Longleaf Partners Funds

Quarterly Summary Report

For the Quarter Ended September 30, 2017

Southeastern
Asset Management, Inc.®

Advisor to Longleaf Partners Funds

September 30, 2017

3Q17

Longleaf Partners Funds Shareholder Letter

In the third quarter, we compounded our shareholders' capital across all four Longleaf Partners Funds. Performance gains, however, were somewhat muted by the larger-than-normal cash held across the Funds. Markets outside of the U.S. led year-to-date returns throughout 2017, but U.S. small cap stocks beat both U.S. large cap and non-U.S. markets in the third quarter following the September small cap rally associated with prospective corporate tax cuts. Longleaf International Fund outperformed EAFE. In the Longleaf Partners, Longleaf Partners Small-Cap, and Longleaf Partners Global Funds, which underperformed their relevant indices, our largest holding, Level 3 Communications (LVLT),[1,2,3] was the primary source followed by the cash headwind. LVLT will become a more normal weight when CenturyLink (CTL) closes its purchase of LVLT, paying cash for approximately half of the acquisition. In the quarter, LVLT's price reflected concerns about final deal approvals and a potential CTL dividend cut post-deal. We anticipate that the deal will close, the prospective cash flow will easily cover the dividend, and the new CTL will be the preeminent global fiber network solutions company with an extraordinarily capable management team.

	YTD	3Q
Partners Fund	**11.47%**	**3.25%**
S&P 500 Index	14.24	4.48
Small-Cap Fund	**7.13**	**2.08**
Russell 2000 Index	10.94	5.67
International Fund	**24.61**	**5.64**
MSCI EAFE Index	19.96	5.41
Global Fund	**23.08**	**3.01**
MSCI World Index	16.01	4.84

Past performance does not guarantee future results.

With the ongoing multi-year bull market in the U.S. and the more recent rise in global markets, finding meaningfully discounted strong businesses led by good management partners has become more challenging. We have trimmed or sold numerous successful investments over the last year but found few qualifying replacements. Our cash levels, therefore, remain our largest positions across all four Funds as we adhere to our multi-decade discipline – when nothing meets our criteria, we patiently wait rather than putting capital at a higher risk of loss by compromising on the margin of safety.

Liquidity in a portfolio is a byproduct of our bottom up process. Southeastern has not become more reluctant to invest, nor has market structure changed such that fear and uncertainty will no longer price companies at 60-70% of intrinsic worth. We are confident that we will find new qualifiers, as we have in the past when cash has been this high. Stocks become discounted for numerous reasons ranging from simple, company-specific earnings misses to complex, broad geopolitical or natural events that generate fear in particular industries or overall markets.

Over 42 years of investing, we have found undervaluation in almost every imaginable way, but Southeastern's approach lends itself especially well to three consistent sources of opportunity: 1) unraveling complex companies and/or reporting, 2) partnering with extraordinarily capable corporate leaders who can build value per share in ways that do not fit easily into spreadsheet models, and 3) arbitraging time horizons.

Complexity

Companies with complex structures (as opposed to complex products such as biotech or information technology) can be overlooked because they require time, multi-industry knowledge, and global perspective to appraise properly. Stock analysts often determine "price targets" by putting an industry

1 Owned in Longleaf Partners Fund 2 Owned in Longleaf Partners Global Fund 3 Owned in Longleaf Partners Small-Cap Fund 4 Owned in Longleaf Partners International Fund

Average Annual Total Returns (9/30/17) Partners Fund: Since Inception (4/8/87): 10.54%, Ten Year: 3.44%, Five Year: 9.33%, One Year: 13.74%. Small-Cap Fund: Since Inception (2/21/89): 11.05%, Ten Year: 7.57%, Five Year: 12.99%, One Year: 11.29%. International Fund: Since Inception (10/26/98): 8.01%, Ten Year: 1.34%, Five Year: 8.78%, One Year: 24.22%. Global Fund: Since Inception (12/27/12): 9.54%, Ten Year: na, Five Year: na, One Year: 25.05%.

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. 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, 2017, the total expense ratios for the Longleaf Partners Funds are: Partners Fund 0.95%, Small-Cap Fund 0.91%, International Fund 1.33%, and Global Fund 1.52%. 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.

multiple on near-term earnings estimates, and most investment firms organize their analysts by industry and/or geography. Thus, a company such as CK Hutchison[1,2,4] that has wireless telecom, retail, and port operations around the world as well as infrastructure and energy assets, cannot be properly appraised with a single multiple for a single industry in a single country.

Southeastern's structure enables us to unearth this type of mispricing because our analysts around the world operate as a team to review our prospective investments, and each analyst is a generalist, with cumulative years of experience appraising a wide variety of businesses. This means we create detailed appraisals of each business segment rather than applying an industry multiple across corporate earnings. Our generalist team approach also has an advantage over coverage by industry-specific analysts when a company shifts its primary business focus, as when CK Hutchison spun off its property business, which made properly assessing the remaining segments even more important.

Other examples of multi-industry complexity and change in focus include EXOR[2,4] and Graham Holdings[3]. Ten years ago, many viewed EXOR as a way to own Fiat, a car company with limited models and distribution. But Chairman and CEO John Elkann and Vice Chairman Sergio Marchionne successfully split Fiat into its better recognized parts of Ferrari, Fiat Chrysler Automobiles, and CNH Industrial. Last year, the purchase of PartnerRe made it the largest part of EXOR's value, thereby requiring reinsurance industry knowledge to properly analyze the company. Our generalist team could quickly incorporate the value of this significant acquisition into our EXOR case given the analysts' coverage of previous reinsurance investments such as Everest Re, Odyssey RE within Fairfax, and Berkshire Reinsurance within Berkshire Hathaway. To appraise Graham Holdings, formerly The Washington Post, knowledge of the newspaper and cable industries (the two largest parts that the company sold and spun out, respectively) is of limited help in determining the value for the remaining disparate businesses of television stations, for-profit education, industrial companies, and other ventures. Our history of analyzing each segment of the company as well as our experience as generalists covering multiple related businesses allowed us to quickly assess Graham's worth as the company changed focus.

Complex reporting also can lead to undervaluation when accounting obscures the true free cash flow of a company. LafargeHolcim[1,2,4] amortizes acquisition intangibles and large upfront spending for its cement plants, causing current earnings per share, which most cement analysts use as the foundation for their stock recommendations, to be well below the free cash flow power of the company.

Leadership

Superior management teams and owner-operators who are willing to think and act unconventionally for the benefit of shareholders can create discount opportunities, because standard valuation metrics do not adequately encompass what investors are getting. Last year, Chairman John Malone and CEO Greg Maffei of Liberty Media Corporation divided the company into three different tracking stocks. The most complex, Liberty Media Group, also had the most upside potential for smart capital allocation due to its large level of cash and investments. The company quickly announced its purchase of the global racing circuit Formula One[3] and adopted the name for the combined entity. Even better, Malone and Maffei recruited Chase Carey, an all-time great Southeastern partner during his time as CEO at DirecTV, to be CEO. Our partners created instant value in an unexpected way, but also laid the foundation for significant future upside.

Similarly, although Prem Watsa, CEO of Fairfax Financial,[1,2,4] has proven his ability to compound shareholder capital over multiple decades, this insurance company became deeply discounted earlier this year. A few recent years of lackluster investment returns and a new acquisition penalized the stock price, which only reflected capitalizing Fairfax's current earnings without giving credit for the large amount of non-earning cash that Watsa has available to put to work at much higher returns.

Southeastern puts significant weight on the quality of corporate leaders and spends time productively engaging with our management partners. Our process provides an advantage in identifying leaders whose value may be underestimated in the stock price. Numerous sources give us insight into the potential impact of management. We study their capital allocation record. We ask for first-hand knowledge from our large network of investee, client, and industry relationships. We also draw upon our own previous interaction with people, which often leads to re-investing over time with those who have demonstrated exceptional abilities.

