Longleaf Partners Funds

Quarterly Summary Report

For the Quarter Ended December 31, 2016

Southeastern Asset Management, Inc.®

Advisor to Longleaf Partners Funds

4Q16

December 31, 2016

Longleaf Partners Funds Shareholder Letter

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

	One Year	4Q
Partners Fund	**20.72%**	**2.03%**
S&P 500 Index	11.96	3.82
Small-Cap Fund	**20.48**	**3.88**
Russell 2000 Index	21.31	8.83
International Fund	**12.20**	**-0.31**
MSCI EAFE Index	1.00	-0.71
Global Fund	**20.43**	**1.60**
MSCI World Index	7.51	1.86

Past performance does not guarantee future results

Our most widely held and more heavily weighted holdings across the Funds are uniquely long-term investments that we know very well. These companies[1], like Level 3 Communications, FedEx, CK Hutchison, Cheung Kong Property, EXOR, CNH Industrial, Graham Holdings, LafargeHolcim, and Liberty Media, all have growing competitive advantages, highly capable management partners, and cash-generative businesses that should continue to grow their values per share. This group trades at a very attractive average multiple of 11 to 12 times our calculated 2017–18 earnings power versus the S&P 500's 16 to 17 times and MSCI EAFE's 14 to 15 times current price-earnings (P/E) multiple based on next twelve month estimates.

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

Most of our remaining investments in the Funds fall into a third group of diverse businesses. We have not held them as long as most of the companies mentioned above, but they qualify strongly on business, people, and price. We expect their values to grow at an above-average level. Our management partners are exceptional, and these companies could remain core holdings for many years. They include businesses[1] such as Alphabet, Ralph Lauren, United Technologies, and ViaSat in the U.S., European-based C&C and an undisclosed new addition that we successfully owned in the last Eurozone crisis, and Asian-based Great Eagle and Yum China (a fourth quarter addition that we

1 To reference which funds hold the investments discussed, please see page 3.

Average Annual Total Returns (12/31/16) Partners Fund: Since Inception (4/8/87): 10.42%, Ten Year: 3.20%, Five Year: 9.63%, One Year: 20.72%. Small-Cap Fund: Since Inception (2/21/89): 11.09%, Ten Year: 8.15%, Five Year: 15.35%, One Year: 20.48%. International Fund: Since Inception (10/26/98): 7.05%, Ten Year: 0.62%, Five Year: 6.47, One Year: 12.20%. Global Fund: Since Inception (12/27/12): 5.80%, Ten Year: na, Five Year: na, One Year: 20.43%.

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

have known well for many years).

A final point on the Funds' portfolios is that our on-deck list—while shorter than usual—does have strong candidates. After another up year, the U.S. is less compelling than other world markets. Still, we have found new qualifiers in both the large and small-cap areas and continue to search. In Europe, dispersion among stocks is greater, but the lower-than-U.S. market P/E multiple is dragged down by lesser quality businesses that are not attractive to us. However, we have several exceptions on deck. Asia remains the most discounted region, although the most undervalued industries of real estate and gaming are already well represented in our portfolios. We have looked at a number of Japanese prospects in the last year, but most either were away from our price limit or had limited liquidity.

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

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

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

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

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

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

See following page for important disclosures.

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.

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

Earnings Power is Southeastern's estimated free cash flow per share that we expect the company is able to produce in the time-frame mentioned. Pro-forma for any one time items and/or mergers and acquisitions.

Free Cash Flow 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.

As of December 31, 2016 the holdings discussed represented the following percentages of the Funds- Level 3: 9.7% Partners, 8.1% Small-Cap, 9.3% Global; FedEx: 9.5% Partners, 6.6% Global; CK Hutchison: 6.1% Partners, 7.0% International, 5.4% Global; Cheung Kong Property: 4.1% Partners, 4.7% International, 3.8% Global; EXOR: 8.9% International, 4.9% Global. CNH Industrial: 5.8% Partners, 3.1% Global; Graham Holdings: 5.5% Small-Cap; LafargeHolcim: 4.8% Partners, 8.2% International, 6.3% Global; Liberty Media: 6.9% Small-Cap; Alphabet: 6.4% Partners, 4.0% Global; Ralph Lauren: 3.5% Partners; United Technologies: 4.8% Partners, 4.5% Global; ViaSat: 5.7% Small-Cap; C&C: 4.8% International; Great Eagle: 6.0% International; Yum China: 4.5% International, 4.9% Global. Fund holdings are subject to change and holding discussions are not recommendations to buy or sell any security. Current and future holdings are subject to risk.

Funds distributed by ALPS Distributors, Inc.

