceed the following percentages of average annual net assets: Partners Fund 1.50%, Small-Cap Fund 1.50%, International Fund 1.75%, and Global Fund 1.65%. Effective May 1, 2016, Southeastern agreed to voluntarily reduce the expense limit to 1.20%. The voluntary fee waiver for the Global Fund may be discontinued at any time.

ignore NEAs. NEAs can provide attractive mispricing, however, especially in a long-running bull market where investors increasingly pay higher multiples for current earnings.

NEAs range from straightforward excess cash on the balance sheet to more complicated, multiyear inventories of land or natural resources. Our favorite types of NEA investments are developed assets temporarily earning far less than their potential, as have been the case in hotels during recessionary periods, cement and aggregates assets during 2008-2011, or film libraries at entertainment companies. A second group of NEAs includes significant multi-year capital projects that are not yet complete or fully optimized. Examples we currently own include major renovations and new real estate developments, next generation jet engines and satellites, and new methanol and fertilizer plants. Third, significant ownership stakes in public businesses that are themselves undervalued can provide opportunities, as has been the case at larger holding companies, such as EXOR and Liberty Media. Fourth, companies with tax loss assets (like those at Level 3 Communications) do not usually get credit until it becomes clear how and when they will be used. Fifth, large cash holdings at investees, especially in a low interest rate environment, represent an under earning asset. Lastly, a less predictable type of NEA — that we have learned to be wary of over the years but feel we have positive examples of currently — includes undeveloped real estate such as land banks, and natural resources such as undrilled oil and gas reserves.

Southeastern's approach lends itself to NEA successes because of our:

- Long-term investment horizon in line with our 3-5 year average holding period, which is rare with most investors' focus on earnings over a period of months,
- Absolute value mindset to appraise unique assets that don't often have "comps," which differs from the more prevalent focus on relative valuation,
- Qualitative assessment (that cannot be captured in a spreadsheet) of management's ability to grow and realize NEA value, and
- Constructive work with managements and boards to increase our probability of a favorable outcome, especially as it relates to capital allocation and value recognition.

Identifying and appraising NEAs requires in-depth analytical work. Quantitative screens based on current P/Es, earnings growth, return on capital, price momentum, or other simple measures do not identify opportunities where companies may be temporarily under earning relative to their assets or when increased earnings and/or monetization will occur. It is unlikely that a "catalyst" for that incremental cash flow will be staring us in the face within months, but this is where our long-term, patient approach gives us an advantage.

No two situations are exactly the same, which is why our bottom-up, absolute value appraisal approach is required. NEAs can be worth anywhere from a negative number to multiples of a company's current stock price. If we cannot predict with a high degree of certainty an asset's path to its earnings power, our appraisal will reflect a range in the value of that NEA. We use the bottom end of the range in determining whether the stock price meets our required discount, while viewing the top end as upside for which we are not willing to pay until we gain more evidence that the value will be unlocked. Appraising NEAs helps us understand not only a business' intrinsic worth, but also the implied metrics in the stock price. As a simple example, we subtract the value of net cash from a company's market cap to clearly understand the multiple we are paying for the business operations. Without proper adjustments, a P/E can look misleadingly high, and a simple screen misses these types of opportunities.

Our management partners always impact our investment outcome, but companies with substantial exposure in NEAs heighten management's importance because unlocking the value of NEAs is often the driver of stock price appreciation. The timing of NEA recognition directly affects our investment return, which is why the less predictable, multi-year horizon NEAs can be the most difficult to assess. Our corporate partners who steward sizeable NEAs must understand the earnings power of their assets, be properly incented to elevate NEA earnings, and willing to monetize assets within a timeframe and at prices that are accretive to value per share. Equally important, managements must recognize that languishing NEAs have significant opportunity cost if they are held when they instead could be sold and the proceeds used to buyback undervalued shares, allowing the company to focus its resources on more productive assets.

Our engaged approach and over four decade track record of doing the right thing for shareholders help increase our prospects for a successful outcome related to NEAs. At a minimum, we maintain ongoing dialog with management teams and boards to keep their focus on bringing assets to their full earnings potential or seeking ways to monetize them within a reasonable return timeframe. Incremental engagement ranges from conversations with CEOs and CFOs, to proposing board members with relevant capital allocation experience, to talking with prospective buyers of the assets where appropriate, and, on rare occasions, more publicly working to change management's approach.

NEAs are neither simple to find and assess nor certain to generate good returns, but they have been an important source of Southeastern's successful results throughout our history. Our company appraisals delineate how much of the value is derived from NEAs. Likewise, while there is no optimal level, we are mindful of our reliance on NEAs versus other sources of return. Across all of the Funds' holdings today, a few companies have around half of their appraisal in NEAs, and many companies have little-to-no exposure. Collectively, NEAs represent an average of less than 20% of the Funds' appraisal values but a larger potential source of upside returns.

Summary

The Funds contain an attractive mix of competitively advantaged, growing operating businesses along with undervalued NEA opportunities. We also have corporate partners who have demonstrated their commitment to growing value per share and who, we believe, will drive strong outcomes. A high level of geopolitical uncertainty remains around the world and quickly could impact broad markets or lead to company-specific opportunities. The Funds' cash levels, a result of our investment discipline, will provide the liquidity to go on offense when the inevitable new qualifiers emerge. We are confident that over the next several years, our investments should deliver the successful results that we and our clients expect.

See following page for important disclosures.

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Before investing in any Longleaf Partners fund, you should carefully consider the Fund's investment objectives, risks, charges, and expenses. For a current Prospectus and Summary Prospectus, which contain this and other important information, visit longleafpartners.com. Please read the Prospectus and Summary Prospectus carefully before investing.

RISKS

The Longleaf Partners Funds are subject to stock market risk, meaning stocks in the Fund may fluctuate in response to developments at individual companies or due to general market and economic conditions. Also, because the Funds generally invest in 15 to 25 companies, share value could fluctuate more than if a greater number of securities were held. Mid-cap stocks held by the Funds may be more volatile than those of larger companies. With respect to the Small-Cap Fund, smaller company stocks may be more volatile with less financial resources than those of larger companies. With respect to the International and Global Funds, investing in non-U.S. securities may entail risk due to non-US economic and political developments, exposure to non-US currencies, and different accounting and financial standards. These risks may be higher when investing in emerging markets.

The statements and opinions expressed are those of the author and are as of the date of this report.

The S&P 500 Index is an index of 500 stocks chosen for market size, liquidity and industry grouping, among other factors. The S&P is designed to be a leading indicator of U.S. equities and is meant to reflect the risk/return characteristics of the large cap universe. The Russell 2000 Index measures the performance of the 2,000 smallest companies in the Russell 3,000 Index, which represents approximately 10% of the total market capitalization of the Russell 3000 Index. MSCI EAFE Index (Europe, Australasia, Far East) is a broad based, unmanaged equity market index designed to measure the equity market performance of 22 developed markets, excluding the US & Canada. MSCI World Index is a broad-based, unmanaged equity market index designed to measure the equity market performance of 24 developed markets, including the United States. An index cannot be invested in directly.

Price / Earnings (P/E) is the ratio of a company's share price compared to its earnings per share.

Return on capital (ROC) is a calculation used to assess a company's efficiency at allocating the capital under its control to profitable investments.