Time Horizon

Even though the market eventually can cut through a company's complexity and properly weigh value created by great partners, market prices normally reflect expectations for earnings over the next few quarters at most. Southeastern assesses how a company's value per share will grow over the next 3-5+ years. Arbitraging this investment time horizon difference surfaces many opportunities for a patient investor focused on the intrinsic worth of a company. For example, a cyclical business such as CNH Industrial's[1,2] agricultural equipment has depressed near-term earnings that should recover as corn and other commodity prices rise above multi-year lows.

1 Owned in Longleaf Partners Fund 2 Owned in Longleaf Partners Global Fund 3 Owned in Longleaf Partners Small-Cap Fund
4 Owned in Longleaf Partners International Fund

Another source of understated earnings power is a company investing in longer term growth by spending today for future high returns. Large projects such as the Macau casinos that Wynn Resorts[1,2,3] and Melco International[2,4] completed over the last few years or the new fertilizer plant that OCI[2,3,4] recently finished are examples of significant corporate spending over several years that was given little market value until each project came within months of generating earnings. Those projects were accounted for in the capital expenditures line. In cases where companies have charged projects with longer-term payoffs on the income statement, such as at Alphabet[1,2] and Baidu[4], Southeastern's approach gave us an edge in identifying these growing companies at deep discounts. We took a longer-term view of the projects, unraveled the complexity in reporting (see the first source of opportunity above), and trusted the proven, aligned leaders at both companies (see second source above). Sell side analysts developed a more positive view of each company as projects moved closer to completion and our partners took unexpected actions - Alphabet separated the reporting of its more important Google search and YouTube businesses from its more complicated "Other Bets," and Baidu rationalized some of its Online to Offline investments. (Note that our 2017 First Quarter Letter focused on the opportunity in underearning or nonearning assets – NEAs - largely related to time horizon arbitrage.)

The Search for Opportunity

Our team continues to hunt for the exceptions. The above sources of opportunity exist whatever market valuations are; they simply are more difficult to identify in a broad-based bull market that lifts all boats. Qualifying companies based on business and management quality and determining intrinsic worth never is wasted work, because the cumulative knowledge prepares us when unexpected mispricing occurs. Thus far in 2017, our analysts have covered significant ground. We have updated many appraisals on our master list of approximately 1500 companies around the globe and have done the initial work on several hundred others. We have taken a deeper dive on well over 100 companies, assessing the qualitative aspects of the cases. This has included tapping into our contact network for added insight. We have met with numerous management teams – both those we invest with currently (who often spark new ideas when we ask whom they respect) – and prospective investees. Over twenty have been close enough to meeting our criteria to warrant assigning a devil's advocate. Our regional Asia Pacific and European strategies have generated opportunities to consider, primarily for the Global and International Funds, with Asia remaining the most discounted area overall (our Asia Pacific strategy has only 8% cash). In spite of our research efforts, across the Longleaf Partners Funds, we have purchased only five new names this year.

Our ongoing work has resulted in an on-deck list of at least fifteen companies that meet our qualifications and are within 10% of the discount we require to purchase. This list includes several obvious areas of uncertainty, such as a variety of businesses that may be impacted by Amazon's retail model, the development of ride sharing and electric vehicles, continued low energy prices, and the multitude of viewing options for media content. We also are close on several complex companies that are refocusing away from some of their legacy businesses.

Southeastern and our clients face a paradox: when cash is high, the pressure to buy a new company is strongest, but it is generally the time to maintain the most discipline because opportunities are likely to get better. One important way that we have maintained our discipline is in resisting a change to our 9% discount rates (in U.S. dollar terms), because we believe that the low interest rates following the Global Financial Crisis (GFC) are not permanent, and that owners of companies continue to expect this level of return for the business risks they assume. Even when we have tested the impact of lowering our discount rate by 10+%, appraisals become only marginally higher – not enough to generate numerous new qualifiers. Our purchases this year demonstrate that we can find select mispricing anomalies and that we are not reliant on a market change for new qualifiers. Just as in times past, high cash levels are temporary. Our concentrated approach means a 20% cash level requires only four new qualifiers to get fully invested. At previous times when cash positions exceeded 20%, we have returned to less than 5% cash in as short as two quarters and as long as eleven.

Southeastern does not speculate on when or how the next investments will come our way. As the year-to-date returns indicate, even with cash, we have the potential to generate strong absolute results given the quality and value growth at the businesses we own. Additionally, qualifying opportunities that replace the cash should provide a source of future compounding. Most importantly, as the largest investor group across the Longleaf Partners Funds, we will follow our long-held discipline to maintain our commitment to preserving capital and generating attractive long-term returns for our shareholder partners and ourselves.

See following page for important disclosures.

1 Owned in Longleaf Partners Fund 2 Owned in Longleaf Partners Global Fund 3 Owned in Longleaf Partners Small-Cap Fund 4 Owned in Longleaf Partners International Fund

Past performance does not guarantee future results.

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.

"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.

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.

The Global Financial Crisis (GFC) is a reference to the financial crisis of 2007-2008.

The devil's advocate role challenges the assumptions on an investment case, brings up risks of owning the company, and incorporates the internal and external arguments against buying a particular stock.

As of September 30, 2017, the top ten holdings for the Longleaf Partners Fund: Level 3, 9.8%, CK Hutchinson, 7.0%, FedEx, 6.6%, Alphabet, 6.0%, CONSOL Energy, 5.8%, CK Asset, 5.6%, Fairfax, 5.5%, United Technologies, 4.8%, LafargeHolcim, 4.8%, CNH Industrial, 4.7%. Longleaf Partners Small-Cap Fund: Level 3, 7.4%, OCI, 6.3%, Graham Holdings, 6.1%, ViaSat, 5.9%, CONSOL Energy, 5.0%, Hopewell Holdings, 5.0%, Liberty Media Formula One, 4.8%, Eastman Kodak, 4.8%, Wynn Resorts, 4.3%, Park Hotels, 4.1%. Longleaf Partners International Fund: EXOR, 9.1%, LafargeHolcim, 7.4%, CK Hutchison, 6.5%, OCI, 6.3%, Fairfax, 5.9%, Baidu, 5.3%, CK Asset, 5.2%, Melco International, 4.8%, Great Eagle, 4.7%, Yum China, 4.4%. Longleaf Parterners Global Fund: Level 3, 9.7%, FedEx, 6.4%, EXOR, 5.8%, LafargeHolcim, 5.6%, CK Hutchison, 5.5%, Fairfax, 5.5%, OCI, 4.6%, Wynn Resorts, 4.2%, CK Asset, 4.1%, Yum China, 4.1%. 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.

Longleaf Partners Fund

Longleaf Partners Fund

(Closed to New Investors)

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	**0.95%**
Turnover (5 yr avg)	26%
Weighted Average Market Cap.	$84.2 billion

Holdings (14)

	Activity*	Weight
Level 3 Communications	+	9.8%
CK Hutchison		7.0
FedEx	--	6.6
Alphabet		6.0
CONSOL Energy		5.8
CK Asset Holdings		5.6
Fairfax Financial		5.5
United Technologies	--	4.8
LafargeHolcim		4.8
CNH Industrial	--	4.7
Wynn Resorts	--	4.4
T. Rowe Price		3.1
Chesapeake Energy		2.8
Undisclosed	NEW	0.6
Cash		28.5
Total		100.0%

*Full eliminations include the following position: Scripps Networks.

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 $19.4 billion. Southeastern's employees and related entities are the largest investors across the Longleaf Partners Funds.