LLP000574
Expires 4/30/17

Longleaf Partners Fund

Longleaf Partners Fund

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

Fund Profile

Investment Style	US mid-large cap value
Ticker	LLPFX
Inception Date	April 8, 1987
Net Assets	$3.4 billion
Expense Ratio	**0.93%**
Turnover (5 yr avg)	28%
Weighted Average Market Cap.	$67.6 billion

Holdings (15)

	Activity**	Weight
Level 3 Communications	+	9.7%
FedEx		9.5
Alphabet		6.4
CONSOL Energy		6.1
CK Hutchison		6.1
Wynn Resorts	+	5.9
CNH Industrial		5.8
Scripps Networks		4.8
United Technologies		4.8
LafargeHolcim		4.8
Chesapeake Energy	–	4.5
Cheung Kong Property		4.1
Ralph Lauren	+	3.5
DuPont		3.4
T. Rowe Price	NEW	2.5
Cash		18.1
Total		100.0%

**Full eliminations include the following positions: None.

Investment Approach — Business, People, Price

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

Fund Management and Partnership

Southeastern Asset Management, founded in 1975, is an independent, Memphis-based global firm managing $19.5 billion. Southeastern's employees and related entities are the largest investors across the Longleaf Partners Funds.

Sector Composition

Industrials	26.2%
Consumer Discretionary	14.2
Energy	10.6
Telecommunication Services	9.7
Materials	8.2
Information Technology	6.4
Real Estate	4.1
Financials	2.5
Cash	18.1

Performance Contribution

Top Contributors	Return	Portfolio Contribution
Level 3	22%	1.45%
CNH Industrial	21	0.97
Scripps	13	0.60

Top Detractors	Return	Portfolio Contribution
CK Property	-16%	-0.79%
CK Hutchison	-11	-0.75
Wynn Resorts	-11	-0.68

Performance at 12/31/16

	Total Return		Average Annual Return					
	Qtr	YTD	One Year	Five Year	Ten Year	15 Year	20 Year	Since Inception
Partners Fund	**2.03%**	**20.72%**	**20.72%**	**9.63%**	**3.20%**	**5.67%**	**7.88%**	**10.42%**
S&P 500 Index	3.82	11.96	11.96	14.66	6.95	6.69	7.68	9.53

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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.

LLP000578 expires May 15, 2017

December 31, 2016

4Q16

Longleaf Partners Fund Commentary

Longleaf Partners Fund made substantial gains throughout the year, rising 20.72% in 2016, a large premium over the S&P 500's 11.96% return. The Fund's outperformance began in mid-February and occurred in spite of higher-than-normal cash in the portfolio. In the fourth quarter, the Fund appreciated 2.03% while the S&P 500 added 3.82%, most of which came following the presidential election.

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

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

Annual Contributors/Detractors

(2016 investment return; 2016 Fund contribution)

Chesapeake Energy (+377%; +8.46%), one of the largest U.S. producers of natural gas, oil, and natural gas liquids, was the Fund's top contributor to performance in 2016 and gained an additional 12% in the fourth quarter. Earlier in the year, we transitioned our equity position into heavily discounted bonds and convertible preferred stock, which offered equity-like returns higher in the capital structure and a potentially faster payback. As the bonds rose close to par, we exited them. At the end of the third quarter, we converted all of our appreciated preferred securities into common stock for an attractive premium. Over the course of the year, management executed beyond expectations, selling various assets, improving the balance sheet through discounted debt repurchases, reducing operating and capital expenditures, and renegotiating midstream contracts. The most recent asset sales in the fourth quarter included a portion of the company's properties in the Haynesville Shale in northern Louisiana for proceeds of approximately $915 million. Signed or closed asset sales reached $2.5 billion in 2016, exceeding management's original target of $1 billion. To further strengthen its balance sheet, the company secured a term loan and convertible debt offering, which raised more capital at better terms than expected. Since the beginning of 2012, Chesapeake has reduced debt by 50%, and its remaining fixed liabilities should be well covered in the coming years. The company has targeted a two times net debt over earnings before interests, taxes, depreciation, and amortization (EBITDA) with cash flow neutrality by 2018 and 5 to 15% of annual production growth by 2020. We salute CEO Doug Lawler and Chesapeake's board, with Brad Martin as Chairman, for their successful pursuit of shareholder value in the face of massive headwinds.

CONSOL Energy (+131%; +3.96%), the natural gas and Appalachian coal company, also contributed large gains over the year. CEO Nick Deluliis, management, and the board, led by Chairman Will Thorndike, monetized assets and continued to cut costs in the pursuit of separating the coal and gas businesses which is expected to happen in 2017. Following the disposition of its metallurgical coal assets in the first half of the year, CONSOL sold its high cost Miller Creek and Fola thermal coal mines to a private buyer at a price above our appraisal. The company also delivered positive free cash flow (FCF) for the year, which many thought very unlikely at the start of 2016. In the fourth quarter, CONSOL announced the unwinding of a joint venture with Noble Energy in which the company received $205 million in cash from Noble while maintaining ownership of valuable EBITDA-producing properties. Recent transactions involving other companies' gas assets in Appalachia, as well as CONSOL's own midstream master limited partnerships' (MLP) prices, support our appraisal of CONSOL, which is much higher than the stock price.

Wynn Resorts (+28%; +2.29%), the luxury gaming and hotel operator with prime real estate in Las Vegas, Macau, and Boston, was another significant contributor during the year, despite a slight retreat in the fourth quarter. The total Macau market reported higher gross gaming revenues year-over-year

Average Annual Total Returns (12/31/16): Since Inception (4/8/87): 10.42%, Ten Year: 3.20%, Five Year: 9.63%; One Year: 20.72%

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As reported in the Prospectus dated May 1, 2016, the total expense ratio for the Longleaf Partners Fund is 0.93%. The expense ratio is subject to fee waiver to the extent normal annual operating expenses exceed 1.50% of average annual net assets.