As of March 31, 2017, the holdings discussed represented the following percentages of the Funds: Wynn Resorts: 6.7% Partners, 6.4% Small-Cap, 6.7% Global; Melco International: 7.9% International, 7.4% Global; K. Wah: 2.2% International, 2.3% Global; EXOR: 8.2% International, 5.6% Global; Liberty Media: 7.2% Small-Cap; Level 3: 10.1% Partners, 7.9% Small-Cap, 8.9% Global. Fund holdings are subject to change and holding discussions are not recommendations to buy or sell any security. Current and future holdings are subject to risk.

Funds distributed by ALPS Distributors, Inc.

LLP000612
Expires 7/31/17

Longleaf Partners Fund

March 31, 2017
1Q17

Longleaf Partners Fund

Contact Us (800) 445-9469 ▪ longleafpartners.com

Fund Profile

Investment Style	US mid-large cap value
Ticker	LLPFX
Inception Date	April 8, 1987
Net Assets	$3.4 billion
Expense Ratio	**0.93%**
Turnover (5 yr avg)	28%
Weighted Average Market Cap.	$80.3 billion

Holdings (13)

	Activity*	Weight
FedEx		10.1%
Level 3 Communications		10.1
Alphabet		7.0
CK Hutchison		6.7
Wynn Resorts	--	6.7
CONSOL Energy		5.7
LafargeHolcim		4.9
United Technologies		4.9
CNH Industrial		4.8
Cheung Kong Property		4.6
Scripps Networks	--	4.2
Chesapeake Energy		3.8
T. Rowe Price		2.3
Cash		24.2
Total		100.0%

*Full eliminations include the following positions: Ralph Lauren and DuPont.

Investment Approach — Business, People, Price

The Fund seeks to buy 18-22 competitively entrenched, financially strong, well-managed companies whose stocks sell at deep discounts to intrinsic values.

Fund Management and Partnership

Southeastern Asset Management, founded in 1975, is an independent, Memphis-based global firm managing $20.1 billion. Southeastern's employees and related entities are the largest investors across the Longleaf Partners Funds.

Sector Composition

Industrials	26.5%
Consumer Discretionary	10.9
Telecommunication Services	10.1
Energy	9.5
Information Technology	7.0
Materials	4.9
Real Estate	4.6
Financials	2.3
Cash	24.2

Performance Contribution

Top Contributors	Return	Portfolio Contribution
Wynn Resorts	33%	1.99%
CNH Industrial	11	0.61
LafargeHolcim	13	0.60

Top Detractors	Return	Portfolio Contribution
Chesapeake	-15%	-0.70%
Ralph Lauren	-15	-0.62
CONSOL Energy	-8	-0.50

Performance at 3/31/17

	Total Return		Average Annual Return					
	Qtr	YTD	One Year	Five Year	Ten Year	15 Year	20 Year	Since Inception
Partners Fund	**3.90%**	**3.90%**	**20.23%**	**7.82%**	**3.37%**	**5.45%**	**7.97%**	**10.47%**
S&P 500 Index	6.07	6.07	17.17	13.30	7.51	7.09	7.86	9.67

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RISKS

The Fund is subject to stock market risk, meaning stocks in the Fund may fluctuate in response to developments at individual companies or due to general market and economic conditions. Also, because the Fund generally invests in 15 to 25 companies, share value could fluctuate more than if a greater number of securities were held. Mid-cap stocks held may be more volatile than those of larger companies. Holdings are subject to change and discussion of holdings are not a recommendation to buy or sell any security. Current and future holdings are subject to risk.

Funds distributed by ALPS Distributors, Inc.

S&P 500 Index – An index of 500 stocks are chosen for market size, liquidity and industry grouping, among other factors. The S&P is designed to be a leading indicating of U.S. equities and is meant to reflect the risk/return characteristics of the large cap universe. An index cannot be invested in directly.

The Fund's expense ratio is subject to a fee waiver to the extent normal annual operating expenses exceed 1.5% of average annual net assets.

LLP000617 expires July 31, 2017

March 31, 2017

1Q17

Longleaf Partners Fund Commentary

Longleaf Partners Fund gained 3.90% in the first quarter, meaningfully exceeding our absolute annual return goal of inflation plus 10%, but falling short of the S&P 500 Index's 6.07%. This performance followed almost 900 basis points of benchmark outperformance as well as strong absolute results in 2016. In the quarter, we saw value growth and stock appreciation at some of our higher weighted investments.

We trailed the index for three reasons. First, we mostly "missed out" on the rally in Information Technology, which is over 20% of the S&P 500's composition and drove a large portion of its return in the quarter. While our one IT investment, Alphabet, performed well, we have not found other qualifiers in this higher hurdle sector. Second, our large cash weighting in a rising market held back returns versus the fully-invested index. Holding cash is never a top-down decision for us, but rather is a residual effect of selling investments that no longer qualify and not finding enough new opportunities that meet our criteria. Being disciplined and patient is the right thing to do at a time of 30-year high bullish sentiment combined with higher-than-normal multiples on high margins, but it can make for disappointing relative comparisons in the short term. Third, we had a few detractors in the quarter. Our two energy investments – while lower weighted in the portfolio than in recent years – declined due to commodity price fluctuations, even though our management and board partners continued to make the right moves for the long term. At Ralph Lauren, our case changed significantly after a management change, so we sold at a small loss to focus on better opportunities.

We did not buy any new securities or add to any existing investments in the quarter. We trimmed two holdings and exited another two. Our on-deck list is smaller than usual, but we are following closely a few capably led, strong businesses that would be in our buying range with just a little price pull back.

Contributors/Detractors

(1Q portfolio return; 1Q Fund contribution)

Wynn Resorts (+33%; +1.99%), the luxury gaming and hotel operator with prime properties in Las Vegas, Macau, and Boston, was the largest contributor in the quarter. Macau's rebound continued, as that market now has grown for several months, some at double-digit rates. Wynn's Palace property is ramping up from non-earning status more quickly than expected and gaining share as the premium property in Macau. Las Vegas continues to be a steady market, and the company is making progress on developing and monetizing its under earning golf course land. Wynn also is likely to benefit from the NFL coming to Las Vegas. Construction on the Boston resort is moving ahead as planned. Wynn has a large amount of optionality, and we are confident that CEO Steve Wynn and his team can maximize our outcome. Given the price strength and the position size, we trimmed the stock in the quarter.

CNH Industrial (+11%; +0.61%), the maker of agricultural equipment, commercial vehicles and construction equipment, was another contributor in the quarter. The company once again reported higher pricing in the core agricultural equipment segment at a time of down units. We applaud CEO Rich Tobin for good cost controls, as margins came in better than we expected. There are early signs that the agricultural market is stabilizing after years of decline. When demand for equipment turns, the company's strong incremental margins will be working in our favor. We believe that management and the board are open to further rationalizing the company's assets, as our vested partners, large owner John Elkann and Chairman Sergio Marchionne, have done at other investments in the past.

LafargeHolcim (+13%; +0.60%), the world's largest global cement, aggregates, and ready-mix concrete producer, also added to the Fund's return. The company's 4Q results demonstrated continued success in pricing, operating cost control, and disciplined capital spending which helped earnings before interest, tax, depreciation and amortization (EBITDA) grow 15.5% and free cash flow increase 107%. For 2017, Eric Olsen guided to 2-4% volume growth helped by resumed growth in India and Latin America and continued volume growth in the U.S. Improved volumes combined with pricing and cost controls should drive double-digit EBITDA growth and strong free cash flow (FCF) generation. FCF along with divestitures has fortified LafargeHolcim's balance sheet, and the competitive landscape is positive with few slated capacity additions. We expect dividends and share repurchases to accelerate as cash flow grows.