Sector Composition

Industrials	23.1%
Telecommunication Services	9.8
Financials	8.6
Energy	8.6
Information Technology	6.0
Real Estate	5.6
Consumer Discretionary	5.0
Materials	4.8
Cash	28.5

Performance Contribution

Top Contributors	Return	Portfolio Contribution
Scripps Networks	29%	0.97%
Fairfax Financial	20	0.94
CONSOL Energy	13	0.70

Top Detractors	Return	Portfolio Contribution
Level 3	-10%	-1.08%
Chesapeake	-13	-0.44
UTC	-4	-0.24

Performance at 9/30/17

	Total Return		Average Annual Return					
	Qtr	YTD	One Year	Five Year	Ten Year	15 Year	20 Year	Since Inception
Partners Fund	**3.25%**	**11.47%**	**13.74%**	**9.33%**	**3.44%**	**7.49%**	**6.98%**	**10.54%**
S&P 500 Index	4.48	14.24	18.61	14.22	7.44	10.04	7.00	9.77

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.

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 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.

LLP000686 expires January 31, 2018

September 30, 2017

3Q17

Longleaf Partners Fund Commentary

Longleaf Partners Fund gained 3.25% in the third quarter. This return exceeded our annual absolute goal of inflation plus 10% in spite of the Fund's high cash level, which accounted for most of the performance shortfall versus the S&P 500 Index's 4.48% rise. Most of the businesses we own had positive returns in the quarter with six stocks posting double-digit gains. The common thread across the Fund's top performers was corporate partners who are pursuing transactions aimed at building and seeking recognition for value per share.

Discovery's purchase of Scripps resulted in the Fund's only exit over the last three months. We also trimmed four investments after strong price appreciation throughout 2017. We initiated a new position (still undisclosed) late in the quarter and increased our stake in Level 3 as the stock's discount to value grew.

The high cash and limited purchases do not properly reflect the activity level of our analyst team or the opportunity set we are seeing. Our on-deck list of companies that meet our qualitative criteria and are within 10-15% of our required discount grew over the quarter. Dispersion created by the market's increasing performance concentration in IT has opened up pockets of undervaluation in other areas. Our team has assessed numerous companies whose stocks reflect uncertainty, including a variety of businesses that may be impacted by Amazon's retail model, the development of ride sharing and electric vehicles, continued low energy prices, the future of healthcare, and the multitude of viewing options for media content. Additionally, investors' manic search for yield and dividend stability has created opportunities where companies have cut or are at risk of cutting their dividends.

The Fund's long-term potential to outperform will be due largely to our concentrated, bottom up approach that makes the portfolio and performance drivers dramatically different from the index (as evidenced by the historic 95+ active share). We believe the Partners Fund is currently more attractively positioned than the S&P, which sells above average historic multiples and at record high levels. Information Technology (IT), where the Fund owns just one investment, has become over 20% of the index and accounted for almost half of its return in the quarter. By contrast, almost half of the Fund's holdings, including two of the top three performance drivers in the quarter, are not components in the inflated S&P 500. The Fund's cash is also an advantage, providing liquidity when we find new qualifiers, but also acting as a buffer in the event that the 9+ year bull market reverses course.

Contributors/Detractors

(3Q portfolio return; 3Q Fund contribution)

Scripps Networks, (+29%,+0.97%) the owner of leading cable channels including HGTV, The Food Network, and the Travel Channel, was the Fund's leading contributor after Discovery offered to acquire the company for $90 per share in cash and stock. The price was above our appraisal, and we sold the position. We added Scripps in 2014 after a potential Discovery combination fell apart and when international investments obscured the sustained profitability of Scripps's unique content. Over our holding period, Scripps added new viewers and grew advertising revenue, but industry wide pay TV subscribers declined more quickly than we anticipated. We consequently lowered our multiple on the business. The margin of safety in our initial purchase price combined with the company's conservative balance sheet helped preserve our capital, and we booked an 18% gain in spite of the industry challenges that developed.

Fairfax Financial Holdings (+20%, +0.94%), the Canadian based property and casualty (P&C) insurer and reinsurer, was among the largest performance contributors in the third quarter. As one of two new holdings in 2017, Fairfax illustrates that "recycled names," businesses that we previously have owned directly or as part of another company, are a good source of new investments. Our level of conviction in recycled names is usually higher because we know the businesses and management teams more intimately after being owners. Fairfax's quick appreciation occurred when several material corporate actions helped bring clarity to pieces of hidden value that CEO Prem Watsa had built. In India, Fairfax sold a portion of its stake in ICICI Lombard through an IPO and a private market transaction, producing a combined $950 million gain. In Singapore, Fairfax sold its subsidiary, First Capital, to Mitsui Somitomo, one of Japan's largest insurers, at a price more than three times book value. This multiple, which was much higher than traditional U.S. P&C companies receive, highlighted the inherent value in some of Fairfax's international insurance subsidiaries. The First Capital transaction not only generated a $900 million after-tax gain, but also provided Fairfax with a continuing 25% quota share in First Capital's underwriting and with the potential

Average Annual Total Returns (9/30/17): Since Inception (4/8/87): 10.54%, Ten Year: 3.44%, Five Year: 9.33%; One Year: 13.74%

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, 2017, the total expense ratio for the Longleaf Partners Fund is 0.95%. The expense ratio is subject to fee waiver to the extent normal annual operating expenses exceed 1.50% of average annual net assets.

to participate in the difficult to access Japanese reinsurance market through Mitsui Sumitomo. The proceeds from these transactions will help fund Fairfax's newly announced share repurchase program and will also replenish capital from recent hurricane losses, putting Fairfax in an excellent capital position to take advantage of a potentially hardening P&C market after these multiple catastrophes.

CONSOL Energy (+13%,+0.70%), experienced significant price volatility over the last three months, but ended the quarter as a top contributor, in spite of reduced production and operating cash flow guidance for 2017 and forward gas prices remaining weak. To the positive, not only did CONSOL reiterate its 2018 gas production guidance, but management announced several beneficial transactions that investors welcomed. First, the company reached its target range for 2017 asset sales and intends to close more in the remaining four months. Second, the planned separation of the coal business should be completed via a spin off before year-end. Third, the board authorized a share buyback equivalent to 6% of the company. Because of the lower long-term pricing for gas, we reduced our appraisal of the company, but CONSOL remains among the most discounted businesses we own, selling below its peers and building value through its free cash flow coupon and management's capital allocation.

Level 3 Communications (-10%,-1.08), the global fiber and integrated communications network company, was the only notable detractor from the Fund's return in the quarter. The size of the position magnified the impact of the stock's decline. We maintained a 10% weight and added in the quarter in anticipation of the close of CenturyLink's (CTL) purchase of the company. Because we will receive approximately half of the transaction in cash, the combined company will become a more normal 5% position. In the quarter, Level 3's price reflected concerns about final deal approvals and a potential CTL dividend cut post-deal (as inferior competitors have cut dividends this year). On the first day of the fourth quarter, the Department of Justice gave a key approval to the merger. The prospective cash flow from the combination with Level 3 should easily cover CTL's current dividend which was otherwise in question given its declining legacy land line business. The dividend is irrelevant to the company's underlying value and has taken on undue importance in this environment of intense yield chasing. We anticipate that the deal will close and believe the new CTL will be the preeminent global fiber network solutions company with an extraordinarily capable management team, including Level 3 CEO Jeff Storey.