Chesapeake Energy (-15%; -0.70%), one of the largest U.S. producers of natural gas, oil, and natural gas liquids, was the

Average Annual Total Returns (3/31/17): Since Inception (4/8/87): 10.47%, Ten Year: 3.37%, Five Year: 7.82%; One Year: 20.23%

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largest detractor in the quarter. At the macro level, declines in oil and gas prices pressured the stock. We use the futures strip for both commodities in our appraisal of Chesapeake, even though they are currently trading below the global energy industry's long run marginal costs. CEO Doug Lawler further improved the company's financial strength and flexibility, closing two Haynesville deals and reporting another solid operational quarter. We believe he and his team will continue to execute additional asset sales and maintain both operating and capital expense discipline.

Ralph Lauren, (-15%; -0.62%), the upscale retail brand, declined following the departure of CEO Stefan Larsson after less than two years at the helm. Our case was built on the potential for Larsson and Lauren to form a complimentary business and creative team, and the early results were promising as they cut costs and rationalized unnecessary stock keeping units. But when these two leaders were not able to coexist, a big part of our case changed. Rather than wait to see if the operating plan could continue without Larsson's guidance, we sold our position. The disappointing outcome had only a minor impact on our return during our seven month investment period because of the operating progress the company made in a short period and because we have begun sizing new investments at less than a full 5% position while we gain more in-depth knowledge of the business and people as an owner.

Portfolio Activity

In addition to selling **Ralph Lauren**, we also exited **DuPont** in the quarter. We earned a 60% gain in DuPont when price reached our appraisal. We bought the stock in August 2015 when questions surrounded both the business quality and management, but we believed the board, which was under shareholder pressure, would address the company's leadership, cost structure, and capital allocation to help the conglomerate focus on its more dominant, growing segments. The businesses performed solidly, and the arrival of CEO Ed Breen with his cost cutting plans and smart merger with Dow turned the investment into a success. We will continue to watch the company and its spinoffs going forward.

Outlook

Our P/V ratio is higher than usual in the mid-70s%. We also are holding a 24% cash position. While both of these numbers could seem discouraging at first glance, we feel that the strong businesses we own and the superior management teams running them will be able to grow their values per share at above average rates. If times get tougher, we have stronger-than-usual balance sheets that will allow our investees to go on offense. Our cash will eventually turn into our next great qualifiers. We cannot tell you when that will happen, but we are confident that our patience will be rewarded as it has in the past.

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P/V ("price to value") is a calculation that compares the prices of the stocks in a portfolio to Southeastern's appraisal of their intrinsic values. The ratio represents a single data point about a Fund and should not be construed as something more. P/V does not guarantee future results, and we caution investors not to give this calculation undue weight.

Free Cash Flow (FCF) is a measure of a company's ability to generate the cash flow necessary to maintain operations. Generally, it is calculated as operating cash flow minus capital expenditures.

EBITDA is a company's earnings before interest, taxes, depreciation and amortization.

As of March 31 2017, the holdings discussed represented the following percentages of the Longleaf Partners Fund: Alphabet, 7.0%; Ralph Lauren, 0%; Wynn, 6.7%; CNH Industrial, 4.8%; LafargeHolcim, 4.9%; Chesapeake Energy, 3.8%; DuPont, 0%. Fund holdings are subject to change and holdings discussions are not recommendations to buy or sell any security. Current and future holdings are subject to risk.

Funds distributed by ALPS Distributors, Inc.

LLP000613

Expires 7/31/17

Longleaf Partners Small-Cap Fund

Longleaf Partners Small-Cap Fund (Closed to New Investors)

Contact Us (800) 445-9469 ▪ longleafpartners.com

Fund Profile

Investment Style	US small-cap value
Ticker	LLSCX
Inception Date	February 21, 1989
Net Assets	$4.2 billion
Expense Ratio	**0.91%**
Turnover (5 yr avg)	31%
Weighted Average Market Cap.	$7.9 billion

Holdings (16)

	Activity*	Weight
Level 3 Communications		7.9%
Formula One Group		7.2
Wynn Resorts	--	6.4
Graham Holdings		6.2
ViaSat		5.3
OCI		5.1
CONSOL Energy		4.9
Hopewell	--	4.8
Eastman Kodak *(preferreds)*		4.3
Scripps Networks	--	3.9
Sonic	+	3.9
Actuant		3.7
Deltic Timber		3.4
Neiman Marcus *(bonds)*	+	2.6
Everest Re	--	2.5
SEACOR	--	1.3
Cash		26.6
Total		100.0%

*Full eliminations include the following positions: Triangle Petroleum, Tribune Media, and Rayonier.

Investment Approach — Business, People, Price

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Fund Management and Partnership

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Sector Composition

Consumer Discretionary	30.2%
Information Technology	9.6
Materials	8.5
Telecommunication Services	7.9
Energy	6.2
Real Estate	4.8
Industrials	3.7
Financials	2.5
Cash	26.6

Performance Contribution

Top Contributors	Return	Portfolio Contribution
Wynn Resorts	33%	1.78%
Graham Holdings	17	0.95
Formula One	9	0.59

Top Detractors	Return	Portfolio Contribution
Eastman Kodak	-10%	-0.52%
CONSOL Energy	-8	-0.45
Neiman Marcus	-20	-0.43

Performance at 3/31/17

	Total Return		Average Annual Return					
	Qtr	YTD	One Year	Five Year	Ten Year	15 Year	20 Year	Since Inception
Small-Cap Fund	**3.93%**	**3.93%**	**19.71%**	**14.07%**	**7.80%**	**10.40%**	**11.13%**	**11.14%**
Russell 2000 Index	2.47	2.47	26.22	12.35	7.12	8.38	8.67	9.63

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LLP000618 expires July 31, 2017

March 31, 2017

1Q17

Longleaf Partners Small-Cap Fund Commentary

Longleaf Partners Small-Cap Fund gained 3.93% in the first quarter and outperformed the Russell 2000 Index's 2.47%. Our absolute return surpassed our annual absolute goal of inflation plus 10%, continuing the strong performance from 2016. We exceeded the market's return thanks to strong performance from key holdings and pullbacks from some of the "Trump rally" highfliers that we did not own.

Companies with substantial non-earning assets (NEAs) were particularly rewarding in the quarter. Wynn Resorts, Graham Holdings, and OCI all have or had a number of assets that were not reflected in a simple earnings per share (EPS) calculation, and they also are run by owners who are willing to think long-term. One of the largest contributors over the last 12 months — Formula One Group (formerly Liberty Media Group) — started off as an NEA-heavy company before its great acquisition of Formula One turned non-earning cash into what will be a strong free cash flow generation business.

We did not buy any new securities and only added to two existing investments in the quarter. We trimmed five positions and exited another three. Our on-deck list is smaller than usual, but we are following closely a few capably led, strong businesses that would be in our buying range with just a little price pull back.