Portfolio Activity

Cash grew during the quarter as sales exceeded purchases. In addition to selling Scripps, we trimmed some of the year's strongest performers, including Wynn, CNH, and FedEx, to keep them at more normal weights. We remain enthusiastic about the quality of each of these companies and our management partners' ability to drive value growth over the coming years. Wynn was the strongest performer by far year-to-date, up 74%, and gained 62% over the last 18 months after being one of the Fund's worst performers in 2015 and early 2016. Wynn exemplifies how Southeastern uses our 3-5 year time horizon as an advantage when near-term fears dominate a stock's price. In early 2016, Wynn Macau drove Wynn's stock price as Macau experienced a substantial drop in VIP revenue following China's anticorruption campaign. The price ignored the longer term increase in much more profitable mass gamblers and the growth in visitors that construction of the new Wynn Palace and infrastructure would bring. Less than two years later, the Palace has averaged over 95% occupancy in 2017, and mass gaming revenue has grown double digits. VIP visitors also have increased from their low levels. Wynn remains below our appraisal because of the value growth at its operating properties both in Macau and Las Vegas, and because of the time horizon arbitrage opportunity we now have between earnings over the next twelve months and higher profits over 3+ years as the current construction in progress (Boston area casino and Vegas golf course redevelopment) starts to generate revenues.

In addition to adding to Level 3, we initiated one new, undisclosed position. The company reached our requisite discount because of previous management's missteps over the last several years, dividend uncertainty, and Amazon-related fears. This new investment illustrates some of the ways we can find quality businesses at deep discounts even as the broader market climbs to new highs.

Outlook

The Fund's flexibility to look different from the index and our bottom up, valuation driven discipline should allow the Partners Fund to continue to earn strong absolute returns that we believe can outperform the index over the long term. The companies we currently own offer additional attractive upside given their P/V in the high-70%s combined with the value growth that our management partners are capable of delivering. The 28% cash position does not anticipate a market correction, nor do we require a downturn to find qualifiers. Our edge comes in identifying the best stock-specific opportunities rather than in investing in broadly discounted markets. Our growing on-deck list contains a number of prospective investments simply waiting on prices to move in our favour, which could happen if individual companies disappoint investors, dispersion within the market leaves areas of undervaluation, or a broad pullback occurs. Whatever way discounts emerge, we believe each new investment will provide the Fund additional foundation for successful future compounding.

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 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 by the Fund may be more volatile than those of larger companies.

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. 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.

Active Share measures how much an equity portfolio's holdings differ from those of the benchmark index.

"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.

Operating Cash Flow (OCF) measures cash generated by a company's normal business operations.

IPO is an initial public offering.

As of September 30, 2017, the top ten holdings for the Longleaf Partners Fund: Level 3, 9.8%, CK Hutchinson, 7.0%, FedEx, 6.6%, Alphabet, 6.0%, CONSOL Energy, 5.8%, CK Asset, 5.6%, Fairfax, 5.5%, United Technologies, 4.8%, LafargeHolcim, 4.8%, CNH Industrial, 4.7%. 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.

LLP000691

Expires 1/31/18

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	$4.1 billion
Expense Ratio	**0.91%**
Turnover (5 yr avg)	30%
Weighted Average Market Cap.	$6.4 billion

Holdings (16)

	Activity*	Weight
Level 3 Communications		7.4%
OCI		6.3
Graham Holdings		6.1
ViaSat	+	5.9
CONSOL Energy		5.0
Hopewell		5.0
Formula One Group		4.8
Kodak *(preferreds/common)*		4.8
Wynn Resorts	--	4.3
Park Hotels & Resorts	+	4.1
Sonic		3.9
Neiman Marcus *(bonds)*	+	3.9
Deltic Timber		3.9
Actuant		3.6
Undisclosed	NEW	2.9
SEACOR Marine		0.2
Cash		27.9
Total		100.0%

*Full eliminations include the following positions: Everest Re and Scripps Networks.

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 $19.4 billion. Southeastern's employees and related entities are the largest investors across the Longleaf Partners Funds.

Sector Composition

Consumer Discretionary	25.9%
Information Technology	10.7
Materials	10.2
Real Estate	9.1
Telecommunication Services	7.4
Energy	5.2
Industrials	3.6
Cash	27.9

Performance Contribution

Top Contributors	Return	Portfolio Contribution
Scripps Networks	29%	0.92%
Deltic Timber	19	0.62
CONSOL Energy	13	0.60

Top Detractors	Return	Portfolio Contribution
Level 3	-10%	-0.84%
Kodak	-5	-0.25
Sonic	-3	-0.14

Performance at 9/30/17

	Total Return		Average Annual Return					
	Qtr	YTD	One Year	Five Year	Ten Year	15 Year	20 Year	Since Inception
Small-Cap Fund	**2.08%**	**7.13%**	**11.29%**	**12.99%**	**7.57%**	**12.28%**	**10.36%**	**11.05%**
Russell 2000 Index	5.67	10.94	20.74	13.79	7.85	11.37	7.53	9.76

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.

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 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. 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.

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.

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.

LLP000687 expires January 31, 2018

September 30, 2017

3Q17

Longleaf Partners Small-Cap Fund Commentary

Longleaf Partners Small-Cap Fund gained 2.08% in the third quarter versus the Russell 2000 Index's 5.67% return. Not owning the index's biggest performers and a high cash position were the primary reasons for the Fund's shortfall rather than declines at portfolio holdings. Among the Fund's stronger performers, the common thread was corporate actions aimed at building and gaining recognition for value per share.

We exited two investments - Scripps and Everest Re - that reached our appraisal over the last three months. We also trimmed Wynn Resorts, the Fund's best performer YTD. We initiated a new position (still undisclosed) late in the quarter and added to three other holdings.

The Fund's high cash and limited purchases do not properly reflect the activity level of our analyst team or the opportunity set we are seeing. Our on-deck list of companies that meet our qualitative criteria and are within 10-15% of our required discount grew over the quarter. Our team has assessed numerous companies whose stocks reflect uncertainty, including a variety of businesses that may be impacted by Amazon's retail model, the development of ride sharing and electric vehicles, continued low energy prices, and the multitude of viewing options for media content. Additionally, investors' manic search for yield and dividend stability has created opportunities where companies have cut or are at risk of cutting their dividends.

Almost all of the difference between Fund and index returns occurred in September when the Russell 2000 rose over 6% as optimism over the prospect of corporate tax cuts fueled a small cap rally. A similar surge occurred in late 2016 following the election. Both times, the Small-Cap Fund rose well above inflation plus 10%, but not as much as the index. Those two brief periods accounted for essentially all of the Fund's relative shortfall in the last year. Because the global scope of most larger companies leads to lower tax rates than smaller U.S. based firms pay, smaller caps are assumed to be a bigger beneficiary of a tax cut. Within the Fund's portfolio, a number of our companies already enjoy a tax rate below 35% because of offshore profits (Wynn, OCI, Formula One, and Actuant) and net operating losses (Level 3, Kodak, CONSOL, and ViaSat), or they are real estate firms for whom this debate is less meaningful (Hopewell, Park, and Deltic). As we model the impact of a tax cut on smaller businesses beyond what we own, the size of any benefit is much less than the index's jump. Most smaller companies have weaker competitive moats, and we believe the money saved in taxes would likely to be spent fighting for share. Customers of these companies would be the beneficiaries with lower prices or better services, but shareholders would not necessarily see profits increase in line with the tax decrease.

The Fund's long-term potential to outperform will be due largely to our concentrated, bottom up approach that makes the portfolio and performance drivers dramatically different from the index (as evidenced by the historic 95+ active share). We believe the Small-Cap Fund is currently more attractively positioned than the Russell 2000, which sells well above average historic multiples and at a record high level. Health Care and Financials, two areas whose future outlooks are generally difficult to assess, constitute one-third of the index and were two of its main return drivers in the quarter. Because of our higher hurdle for companies in these sectors and our belief that they currently trade at elevated valuations, the Fund has no exposure to Health Care or Financials (we sold our only position in the quarter). Because of the Fund's flexibility to own companies outside of the index such as foreign domiciled businesses and REITs, a large portion of the Fund's holdings, including two of the top three performance drivers in the quarter, are not part of the inflated Russell 2000 Index. The Fund's cash is also an advantage, providing liquidity when we find new qualifiers, but also acting as a buffer in the event that the 9+ year bull market reverses course.