Contributors/Detractors

(1Q portfolio return; 1Q Fund contribution)

Wynn Resorts (+33%, +1.78%), the luxury gaming and hotel operator with prime properties in Las Vegas, Macau, and Boston, was the largest contributor in the quarter. Macau's rebound continued, as that market now has grown for several months, some at double-digit rates. Wynn's Palace property is ramping up from non-earning status more quickly than expected and gaining share as the premium property in Macau. Las Vegas continues to be a steady market, and the company is making progress on developing and monetizing its under earning golf course land. Wynn also is likely to benefit from the NFL coming to Las Vegas. Construction on the Boston resort is moving ahead as planned. Wynn has a large amount of optionality, and we are confident that CEO Steve Wynn and his team can maximize our outcome. Given the price strength and the position size, we trimmed the stock in the quarter.

Graham Holdings (+17%; +0.95%), the media, education, and services company, was another contributor in the quarter. The Kaplan International segment reported relatively good results for the first time since 2015 and showed signs of having bottomed out as cost cuts should kick in this year. Graham's TV segment continued to deliver industry-leading results, and the market began to anticipate TV consolidation opportunities under a less regulatory administration. We applaud CEO Tim O'Shaughnessy for buying back a meaningful amount of stock at discounted prices last year, and we are excited about his ability to go on offense with Graham's formidable balance sheet.

Formula One Group (+9%; +0.59%), the media and entertainment company controlled by Liberty Media Corporation and formerly named Liberty Media Group, contributed positively in the company's first quarter as the owner of the global car racing business, Formula One (F1). While there was only one race late in the quarter, our management partners were hard at work making positive changes from day one of their 100% ownership of F1. F1 CEO Chase Carey significantly upgraded his team, adding racing legend Ross Brawn and former ESPN executive Sean Bratches to work on the sport's competitiveness and revenue maximization, respectively. The company also refinanced high cost debt to a lower rate and longer term. Formula One still owns a 34% stake in Live Nation, which reported a somewhat disappointing quarter but remains on track to grow nicely going forward.

Although several of our investments slightly declined in the quarter, none significantly detracted from the Fund's return.

Portfolio Changes

We sold **Triangle Petroleum**, **Tribune Media**, and **Rayonier** in the quarter. We exited Triangle, an oil and gas company, and recognized a loss when we were unwilling to put further capital into the business because of a lack of confidence in several qualitative aspects of the investment case after we had gotten to know the company better. Our second time owning media company Tribune was not nearly as gratifying as our first successful investment in the company's bonds as it came out of bankruptcy. This time, our value declined due to disappointing results at the TV division, a weak spectrum auction, and a lack of value growth from other assets. Our

Average Annual Total Returns (3/31/17): Since Inception (2/21/89): 11.14%, Ten Year: 7.80%, Five Year: 14.07%, One Year: 19.71%

Returns reflect reinvested capital gains and dividends but not the deduction of taxes an investor would pay on distributions or share redemptions. Performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by visiting longleafpartners.com.

As reported in the Prospectus dated May 1, 2016, the total expense ratios for the Longleaf Partners Small-Cap Fund is 0.91% The expense ratio is subject to fee waiver to the extent normal annual operating expenses exceed 1.50% of average annual net assets.

small positive return amid these disappointments speaks to the margin of safety in our initial purchase. We also sold timber REIT Rayonier late in the quarter after the company issued equity at a price that reinforced our assessment that the stock was at or near fair value. Over the three years we held the stock, a challenging timber environment hindered value growth, and while the discount we paid plus the dividend helped preserve our capital, our 12% total return was less than we anticipated.

Outlook

Our P/V ratio is higher than usual in the mid-70s%. We also are holding a 26% cash position. While both of these numbers could seem discouraging at first glance, we feel that the strong businesses we own and the superior management teams running them will be able to grow their values per share at above average rates. If times get tougher, we have stronger-than-usual balance sheets that will allow our investees to go on offense. Our cash will eventually turn into our next great qualifiers. We cannot tell you when that will happen, but we are confident that our patience will be rewarded as it has in the past.

See following page for important disclosures.

Before investing in any Longleaf Partners Fund, you should carefully consider the Fund's investment objectives, risks, charges, and expenses. For a current Prospectus and Summary Prospectus, which contain this and other important information, visit longleafpartners.com. Please read the Prospectus and Summary Prospectus carefully before investing.

RISKS

The Longleaf Small-Cap Fund is subject to stock market risk, meaning stocks in the Fund may fluctuate in response to developments at individual companies or due to general market and economic conditions. Also, because the Fund generally invests in 15 to 25 companies, share value could fluctuate more than if a greater number of securities were held. Smaller company stocks may be more volatile with less financial resources than those of larger companies.

The Russell 2000 Index measures the performance of the 2,000 smallest companies in the Russell 3,000 Index, which represents approximately 10% of the total market capitalization of the Russell 3000 Index. An index cannot be invested in directly.

P/V ("price to value") is a calculation that compares the prices of the stocks in a portfolio to Southeastern's appraisal of their intrinsic values. The ratio represents a single data point about a Fund and should not be construed as something more. P/V does not guarantee future results, and we caution investors not to give this calculation undue weight.

Free Cash Flow (FCF) is a measure of a company's ability to generate the cash flow necessary to maintain operations. Generally, it is calculated as operating cash flow minus capital expenditures.

Earnings per share (EPS) is the portion of a company's net income allocated to each share of common stock.

"Margin of Safety" is a reference to the difference between a stock's market price and Southeastern's calculated appraisal value. It is not a guarantee of investment performance or returns.

REIT is a real estate investment trust.

As of March 31,2017, the holdings discussed represented the following percentages of the Longleaf Partners Small-Cap Fund: Wynn, 6.4%; Graham Holdings, 6.2%; OCI, 5.1%; Formula One, 7.2%; Triangle Petroleum, 0%; Tribune Media, 0%; Rayonier, 0%. Fund holdings are subject to change and holding discussions are not recommendations to buy or sell any security. Current and future holdings are subject to risk.

Funds distributed by ALPS Distributors, Inc.

LLP000614
Expires 7/31/17

Longleaf Partners International Fund

Longleaf Partners International Fund

Contact Us (800) 445-9469 ▪ longleafpartners.com

Fund Profile

Investment Style	International value
Ticker	LLINX
Inception Date	October 26, 1998
Net Assets	$1.1 billion
Expense Ratio	**1.28%**
Turnover (5 yr avg)	39%
Weighted Average Market Cap.	$16.8 billion

Holdings (20)

	Activity**	Weight
LafargeHolcim		8.4%
EXOR		8.2
Melco International		7.9
CK Hutchison		7.0
OCI		5.7
CEMEX *(bonds)*	--	4.9
Cheung Kong Property		4.7
Yum China	+	4.7
Great Eagle	--	4.6
C&C	+	4.3
Baidu		4.1
Ferrovial		3.2
Undisclosed	NEW	2.9
Genting Singapore		2.8
Undisclosed	NEW	2.5
K. Wah International	--	2.2
STADA	--	1.4
Applus Services		1.2
Genting Berhad *(warrants)*		1.1*
MLog		0.5
Cash		17.7*
Total		100.0%

**Full eliminations include the following positions: Sika.

Investment Approach — Business, People, Price

The Fund seeks to buy 18-22 competitively entrenched, financially strong, well-managed companies whose stocks sell at deep discounts to intrinsic values.