Contributors/Detractors

(3Q portfolio return; 3Q Fund contribution)

Scripps Networks, (+29%,+0.92%) the owner of leading cable channels including HGTV, The Food Network, and the Travel Channel, was the Fund's leading contributor after Discovery offered to acquire the company for $90 per share in cash and stock. The price was above our appraisal, and we sold the position. When we first purchased Scripps in 2011, a brief ratings drop and international investments obscured the sustained profitability of Scripps's unique content. Over our holding period, Scripps added new viewers and grew advertising revenue, but industrywide pay TV subscribers declined more quickly than we anticipated. We consequently

Average Annual Total Returns (9/30/17): Since Inception (2/21/89): 11.05%, Ten Year: 7.57%, Five Year: 12.99%, One Year: 11.29%

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, 2017, 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.

lowered our multiple on the business. The margin of safety in our initial purchase price combined with the company's conservative balance sheet helped preserve capital and book a 135% gain in spite of the industry challenges that developed.

Deltic Timber (+19%,+.062), a natural resource company with timber assets, mills and development property in Arkansas and northern Louisiana, was another contributor. Southeastern amended our 13-D noting that Deltic had received at least one proposal from an interested acquirer and stating dissatisfaction with the company's response as well as various actions of management and the Board. In response, the company acknowledged being approached by interested parties and said it is evaluating external and internal strategic alternatives. The stock market has recognized the merits of our engagement with management and the Board, and we are hopeful that the value of Deltic's assets will be unlocked soon.

CONSOL Energy (+13%,+0.60%), experienced significant price volatility over the last three months, but ended the quarter as a top contributor, in spite of reduced production and operating cash flow guidance for 2017 and forward gas prices remaining weak. To the positive, not only did CONSOL reiterate its 2018 gas production guidance, but management announced several beneficial transactions that investors welcomed. First, the company reached its target range for 2017 asset sales and intends to close more in the remaining four months. Second, the planned separation of the coal business should be completed via a spin off before year-end. Third, the board authorized a share buyback equivalent to 6% of the company. Because of the lower long-term pricing for gas, we reduced our appraisal of the company, but CONSOL remains among the most discounted businesses we own, selling below its peers and building value through its free cash flow coupon and management's capital allocation.

Level 3 Communications (-10%,-0.84%), the global fiber and integrated communications network company, was the only notable detractor from the Fund's return in the quarter. In anticipation of the close of CenturyLink's (CTL) purchase of the company, we maintained an overweight 8% position which magnified the impact of the stock's decline. Because we will receive approximately half of the transaction in cash, the combined company will become a more normal 4-5% position. In the quarter, Level 3's price reflected concerns about final deal approvals and a potential CTL dividend cut post-deal (as inferior competitors have cut dividends this year). On the first day of the fourth quarter, the Department of Justice gave a key approval to the merger. The prospective cash flow from the combination with Level 3 should easily cover CTL's current dividend which was otherwise in question given its declining legacy land line business. The dividend is irrelevant to the company's underlying value and has taken on undue importance in this environment of intense yield chasing. We anticipate that the deal will close and believe the new CTL will be the preeminent global fiber network solutions company with an extraordinarily capable management team, including Level 3 CEO Jeff Storey.

Portfolio Changes

During the quarter, sales exceeded purchases. In addition to selling Scripps, we exited Everest Re, the Bermuda-based reinsurer, when it reached our appraisal in late July – fortuitously before the season's hurricanes struck. This investment gained over 180% over our 13 year holding period in spite of the Global Financial Crisis, a historically unprecedented decline in interest rates, and new competitors flooding the industry with capital. The resulting lower bond returns and softer pricing caused us to reduce our appraisal multiple on book value. In spite of the challenges, our partners, Chairman Joe Taranto and CEO Dom Addesso, used their operating and capital allocation expertise to consistently grow book value with intelligent underwriting and opportunistically reduce the share count by over 25%.

We trimmed Wynn Resorts to keep it a more normal weight after being the strongest performer by far year-to-date, up 74%, and gaining 61% over the last 18 months. Wynn was one of the Fund's worst performers in 2015 and early 2016. Wynn exemplifies how Southeastern uses our 3-5 year time horizon as an advantage when near-term fears dominate a stock's price. In early 2016, Wynn Macau drove Wynn's stock price as Macau experienced a substantial drop in VIP revenue following China's anticorruption campaign. The price ignored the longer term increase in much more profitable mass gamblers and the growth in visitors that construction of the new Wynn Palace and infrastructure would bring. Less than two years later, the Palace has averaged over 95% occupancy in 2017, and mass gaming revenue has grown double digits. VIP visitors also have increased from their low levels. Wynn remains below our appraisal because of the value growth at its operating properties both in Macau and Las Vegas, and because of the time horizon arbitrage opportunity we now have between earnings over the next twelve months and higher profits over 3+ years as the current construction in progress (Boston area casino and Vegas golf course redevelopment) starts to generate revenues.

We added to several of our most discounted companies, including Park Hotels, Neiman Marcus bonds, and ViaSat. We initiated one new, undisclosed position. The company reached our requisite discount because of previous management's missteps over the last several years, dividend uncertainty, and Amazon-related fears. This new investment illustrates some of the ways we can find quality businesses at deep discounts even as the broader market climbs to new highs.

Outlook

The Fund's flexibility to look different from the index and our bottom up, valuation driven discipline should allow the Longleaf Partners Small-Cap Fund to earn strong absolute returns that we believe can outperform the index over the long term as it has for most of the Fund's 28 year history. The companies we currently own offer additional attractive upside given their P/V in the mid-70%s and the value growth that our management partners are capable of delivering. The 28% cash position does not anticipate a market correction, nor do we require a downturn to find qualifiers. Our edge comes in identifying the best stock-specific opportunities rather than in investing in broadly discounted markets. Our growing on-deck list contains a number of prospective investments simply waiting on prices to move in our favour, which could happen if individual companies disappoint investors, dispersion within the market leaves areas of undervaluation, or a broad pullback occurs. Whatever way discounts emerge, we believe each new investment can provide the Fund additional foundation for successful future compounding.

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.

"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.

Active share measures how much an equity portfolio's holdings differ from those of the benchmark index.

Operating Cash Flow (OCF) measures cash generated by a company's normal business operations

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.

REIT is a real estate investment trust.

A 13D filing is generally required for any beneficial owner of more than 5% of any class of registered equity securities, and who are not able to claim an exemption for more limited filings due to an intent to change or influence control of the issuer.

The Global Financial Crisis (GFC) is a reference to the financial crisis of 2007-2008.

As of September 30, 2017, the top ten holdings for the Longleaf Partners Small-Cap Fund: Wynn, 5.1%; Formula One, 4.9%; OCI, 5.8%; CONSOL, 4.4%; Level 3, 8.1%; SEACOR, 0.3%. 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.

Funds distributed by ALPS Distributors, Inc.

LLP000692

Expires 1/31/18

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	$1.2 billion
Expense Ratio	**1.33%**
Turnover (5 yr avg)	38%
Weighted Average Market Cap.	$20.9 billion

Holdings (17)

	Activity**	Weight
EXOR		9.1%
LafargeHolcim		7.4
CK Hutchison		6.5
OCI		6.3
Fairfax Financial		5.9
Baidu		5.3
CK Asset Holdings		5.2
Melco International	--	4.8
Great Eagle		4.7
Yum China		4.4
Ferrovial	+	4.0
C&C		3.7
Millicom		2.6
Belmond	+	2.0
Applus Services		1.1
Genting Berhad *(warrants)*	--	0.7*
MLog		0.4
Cash		25.9*
Total		100.0%

*Weightings adjusted for close of warrants and purchase of underlying stock: Genting Berhad, 3.9% and Cash, 22.7%.