Fund Management and Partnership

Southeastern Asset Management, founded in 1975, is an independent, Memphis-based global firm managing $20.1 billion. Southeastern's employees and related entities are the largest investors across the Longleaf Partners Funds.

Sector Composition

Materials	19.5%
Consumer Discretionary	16.5
Real Estate	11.5
Industrials	11.4
Financials	11.1
Consumer Staples	4.3
Information Technology	4.1
Telecommunication Services	2.5
Health Care	1.4
Cash	17.7*

Regional Composition

Asia ex-Japan	39.1%
Europe ex-UK	34.9
Latin America	5.4
North America	2.9
Cash	17.7*

Performance Contribution

Top Contributors	Return	Portfolio Contribution
Melco	30%	2.02%
EXOR	21	1.63
LafargeHolcim	13	1.05

Top Detractors	Return	Portfolio Contribution
C&C	-4%	-0.21%
Great Eagle	-1	-0.08
Undisclosed	-1	-0.05

Performance at 3/31/17

	Total Return		Average Annual Return					
	Qtr	YTD	One Year	Five Year	Ten Year	15 Year	20 Year	Since Inception
International Fund	**8.80%**	**8.80%**	**18.70%**	**5.95%**	**0.91%**	**4.45%**	**na**	**7.44%**
MSCI EAFE Index	7.25	7.25	11.67	5.83	1.05	5.74	na	4.30

*Weightings adjusted for close of warrants and purchase of underlying stock: Genting Berhad, 6.5% and Cash, 12.3%.

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The Fund is subject to stock market risk, meaning stocks in the Fund may fluctuate in response to developments at individual companies or due to general market and economic conditions. Also, because the Fund generally invests in 15 to 25 companies, share value could fluctuate more than if a greater number of securities were held. Investing in non-U.S. securities may entail risk due to non-U.S. economic and political developments, exposure to non-U.S. currencies, and different accounting and financial standards. These risks may be higher when investing in emerging markets.

Funds distributed by ALPS Distributors, Inc.

MSCI EAFE Index (Europe, Australasia, Far East) is a broad based, unmanaged equity market index designed to measure the equity market performance of 22 developed markets, excluding the US & Canada. An index cannot be invested in directly.

The expense ratio is subject to a fee waiver to the extent the Fund's normal annual operating expenses exceed 1.75% of average annual net assets.

LLP000619 expires July 31, 2017

Longleaf Partners International Fund Commentary

March 31, 2017

1Q17

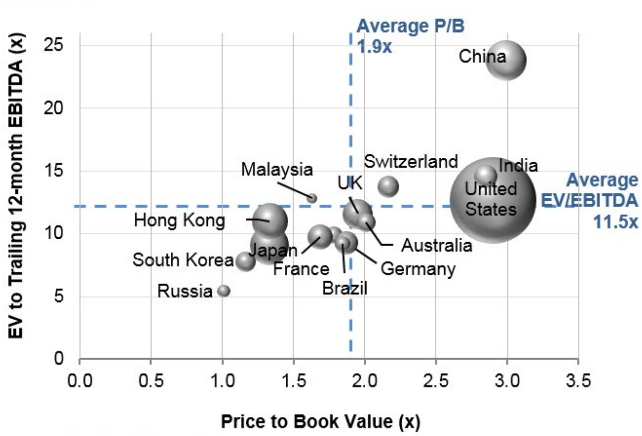
Longleaf Partners International Fund returned 8.80% for the quarter, outperforming the MSCI EAFE Index's 7.25% and meaningfully exceeding our absolute annual goal of inflation plus 10%. This performance extended 2016's strong absolute results and over 1100 basis points of benchmark outperformance.

A large portion of our return was attributable to our gaming resort investments in Macau, where industry gross gaming revenue accelerated above consensus estimates in the last two months to approximately 18% growth year-over-year. Most stocks in the portfolio rose. The several that declined only had slight impact on the Fund's performance and created a couple of opportunities to add to our positions at deeper discounts.

Since the U.S. election in November, global markets have levitated. Full valuations in parts of the world have become more extended. Our European universe appears fairly to slightly overvalued, while the Asia Pacific region is more attractive. In other parts of the world we see pockets of prospective opportunity. The chart below illustrates the relative valuations of major stock markets. Our portfolio reflects the regional opportunity set with the portfolio invested 39% in Asia, 35% in Europe, 5% in Latin America, and the remainder elsewhere. Cash is almost 18%.

Global Valuations

At 3/31/17

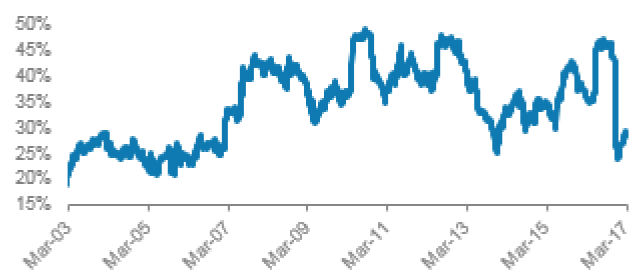


Source: FactSet Market Aggregates
Bubble sizes are sum of the market capitalization within the country index

Overall market levels constitute a challenge for the value oriented investor, but tight capital market correlations of the last eight years have started to break down. The central bank inspired lock-step elevation of risk assets started in the early days of the U.S. Subprime Crisis. Passive investing in index funds and exchange-traded funds rose in popularity as the lack of price dispersion reduced the opportunity for active managers to outperform. We believe this has changed. As the graph below indicates, correlations across global asset classes have dropped back to 2006 levels. Our strong performance in 2016 and through the first quarter of 2017 when correlations were declining from high levels is an indicator of how active management can deliver.

Global Asset Correlations

Historical Six month correlations at 3/31/17



Source: Morgan Stanley Research, Bloomberg

With increased dispersion, our on-deck list has expanded over the last six months even as broader markets have risen. We have bought five new investments over that time, two in the first quarter of 2017. Company-specific investments that require our brand of deep due diligence and owner-oriented engagement translate to increased opportunities for outperformance. Our global network of contacts continues to provide an advantage as these important partners provide investment ideas, insight into companies and managements, and resources to help bring about positive outcomes at our holdings. Our positive result at Sika, the one company we exited in the quarter, was due in part to gaining an understanding from various contacts of the business quality, the legal hurdles, and the interests of the different parties involved in the controlling family's effort to sell its stake to St. Gobain.

Average Annual Total Returns (3/31/17): Since Inception (10/26/98): 7.44%, Ten Year: 0.91%, Five Year: 5.95%, One Year: 18.70%

Returns reflect reinvested capital gains and dividends but not the deduction of taxes an investor would pay on distributions or share redemptions. Performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by visiting longleafpartners.com.

As reported in the Prospectus dated May 1, 2016, the total expense ratio for the Longleaf Partners International Fund is 1.28%. The expense ratio is subject to fee waiver to the extent normal annual operating expenses exceed 1.75% of average annual net assets.