**Full eliminations include the following positions: K. Wah International and CEMEX.

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 $19.4 billion. Southeastern's employees and related entities are the largest investors across the Longleaf Partners Funds.

Sector Composition

Financials	15.0
Materials	14.1
Consumer Discretionary	11.9
Industrials	11.6
Real Estate	9.9
Information Technology	5.3
Consumer Staples	3.7
Telecommunication Services	2.6
Cash	25.9*

Regional Composition

Europe ex-UK	34.2%
Asia ex-Japan	31.6
North America	5.9
UK	2.0
Latin America	0.4
Cash	25.9*

Performance Contribution

Top Contributors	Return	Portfolio Contribution
Baidu	38%	1.54%
EXOR	17	1.38
Fairfax Financial	20	1.02

Top Detractors	Return	Portfolio Contribution
C&C	-2%	-0.08%
Ferrovial	-1	-0.01

Performance at 9/30/17

	Total Return		Average Annual Return					
	Qtr	YTD	One Year	Five Year	Ten Year	15 Year	20 Year	Since Inception
International Fund	**5.64%**	**24.61%**	**24.22%**	**8.78%**	**1.34%**	**7.34%**	**na**	**8.01%**
MSCI EAFE Index	5.41	19.96	19.10	8.38	1.34	8.26	na	4.81

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.

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 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.

LLP000688 expires January 31, 2018

September 30, 2017

3Q17

Longleaf Partners International Fund Commentary

Longleaf Partners International Fund gained 5.64% in the third quarter, outperforming our annual absolute goal of inflation plus 10% as well as the MSCI EAFE Index return of 5.41%, in spite of the Fund's large cash position. The Fund's substantial year-to-date (YTD) performance of 24.61% surpassed both our absolute goal and the index's 19.96% return and contributed to the Fund's relative strength over the last 1, 3, and 5 years.

Almost all of the Fund's investments posted gains in the quarter, and there were no notable return detractors. The three most substantial contributors were located on different continents and had company-specific drivers. Their common thread was deeply aligned management partners who are pursuing transactions aimed at building value per share.

Over the last three months we added to two of our more discounted investments in Europe but bought no new companies. We sold one of our three Asian gaming related companies and trimmed the other two after strong price appreciation over the last 18 months. We also sold our Cemex bonds. The high cash and lack of new investments mask the activity level of our analyst team. As the year has progressed, in spite of strong broad market performance, our on-deck list of companies that meet our qualitative criteria and are within 10-15% of our required discount has grown. In our bottom up search for new investments, more performance dispersion amid our universe has generated a number of deeper-dive appraisals and prospective opportunities.

The Funds's long-term potential to outperform will be due largely to our concentrated, bottom up approach that makes the portfolio dramatically different from the index (as evidenced by the 95+ active share). Our flexibility to own companies outside of the index provides opportunity distinct from the benchmark. Two of the Fund's largest contributors in the quarter - Baidu and Fairfax – and YTD - Melco and Yum China – were not part of EAFE. Likewise, the portfolio is positioned opportunistically with no country or sector exposure requirements. The Fund outperformed in the third quarter without any investments in the four countries - Japan, the United Kingdom, France, and Germany - that made up over 60% of the benchmark's allocation and performance. The weak dollar was a tailwind for the Fund and EAFE, but because the index had roughly two-thirds of its exposure in Europe versus one-third for the Fund, currency accounted for over 35% of EAFE's return but only roughly 20% of the Fund's. We believe the portfolio flexibility and current holdings of the International Fund's make it much more attractively positioned than EAFE. The Fund's cash is also an advantage, providing liquidity when we find new qualifiers, but also acting as a buffer in the event that the bull market reverses course.

Contributors/Detractors

(3Q portfolio return; 3Q Fund contribution)

Baidu (+38%, +1.54%), the dominant online search business in China, also was a top contributor. Baidu reported strong second quarter results after stricter regulations requiring more careful vetting of online advertisers and limiting the amount of paid search results that can appear on a web page had affected the search business last year. Growth of its core online marketing services revenue turned positive (+6%) after three consecutive quarters of decline. Operating profits grew 47% YOY with margins expanding to above 20%, the highest in two years, as Baidu reduced subsidies for its online to offline (O2O) business. The approximately 30% like-for-like growth guidance for the third quarter indicates Baidu's confidence in its core business recovery. In August, Baidu disposed of its margin dilutive food delivery business, following its plan to refocus back on its core search business as well as artificial intelligence. News of a potential IPO of iQiyi, Baidu's video content business with over 30 million paying subscribers, was positive as it would reduce the significant investment that Baidu has been making in content. The demonstrable progress at the company corresponded with the January 2017 arrival of Dr. Qi Lu, Vice Chairman and Group President of Baidu, who has proven an excellent partner. The stock remains well below our appraisal, and we believe management will grow value per share further with the renewed focus on the company's most profitable businesses.

EXOR (+17%, +1.38%), one of Europe's leading investment holding companies, is the Fund's largest position and was a strong contributor to third quarter performance. EXOR owns over 30% of Fiat Chrysler Automobiles (FCA) whose share price rose 64%. FCA announced that profits increased over 200% year-over-year (YOY) driven by strength in its Maserati brand and in South America and Europe. Additionally, takeout

Average Annual Total Returns (9/30/17): Since Inception (10/26/98): 8.01%, Ten Year: 1.34%, Five Year: 8.78%, One Year: 24.22%

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, 2017, the total expense ratio for the Longleaf Partners International Fund is 1.33%. The expense ratio is subject to fee waiver to the extent normal annual operating expenses exceed 1.75% of average annual net assets.

speculation persisted with rumors surrounding potential Asian buyers. Our partners at EXOR, Chairman and CEO John Elkann, a member of the founding Agnelli family, and Vice Chairman Sergio Marchionne (also CEO of FCA) first drew us to EXOR and have demonstrated superior capital allocation judgement. In the quarter, they announced plans to separate Magneti Marelli, FCA's low margin component parts business. Over our five year holding period, the work of our partners has enabled our base EXOR appraisal to grow at an impressive 14% per annum. The company's composition has changed, most notably with the acquisition of PartnerRe last year. The component pieces of our appraisal today are FCA (32%), PartnerRe (28%), CNH Industrial (19%), Ferrari (16%). The substantial value growth at EXOR has enabled the stock to remain attractively discounted, even following strong returns. We believe management can continue to produce double-digit value growth and that attractive upside optionality remains in the underlying pieces of EXOR, particularly in the investing opportunity at PartnerRE and the margin leverage at CNH Industrial as demand for agricultural equipment rebounds.

Fairfax Financial Holdings (+20%, +1.02%), the Canadian based property and casualty (P&C) insurer and reinsurer, is the Fund's newest holding and was among the largest performance contributors in the third quarter. Several material corporate actions helped bring clarity to pieces of hidden value that CEO Prem Watsa had built. In India, Fairfax sold a portion of its stake in ICICI Lombard through an IPO and a private market transaction, producing a combined $950 million gain. In Singapore, Fairfax sold its subsidiary, First Capital, to Mitsui Sumitomo, one of Japan's largest insurers, at a price more than three times book value. This multiple, which was much higher than traditional U.S. P&C companies receive, highlighted the inherent value in some of Fairfax's international insurance subsidiaries. The First Capital transaction not only generated a $900 million after-tax gain, but also provided Fairfax with a continuing 25% quota share in First Capital's underwriting and with the potential to participate in the difficult to access Japanese reinsurance market through Mitsui Sumitomo. The proceeds from these transactions will help fund Fairfax's newly announced share repurchase program and will also replenish capital from recent hurricane losses, putting Fairfax in an excellent capital position to take advantage of a potentially hardening P&C market after these multiple catastrophes.