Contributors/Detractors
(1Q portfolio return; 1Q Fund contribution)

Melco International (+30%; +2.02%), the Asian gaming operator, was the primary contributor in the quarter. Investor sentiment towards Macau has improved since August 2016 when industry gaming revenues posted their first year-over-year (YOY) growth in 26 months. In the last two months, growth of industry gross gaming revenue accelerated above consensus estimates to about 18% YOY. While overall visitation was essentially flat in FY16, overnight visitations grew 10%. Overnight visitors tend to be higher value customers relative to day trippers. The higher margin mass business grew double-digit rates in each of the last three quarters; and, even the VIP business is staging a comeback, supported by junket consolidation and increasing credit availability. The increase in demand has helped absorb new supply. Melco's City of Dreams maintained its market share even with the opening of the $4 billion Wynn Palace across the street, and Melco's newest property, Studio City, continued to ramp up, substantially growing earnings before interest, tax, depreciation and amortization (EBITDA). Competition remains rational with all participants focused on margins rather than reducing prices to gain share. We expect the new ferry terminal to open this year, which will bring mass tourists directly to Cotai, where City of Dreams is located. Importantly, Melco re-financed $1.4 billion in Studio City secured credit facilities at attractive rates in late 2016 which removed an overhang on the stock. CEO Lawrence Ho and his team have proven to be strong operators and astute capital allocators. In January, Melco Crown, which Melco controls, declared $1.3 per share in special dividends (implying over 8% yield).

EXOR (+21%; +1.63%), the Netherlands based holding company of the Agnelli family, was another top contributor to performance. Of the company's significant public stakes, car company Fiat Chrysler Automobiles and agricultural equipment and commercial truck producer CNH Industrial, both had good underlying share price performance. PartnerRe, Exor's wholly owned reinsurance business, will be revalued in the upcoming quarter, which we expect to be a positive development. EXOR is at the early stages of its transformation under the leadership of CEO John Elkann and remains attractively priced at a discount to our appraisal.

LafargeHolcim (+13%; +1.05%), the world's largest global cement, aggregates, and ready-mix concrete producer, also added to the Fund's return. The company's 4Q results demonstrated continued success in pricing, operating cost control, and disciplined capital spending which helped EBITDA grow 15.5% and free cash flow increase 107%. For 2017, CEO Eric Olsen guided to 2-4% volume growth helped by resumed growth in India and Latin America and continued volume growth in the U.S. Improved volumes combined with pricing and cost controls should drive double-digit EBITDA growth and strong free cash flow (FCF) generation. FCF along with divestitures has fortified LafargeHolcim's balance sheet, and the competitive landscape is positive with few slated capacity additions. We expect dividends and share repurchases to accelerate as cash flow grows.

K. Wah (+43%; +0.95%), the Hong Kong and China real estate company that also owns 3.8% of Macau casino operator Galaxy Entertainment, was another major contributor in the quarter. All three of the company's value drivers performed strongly. Book value grew 16% and the dividend grew 8% YOY. In 2016, the company sustained a second year of elevated sales of Hong Kong residential developments at high margins. K. Wah also achieved strong pre-sales of its Hong Kong K-City residential project at the former Kai Tak airport for prices almost double what it will cost to complete. In China, K. Wah achieved EBITDA margins above 50% on real estate sales due to its low cost land bank and strong price growth in tier 1 cities, where most of its land bank is located. During the quarter, the company's stake in Galaxy Entertainment appreciated by over 25% as sentiment towards Macau improved (see discussion of Melco above). We took advantage of K. Wah's gain to trim the position as our case began to rely more heavily on management's capital allocation, where we have somewhat less confidence in the controlling shareholder's interest in closing the remaining discount.

There were no material detractors in the quarter.

Portfolio Changes
In addition to K. Wah mentioned above, we reduced three positions and increased our stake in two companies. As noted above, we bought two new holdings and sold one, our successful investment in **Sika**, the Swiss producer of construction specialty materials and services, following a 50% return over our 16 month holding period. With helpful insights from our network of related contacts, when we purchased the stock, we were confident that the significant margin of safety, top quality operating management, and high quality business more than offset the uncertainty surrounding the efforts by the founding family to sell its controlling stake to a French competitor. Through extraordinary operating results and positive developments in the legal dispute between the parties, the share price exceeded our assessment of intrinsic value in a short period. The independent, non-executive directors on the company's board, Chairman Paul Haelg, and CEO Jan Jenisch all merit special commendation for fortitude and outstanding performance in a difficult governance situation.

We started buying two new investments in the first quarter. One is a financial services business that we have owned before with a very satisfying outcome. The other is a company we have followed for years. We still are working to purchase full positions, and thus, will wait to discuss the companies more in depth.

Outlook
Our corporate partners have been delivering solid operating results and capital allocation choices. The Fund's P/V ratio is in the low-70s%, and the competitively advantaged businesses we own and superior management teams running them should be able to grow values per share at above average rates. Disruptions from the geopolitical uncertainty around the world, particularly with elevated market levels in many places, could deliver additional opportunities. Our global research team is already adding strong businesses to the on-

deck list. With our almost 18% cash position, we are positioned to take advantage of the next qualifiers. We believe our proven discipline and robust process mean that our current holdings and prospective investments portend good risk-adjusted returns for the foreseeable future. Thank you for your continued support of Longleaf International.

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RISKS

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Free Cash Flow (FCF) is a measure of a company's ability to generate the cash flow necessary to maintain operations. Generally, it is calculated as operating cash flow minus capital expenditures.

"Margin of Safety" is a reference to the difference between a stock's market price and Southeastern's calculated appraisal value. It is not a guarantee of investment performance or returns.

Enterprise value (EV) is a company's market capitalization plus debt, minority interest and preferred shares, and less total cash and cash equivalents.

EBITDA is a company's earnings before interest, taxes, depreciation and amortization.

EV/EBITDA is a ratio comparing a company's enterprise value and its earnings before interest, taxes, depreciation and amortization.

Price-to-book value (P/B) is the ratio of market price of a company's shares over the value of a company's assets as carried on the balance sheet.

As of March 31, 2017, the holdings discussed represented the following percentages of the Longleaf Partners International Fund: Sika, 0%; Melco, 7.9%; EXOR, 8.2%; LafargeHolcim, 8.4%; K. Wah, 2.2%. Fund holdings are subject to change and holding discussions are not recommendations to buy or sell any security. Current and future holdings are subject to risk.

Funds distributed by ALPS Distributors, Inc.

LLP000616

Expires 7/31/17

Longleaf Partners Global Fund

March 31, 2017

1Q17

Longleaf Partners Global Fund

Contact Us (800) 445-9469 ▪ longleafpartners.com

Fund Profile

Investment Style	Global value
Ticker	LLGLX
Inception Date	December 27, 2012
Net Assets	$0.2 billion
Expense Ratio	**1.54%**
Turnover (5 yr avg)	na
Weighted Average Market Cap.	$45.7 billion

Holdings (22)

	Activity**	Weight
Level 3 Communications		8.9%
Melco International		7.4
LafargeHolcim		6.8
Wynn Resorts	--	6.7
FedEx		6.5
CK Hutchison		5.6
EXOR		5.6
Yum China		4.8
OCI		4.5
United Technologies		4.4
Alphabet		4.1
Cheung Kong Property		3.9
Chesapeake Energy		3.3
Ferrovial		3.3
CNH Industrial		3.3
Undisclosed	NEW	3.0
Hopewell		2.6
K. Wah International	--	2.3
CONSOL Energy		2.1
T. Rowe Price		2.1
Genting Berhad *(equity/warrants)*		1.9*
Genting Singapore		1.5
Cash		5.4*
Total		100.0%

**Full eliminations include the following positions: None.

Investment Approach — Business, People, Price

The Fund seeks to buy 18-22 competitively entrenched, financially strong, well-managed companies whose stocks sell at deep discounts to intrinsic values.

Fund Management and Partnership

Southeastern Asset Management, founded in 1975, is an independent, Memphis-based global firm managing $20.1 billion. Southeastern's employees and related entities are the largest investors across the Longleaf Partners Funds.

Sector Composition

Industrials	23.1%
Consumer Discretionary	22.3
Materials	11.3
Financials	10.7
Telecommunication Services	8.9
Real Estate	8.8
Energy	5.4
Information Technology	4.1
Cash	5.4*

Regional Composition

North America	41.1%
Asia ex-Japan	30.0
Europe ex-UK	23.5
Cash	5.4*

Performance Contribution

Top Contributors	Return	Portfolio Contribution
Wynn Resorts	33%	1.93%
Melco	30	1.82
EXOR	20	1.00

Top Detractors	Return	Portfolio Contribution
Chesapeake	-15%	-0.65%
T. Rowe Price	-9	-0.21
CONSOL Energy	-8	-0.19

Performance at 3/31/17

	Total Return		Average Annual Return					
	Qtr	YTD	One Year	Five Year	Ten Year	15 Year	20 Year	Since Inception
Global Fund	**8.70%**	**8.70%**	**29.22%**	**na**	**na**	**na**	**na**	**7.54%**
MSCI World Index	6.38	6.38	14.77	na	na	na	na	10.16

*Weightings adjusted for close of warrants and purchase of underlying stock: Genting Berhad, 6.2% and Cash, 1.1%.

***Beginning May 1, 2016, Southeastern has agreed to waive fees and/or reimburse expenses so that Global Fund Total Annual Fund Operating Expenses (excluding interest, taxes, brokerage commissions and extraordinary expenses) do not exceed 1.2% of average net assets on an annualized basis. This voluntary waiver or reimbursement may be discontinued at any time.

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Funds distributed by ALPS Distributors, Inc.

MSCI World Index is a broad-based, unmanaged equity market index designed to measure the equity market performance of 24 developed markets, including the United States. An index cannot be invested in directly. *LLP000621 expires July 31, 2017*

March 31, 2017

1Q17

Longleaf Partners Global Fund Commentary

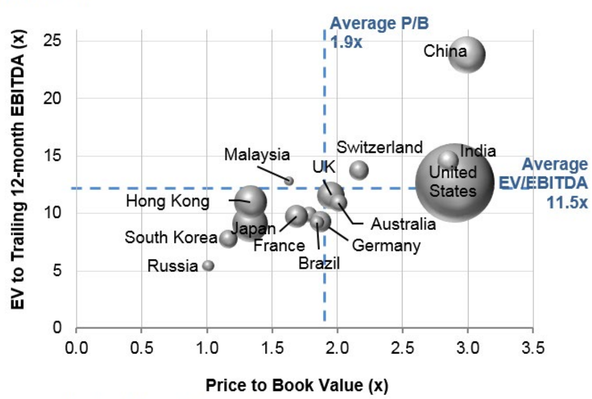
Longleaf Partners Global Fund returned 8.70% in the first quarter, outperforming the MSCI World Index's 6.38% and meaningfully exceeding our absolute annual return goal of inflation plus 10%. This performance extended 2016's strong absolute results and almost 1300 basis points of benchmark outperformance.

A large portion of our return was attributable to our gaming resort investments, particularly in Macau, where industry gross gaming revenue accelerated above consensus estimates in the last two months to approximately 18% growth year-over-year. Businesses based outside the U.S., along with Wynn Resorts, which has approximately half of its value in Macau, were by far the larger contributors to our strong performance. Very few stocks in the portfolio declined, and their impact was slight. The largest collective detractor, our two energy investments — while lower weighted than in recent years — declined due to commodity price fluctuations, even though our management and board partners continued to make the right moves for the long term.

Since the U.S. election in November, global markets have levitated. Full valuations in parts of the world have become more extended, with the U.S. market being the most extreme. Europe appears fairly to slightly overvalued, while the Asia Pacific region is more attractive. The chart below illustrates the relative valuations of major stock markets. Our portfolio reflects the regional opportunity set with U.S. holdings only 38% of assets in spite of being over 50% of the global index's market cap. The remainder of our companies are based 30% in Asia, 24% in Europe, and 3% elsewhere. Cash is 5%.

Global Valuations

At 3/31/17

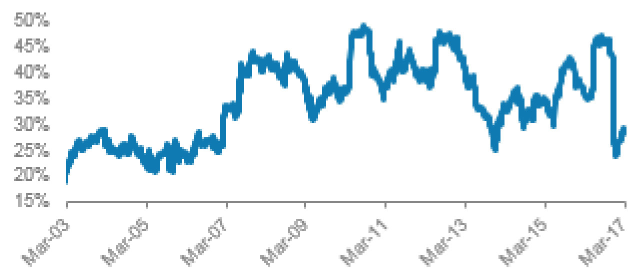


Source: FactSet Market Aggregates
Bubble sizes are sum of the market capitalization within the country index

Overall market levels constitute a challenge for the value oriented investor, but tight capital market correlations of the last eight years have started to break down. The central bank inspired lock-step elevation of risk assets started in the early days of the U.S. Subprime Crisis. Passive investing in index funds and exchange-traded funds rose in popularity as the lack of price dispersion reduced the opportunity for active managers to outperform. We believe this has changed. As the graph below indicates, correlations across global asset classes have dropped back to 2006 levels. Our strong performance in 2016 and through the first quarter of 2017 when correlations were declining from high levels is an indicator of how active management can deliver.

Global Asset Correlations

Historical Six month correlations at 3/31/17



Source: Morgan Stanley Research, Bloomberg

With increased dispersion, our on-deck list has expanded even as broader markets have risen. Although our U.S. prospects are fewer than usual, we are finding additional potential qualifiers in other parts of the world. In the quarter we bought one new security and reduced the weight of two of our larger contributors as their prices moved closer to our appraisals.

Contributors/Detractors

(1Q portfolio return; 1Q Fund contribution)

Three of our largest contributors were related to Macau casino operators. We therefore start with a discussion of the area's overall positive results. Investor sentiment toward Macau has improved since August 2016 when industry gaming revenues

Average Annual Total Returns (3/31/17): Since Inception (12/27/12): 7.54%, Ten Year: na%, Five Year: na%, One Year: 29.22%

Returns reflect reinvested capital gains and dividends but not the deduction of taxes an investor would pay on distributions or share redemptions. Performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by visiting longleafpartners.com.

As reported in the Prospectus dated May 1, 2016, the total expense ratio for the Longleaf Partners Global Fund is 1.54%. The expense ratio is subject to fee waiver to the extent normal annual operating expenses exceed 1.65% of average annual net assets. Effective May 1, 2016, Southeastern agreed to voluntarily reduce the expense limit to 1.20%. This voluntary fee waiver for the Global Fund may be discontinued at any time.

posted their first year-over-year (YOY) growth in 26 months. The pace accelerated in the last two months. While overall visitation was essentially flat in FY16, overnight visitations, which tend to be higher value customers than day trippers, grew 10%. The higher margin mass business grew double-digit rates in each of the last three quarters; and, even the VIP business is staging a comeback, supported by junket consolidation and increasing credit availability. The increase in demand has helped absorb new supply. Competition remains rational with all participants focused on margins rather than reducing prices to gain share.