Portfolio Changes

As mentioned above, we made no new purchases. We added to our newer European investments during the quarter, Ferrovial and Belmond. Over the last twelve months, half of our new investments (Ferrovial, Yum China, and Fairfax) came from "recycled names," businesses that we previously have owned directly or as part of another company. Our level of conviction in recycled names is usually higher because we know the businesses and management teams more intimately after being owners.

We exited two investments, Cemex bonds and K. Wah. We sold Cemex convertible bonds for a 23% gain two years after buying them. Trading above par and denominated in pesos, there was not enough upside left to keep us involved despite Cemex's strong U.S. operating results and improved pricing in Mexico. Our Asian gaming investments, Melco, Genting, and Galaxy via our K. Wah position, performed strongly over the last 12-18 months, and we sold K. Wah and trimmed Melco and Genting. K. Wah benefitted from strength in its China and Hong Kong residential real estate business as well as Galaxy's rebound. Because we had some reservations about management's allocation of capital towards the company's expensive land bank in Hong Kong and China, we sold K. Wah to reduce our overall exposure to Asian gaming given higher P/V levels. The investment returned 20% over our three year holding period.

Asian gaming, particularly in Macau, exemplifies how Southeastern uses our time horizon of 3-5+ years as an advantage when short-term fears dominate a stock's price. In early 2016, Macau gaming was the Fund's most discounted opportunity. Prices reflected the substantial drop in VIP revenue following China's anticorruption campaign, but they ignored the longer term increase in much more profitable mass gamblers and the growth in visitors that new properties and infrastructure under construction would bring. Less than two years later, newly opened casinos and hotels have drawn more visitors and mass gaming revenue has grown double digits. Unexpectedly, VIP visitors also have increased from their low levels. The stocks have soared but remain below our appraisals because of the value growth. None of these positives yet reflects the impact of the new bridge to Hong Kong, expected to open in 2018, or other longer term infrastructure improvements.

Outlook

Company-specific results drove the Fund's outperformance in the quarter and YTD in spite of the 25% cash position. The Fund's flexibility to look different from the index and our bottom up, valuation driven discipline should allow the International Fund to continue to earn strong long-term returns. The companies we currently own offer additional attractive upside given their P/V in the high-70%s and the value growth that our management partners are capable of delivering. We do not need a market correction to find new qualifiers. Our edge comes in finding the best stock-specific opportunities rather than in investing in broadly discounted markets. Increasing dispersion generally favors our bottom up approach. The research work we have done throughout the year has given us a number of prospective investments simply waiting on prices to move in our buying range, and our liquidity will be an advantage when opportunity strikes. We believe each new investment will provide the Fund additional foundation for successful future compounding.

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

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.

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.

Active Share measures how much an equity portfolio's holdings differ from those of the benchmark index.

IPO is an initial public offering.

As of September 30, 2017, the top ten holdings for the Longleaf Partners International Fund:EXOR, 9.1%, LafargeHolcim, 7.4%, CK Hutchison, 6.5%, OCI, 6.3%, Fairfax, 5.9%, Baidu, 5.3%, CK Asset, 5.2%, Melco International, 4.8%, Great Eagle, 4.7%, Yum China, 4.4%. 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.

LLP000693
Expires 1/31/18

Longleaf Partners Global Fund

September, 30 2017

3Q17

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* **	**1.52%**
Turnover (5 yr avg)	na
Weighted Average Market Cap.	$55.9 billion

Holdings (20)

	Activity**	Weight
Level 3 Communications	+	9.7%
FedEx		6.4
EXOR		5.8
LafargeHolcim		5.6
CK Hutchison	+	5.5
Fairfax Financial		5.5
OCI		4.6
Wynn Resorts	--	4.2
Yum China		4.1
CK Asset Holdings		4.1
Melco International	--	4.0
Alphabet		4.0
United Technologies		3.8
Ferrovial	+	3.8
CNH Industrial		3.5
Hopewell		2.3
T. Rowe Price		2.3
Chesapeake Energy		2.0
CONSOL Energy		1.8
Genting Berhad *(warrants)*	--	0.6*
Cash		16.4*
Total		100.0%

*Weightings adjusted for close of warrants and purchase of underlying stock: Genting Berhad, 3.6% and Cash, 13.4%.

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 $19.4 billion. Southeastern's employees and related entities are the largest investors across the Longleaf Partners Funds.

Sector Composition

Industrials	23.0%
Financials	13.6
Consumer Discretionary	12.9
Materials	10.2
Telecommunication Services	9.7
Real Estate	6.4
Information Technology	4.0
Energy	3.8
Cash	16.4*

Regional Composition

North America	39.7%
Europe ex-UK	23.3
Asia ex-Japan	20.6
Cash	16.4*

Performance Contribution

Top Contributors	Return	Portfolio Contribution
Fairfax Financial	20%	0.93%
EXOR	17	0.86
Wynn Resorts	11	0.47

Top Detractors	Return	Portfolio Contribution
Level 3	-10%	-0.87%
Chesapeake	-13	-0.32
UTC	-4	-0.18

Performance at 9/30/17

	Total Return		Average Annual Return					
	Qtr	YTD	One Year	Five Year	Ten Year	15 Year	20 Year	Since Inception
Global Fund	**3.01%**	**23.08%**	**25.05%**	**na**	**na**	**na**	**na**	**9.54%**
MSCI World Index	4.84	16.01	18.17	na	na	na	na	11.05

**Full eliminations include the following positions: K. Wah International.

***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.

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.

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 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 currencies and different accounting and financial standards. These risks may be higher when investing in emerging markets. 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.

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.

LLP000689 expires January 31, 2018

September 30, 2017

3Q17

Longleaf Partners Global Fund Commentary

Longleaf Partners Global Fund gained 3.01% in the third quarter. This return exceeded our annual absolute goal of inflation plus 10% in spite of the Fund's high cash level, which accounted for a meaningful amount of the performance shortfall versus the 4.84% rise of the MSCI World Index. The Fund's substantial year-to-date (YTD) performance of 23.08% and 1 year return of 25.05% surpassed both our absolute goal and the index's 16.01% and 18.17% for the same respective periods. Most of the businesses we own had positive returns in the quarter with five stocks posting double-digit gains. Contributors were located in different parts of the world and had company-specific drivers. A common thread was management partners who are pursuing transactions aimed at building value per share.

The Fund had limited activity over the last three months. We bought no new companies and added to three of our more discounted investments. We trimmed three Asian gaming related companies and sold one after their strong price appreciation over the last 18 months.

The higher cash and limited purchases do not properly reflect the activity level of our analyst team or the opportunity set we are seeing. In spite of strong broad market performance, our on-deck list of companies that meet our qualitative criteria and are within 10-15% of our required discount grew over the quarter as we saw more performance dispersion amid our universe. Our team has assessed numerous companies whose stocks reflect uncertainty, including a variety of businesses that may be impacted by Amazon's retail model, the development of ride sharing and electric vehicles, continued low energy prices, the future of healthcare, and the multitude of viewing options for media content. Additionally, investors' manic search for yield and dividend stability has created opportunities where companies have cut or are at risk of cutting their dividends.