Wynn Resorts (+33%; +1.93%), the luxury gaming and hotel operator with prime properties in Las Vegas, Macau, and Boston, was the largest contributor in the quarter. Wynn's Palace property is ramping up from non-earning status more quickly than expected and gaining share as the premium property in Macau. Las Vegas continued to be a steady market, and the company is making progress on developing and monetizing its under earning golf course land. Wynn also is likely to benefit from the NFL coming to Las Vegas. Construction on the Boston resort is moving ahead as planned. Wynn has a large amount of optionality, and we are confident that CEO Steve Wynn and his team can maximize our outcome. Given the price strength and the position size, we trimmed the stock in the quarter.

Melco International (+30%; +1.82%), the Macau gaming operator, was the other most significant contributor in the quarter. Melco's City of Dreams maintained its market share even with the opening of the $4 billion Wynn Palace across the street, and Melco's newest property, Studio City, continued to ramp up, substantially growing earnings before interest, tax, depreciation and amortization (EBITDA). We expect the new ferry terminal to open this year, which will bring mass tourists directly to Cotai, where City of Dreams is located. Importantly, Melco re-financed $1.4 billion in Studio City secured credit facilities at attractive rates in late 2016 which removed an overhang on the stock. CEO Lawrence Ho and his team have proven to be strong operators and astute capital allocators. In January, Melco Crown, which Melco controls, declared $1.3 per share in special dividends (implying over 8% yield).

EXOR (+20%; +1.00%), the Netherlands based holding company of the Agnelli family, was another top contributor to performance. Of the company's significant public stakes, car company Fiat Chrysler Automobiles and agricultural equipment and commercial truck producer CNH Industrial, both had good underlying share price performance. PartnerRe, Exor's wholly owned reinsurance business, will be revalued in the upcoming quarter, which we expect to be a positive development. EXOR is at the early stages of its transformation under the leadership of CEO John Elkann and remains attractively priced at a discount to our appraisal.

K. Wah International (+43%; +0.90%), the Hong Kong and China real estate company that also owns 3.8% of Macau casino operator Galaxy Entertainment, was another major contributor in the quarter. All three of the company's value drivers performed strongly. Book value grew 16% and the dividend grew 8% YOY. In 2016, the company sustained a second year of elevated sales of Hong Kong residential developments at high margins. K. Wah also achieved strong pre-sales of its Hong Kong K-City residential project at the former Kai Tak airport for prices almost double what it will cost to complete. In China, K. Wah achieved EBITDA margins above 50% on real estate sales due to its low cost land bank and strong price growth in tier 1 cities, where most of its land bank is located. During the quarter, the company's stake in Galaxy Entertainment appreciated by over 25% as sentiment towards Macau improved. We took advantage of K. Wah's gain to trim the position as our case began to rely more heavily on management's capital allocation, where we have somewhat less confidence in the controlling shareholder's interest in closing the remaining discount.

LafargeHolcim (+13%; +0.81%), the world's largest global cement, aggregates, and ready-mix concrete producer, also added to the Fund's return. The company's 4Q results demonstrated continued success in pricing, operating cost control, and disciplined capital spending which helped EBITDA grow 15.5% and free cash flow increase 107%. For 2017, Eric Olsen guided to 2-4% volume growth helped by resumed growth in India and Latin America and continued volume growth in the U.S. Improved volumes combined with pricing and cost controls should drive double-digit EBITDA growth and strong free cash flow (FCF) generation. FCF along with divestitures has fortified LafargeHolcim's balance sheet, and the competitive landscape is positive with few slated capacity additions. We expect dividends and share repurchases to accelerate as cash flow grows.

Chesapeake Energy (-15%; -0.65%), one of the largest U.S. producers of natural gas, oil, and natural gas liquids, was a detractor in the quarter, but with a relatively minor impact on Fund performance. At the macro level, declines in oil and gas prices pressured the stock. We use the futures strip for both commodities in our appraisal of Chesapeake, even though they are currently trading below the global energy industry's long run marginal costs. CEO Doug Lawler further improved the company's financial strength and flexibility, closing two Haynesville deals and reporting another solid operational quarter. We believe he and his team will continue to execute additional asset sales and maintain both operating and capital expense discipline.

Portfolio Activity

We did not exit any investments but initiated one new position in the first quarter – a financial services business that Southeastern has owned previously. We still are working to buy a full allocation, and thus, will wait to discuss the company more in depth.

Outlook

Our corporate partners have been delivering solid operating results and capital allocation choices. Although the Fund's low-70s% P/V ratio is higher than usual, the competitively advantaged businesses we own and the superior management teams running them should be able to grow values per share at above average rates. Disruptions from the geopolitical uncertainty around the world, particularly with elevated market levels in many places, could deliver additional opportunities. Our global research team is already adding strong businesses to the on-deck list. Our 5% cash position positions us to take advantage of the next qualifier. We believe our proven discipline and robust process mean that our current holdings and prospective investments portend good risk-adjusted returns for the foreseeable future.

See following page for important disclosures.

Before investing in any Longleaf Partners Fund, you should carefully consider the Fund's investment objectives, risks, charges, and expenses. For a current Prospectus and Summary Prospectus, which contain this and other important information, visit longleafpartners.com. Please read the Prospectus and Summary Prospectus carefully before investing.

RISKS

The Longleaf Partners Global Fund is subject to stock market risk, meaning stocks in the Fund may fluctuate in response to developments at individual companies or due to general market and economic conditions. Also, because the Fund generally invests in 15 to 25 companies, share value could fluctuate more than if a greater number of securities were held. Investing in non-U.S. securities may entail risk due to non-US economic and political developments, exposure to non-US currencies, and different accounting and financial standards. These risks may be higher when investing in emerging markets.

MSCI World Index is a broad-based, unmanaged equity market index designed to measure the equity market performance of 24 developed markets, including the United States. An index cannot be invested in directly.

P/V ("price to value") is a calculation that compares the prices of the stocks in a portfolio to Southeastern's appraisal of their intrinsic values. The ratio represents a single data point about a Fund and should not be construed as something more. P/V does not guarantee future results, and we caution investors not to give this calculation undue weight.

Free Cash Flow (FCF) is a measure of a company's ability to generate the cash flow necessary to maintain operations. Generally, it is calculated as operating cash flow minus capital expenditures.

EBITDA is a company's earnings before interest, taxes, depreciation and amortization.

Enterprise value (EV) is a company's market capitalization plus debt, minority interest and preferred shares, and less total cash and cash equivalents.

EV/EBITDA is a ratio comparing a company's enterprise value and its earnings before interest, taxes, depreciation and amortization.

Price-to-book value (P/B) is the ratio of market price of a company's shares over the value of a company's assets as carried on the balance sheet.

As of March 31, 2017, the holdings discussed represented the following percentages of the Longleaf Partners Global Fund: Wynn, 6.7%; Melco, 7.4%; EXOR, 5.6%; K. Wah, 2.3%; LafargeHolcim, 6.8%; Chesapeake, 3.3%. Fund holdings are subject to change and holding discussions are not recommendations to buy or sell any security. Current and future holdings are subject to risk.

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Expires 7/31/17

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