The Fund's long-term potential to outperform will be due largely to our concentrated, bottom up approach that makes the portfolio dramatically different from the index (as evidenced by the 95+ active share). We believe the Global Fund is currently more attractively positioned than the MSCI World, which sells at a record high level. Our price discipline has created a relatively low 34% weight in the overvalued U.S. market as compared to the index's 59%. Information Technology and Financials, two areas where the sustainability of any competitive advantages is generally difficult to assess, constitute one-third of the index and were two of its main return drivers in the quarter. Because of our higher hurdle for companies in these sectors and their elevated valuations, the Fund has about half as much exposure to IT and Financials (most of which is through 2 P&C insurers/reinsurers). The Fund's flexibility to own companies outside of the index (currently almost half of holdings) provides opportunity distinct from the benchmark. The Fund's cash is also an advantage, providing liquidity when we find new qualifiers, but also acting as a buffer in the event that the 9+ year bull market reverses course.

Contributors/Detractors

(3Q portfolio return; 3Q Fund contribution)

Fairfax Financial Holdings (+20%, +0.93%), the Canadian based property and casualty (P&C) insurer and reinsurer, was the largest performance contributor in the third quarter. As one of two new holdings in 2017, Fairfax illustrates that "recycled names," businesses that we previously have owned directly or as part of another company, are a good source of new investments. Our level of conviction in recycled names is usually higher because we know the businesses and management teams more intimately after being owners. Fairfax's quick appreciation occurred when several material corporate actions helped bring clarity to pieces of hidden value that CEO Prem Watsa had built. In India, Fairfax sold a portion of its stake in ICICI Lombard through an initial public offering (IPO) and a private market transaction, producing a combined $950 million gain. In Singapore, Fairfax sold its subsidiary, First Capital, to Mitsui Sumitomo, one of Japan's largest insurers, at a price more than three times book value. This multiple, which was much higher than traditional U.S. P&C companies receive, highlighted the inherent value in some of Fairfax's international insurance subsidiaries. The First Capital transaction not only generated a $900 million after-tax gain, but also provided Fairfax with a continuing 25% quota share in First Capital's underwriting and with the potential to participate in the difficult to access Japanese reinsurance market through Mitsui Sumitomo. The proceeds from these transactions will help fund Fairfax's newly announced share repurchase program and will also replenish capital from recent hurricane losses, putting Fairfax in an excellent capital position to take advantage of a potentially hardening P&C market after these multiple catastrophes.

Average Annual Total Returns (9/30/17): Since Inception (12/27/12): 9.54%, Ten Year: na%, Five Year: na%, One Year: 25.05%

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, 2017, the total expense ratio for the Longleaf Partners Global Fund is 1.52%. 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.

EXOR (+17%, +0.86%), one of Europe's leading investment holding companies, was the Fund's other primary contributor to third quarter performance. EXOR owns over 30% of Fiat Chrysler Automobiles (FCA) whose share price rose 64%. FCA announced that profits increased over 200% year-over-year (YOY) driven by strength in its Maserati brand and in South America and Europe. Additionally, takeout speculation persisted with rumors surrounding potential Asian buyers. Our partners at EXOR, Chairman and CEO John Elkann, a member of the founding Agnelli family, and Vice Chairman Sergio Marchionne (also CEO of FCA) first drew us to EXOR and have demonstrated superior capital allocation judgement. In the quarter, they announced plans to separate Magneti Marelli, FCA's low margin component parts business. Over our five year holding period, the work of our partners has enabled our base EXOR appraisal to grow at an impressive 14% per annum. The company's composition has changed, most notably with the acquisition of PartnerRe last year. The component pieces of our appraisal today are FCA (32%), PartnerRe (28%), CNH Industrial (19%), Ferrari (16%). The substantial value growth at EXOR has enabled the stock to remain attractively discounted, even following strong returns. We believe management can continue to produce double-digit value growth and that attractive upside optionality remains in the underlying pieces of EXOR, particularly in the investing opportunity at PartnerRE and the margin leverage at CNH as demand for agricultural equipment rebounds.

Level 3 Communications (-10%,-0.87%), the global fiber and integrated communications network company, was the only notable detractor from the Fund's return in the quarter. The size of the position magnified the impact of the stock's decline. We maintained a 10% weight and added in the quarter in anticipation of the close of CenturyLink's (CTL) purchase of the company. Because we will receive approximately half of the transaction in cash, the combined company will become a more normal 5% position. In the quarter, Level 3's price reflected concerns about final deal approvals and a potential CTL dividend cut post-deal (as inferior competitors have cut dividends this year). On the first day of the fourth quarter, the Department of Justice gave a key approval to the merger. The prospective cash flow from the combination with Level 3 should easily cover CTL's current dividend which was otherwise in question given its declining legacy land line business. The dividend is irrelevant to the company's underlying value and has taken on undue importance in this environment of intense yield chasing. We anticipate that the deal will close and believe the new CTL will be the preeminent global fiber network solutions company with an extraordinarily capable management team, including Level 3 CEO Jeff Storey.

Portfolio Activity

Cash grew during the quarter as sales exceeded purchases. Our Asian gaming related investments, the largest contributors to YTD performance, showed significant strength in the last 18 months after being among the Fund's worst performers in 2015 and early 2016. We exited one, Galaxy Entertainment, which we owned via K. Wah, and trimmed three, Wynn (which controls Wynn Macau), Melco, and Genting. Asian gaming, particularly in Macau, exemplifies how Southeastern uses our time horizon of 3-5+ years as an advantage when short-term fears dominate a stock's price. In early 2016, prices reflected the substantial drop in VIP revenue following China's anticorruption campaign, but they ignored the longer term increase in much more profitable mass gamblers and the growth in visitors that new properties and infrastructure under construction would bring. Less than two years later, newly opened casinos and hotels have drawn more visitors and mass gaming revenue has grown double digits. VIP visitors also have increased from their low levels. The stocks have soared but remain below our appraisals because of the value growth. None of these positives yet reflects the impact of the new bridge to Hong Kong, expected to open in 2018, or other longer term infrastructure improvements.

K. Wah benefitted from strength in its China and Hong Kong residential real estate business as well as Galaxy's rebound. Because we had some reservations about management's allocation of capital towards the company's expensive land bank in Hong Kong and China, we sold K. Wah to reduce our overall exposure to Macau given higher P/V levels.

As mentioned above, we made no new purchases. In addition to adding to Level 3, we increased the Fund's stake in Ferrovial and C K Hutchison. Ferrovial was one of three new investments over the last year (along with Yum China and Fairfax) that came from "recycled names," businesses that we previously have owned directly or as part of another company. Our level of conviction in recycled names is usually higher because we know the businesses and management teams more intimately after being owners.

Outlook

The Fund's flexibility to look different from the index and our bottom up, valuation driven discipline should allow the Global Fund to continue to earn strong absolute returns that we believe can outperform the index over the long term. The companies we currently own offer additional attractive upside given their P/V in the high-70%s and the value growth that our management partners are capable of delivering. The 16% cash position does not anticipate a market correction, nor do we require a downturn to find qualifiers. Our edge comes in identifying the best stock-specific opportunities rather than in investing in broadly discounted markets. Our growing on-deck list contains a number of prospective investments simply waiting on prices to move in our favor, which could happen if individual companies disappoint investors, dispersion within the market leaves areas of undervaluation, or a broad pullback occurs. Our liquidity will be an advantage when opportunity strikes, and we believe each new investment will provide the Fund additional foundation for successful future compounding.

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.

Active Share measures how much an equity portfolio's holdings differ from those of the benchmark index.

As of September 30, 2017, the top ten holdings for the Longleaf Partners Global Fund: Level 3, 9.7%, FedEx, 6.4%, EXOR, 5.8%, LafargeHolcim, 5.6%, CK Hutchison, 5.5%, Fairfax, 5.5%, OCI, 4.6%, Wynn Resorts, 4.2%, CK Asset, 4.1%, Yum China, 4.1%. 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.

LLP000694

Expires 1/31/18