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

FedEx (26%; 2.16 %), the global transportation and logistics company, was also a leading contributor for 2016 after gaining 7% in the fourth quarter. The company raised guidance for fiscal year 2017 and continued to buy back its discounted shares. Our appraisal increased as expense reductions in Express over the last several years helped raise margins. Investing in growth at Ground depressed margins in that division but should have meaningful payoff longer term. The TNT acquisition, finalized in May, should materially benefit profitability by increasing the final mile density of FedEx's business across Europe. Management indicated that the integration of TNT should generate at least $750 million of annual synergies across its network over the next few years. We believe that CEO Fred Smith and his capable leadership team will continue to drive value growth for shareholders.

Scripps Networks (+32%,+1.92%), the media company whose three main brands are HGTV, Food Network, and Travel Channel, had solid advertising revenue gains during the year, and the stock continued its rise in the fourth quarter, gaining 13%. Ratings were strong overall in 2016, and HGTV ended up as the third most watched U.S. cable channel behind ESPN and Fox News. The company's advertising has more exposure to stable categories than most competitors and also earns premiums per viewer over the competition. The year did see a decline in distributor fees paid to Scripps, but this was due to one-time items that will be lapped next year. Part of the stock's discount is related to international expansion which has not yet produced profits but has created startup costs and non-cash amortization. Scripps' high-profile lifestyle channels could be valuable content for other media and entertainment companies, as evidenced by AT&T's recent bid for Time Warner at an attractive multiple relative to Scripps' stock price.

Level 3 Communications (+4%; +031%), a global fiber and integrated communications network company was the primary contributor to the Fund's fourth quarter return. The stock rose 22% with the announcement of a merger with CenturyLink, Inc., equating to $66.50 per Level 3 share, a 42% premium to the closing price prior to the announcement. This deal offers numerous benefits for shareholders. The combined company will increase the capacity and reach of CenturyLink's domestic and Level 3's global high-bandwidth fiber networks. Although CenturyLink has been tainted by the performance of its legacy landline business, its Qwest fiber network is a high quality asset. Projected synergies total $975 million, with $125 million in reduced capital expenditures and the remaining $850 million split in half between operating expense reductions and moving data usage onto the company's own network. Additionally, Level 3 will get four directors on the new board. CenturyLink CEO Glen Post has announced that the new CFO will be Sunit Patel who has successfully integrated large acquisitions and managed balance sheets well in his tenure at Level 3.

CK Hutchison (-14%; -1.59%), a global conglomerate comprised of five core businesses (retail, telecommunications, infrastructure, ports, and energy), was the Fund's only noteworthy detractor for the year. The stock declined in the first half of 2016 in the wake of the rejection by European regulators of its acquisition of U.K. telecom company O2, in addition to Brexit which created concerns about the impact on the company's sizable operations in Europe and the U.K. Following a strong third quarter where the company announced a merger creating the largest Italian mobile operator, the stock lost ground in the fourth quarter after the U.S. election. A stronger U.S. dollar and expectations of tougher trade weighed on Hong Kong stocks in general and on the Hong Kong dollar's relationship to the British pound and euro, where over half of the company's earnings before interest and taxes (EBIT) originate. Our owner-operator partners, Victor Li and his father Li Ka-shing, continued to focus the company on its core competencies by selling its aircraft leasing business during the quarter.

Annual Portfolio Activity

Given the long running bull market and additional rise in 2016, finding new businesses that met our requisite discount proved challenging. Additionally, with our strong returns, prices of many holdings grew closer to appraisals, and some of the biggest performers became more heavily weighted in the portfolio. We trimmed a number of positions and exited **McDonald's**, **Aon**, and **National Oilwell Varco** in the first quarter, as well as **Philips** in the third quarter. Cash rose in the portfolio during the first quarter and remained in the teens throughout the year. We were able to buy two new investments in the Fund—**Ralph Lauren** in the second quarter and **T. Rowe Price** (TROW) in the fourth. TROW is a diversified investment advisory firm with a dominant position in U.S. target date fund retirement assets, which account for about twenty percent of assets under management (AUM). TROW's funds have performed well and had net inflows, even with the active management headwinds the industry has faced. Over the last ten years, the company has put capital into building its international investments and distribution. The company currently has just below twenty percent of AUM in international funds and a mid-single digit percent of total AUM coming from offshore investors. As this business grows, margins should rise accordingly. The company's balance sheet has net cash, and we are confident in the aligned management team who has a record of prudent capital allocation

Outlook

The Fund's price-to-value (P/V) in the low-70s% offers attractive upside. Much uncertainty remains as to how U.S. tax, trade, and regulatory policies will change in the new administration. More volatility, lower market correlations, and higher interest rates would likely unearth new opportunities for the Fund's 18% cash. For example, we are already beginning to find more prospects in healthcare following the sector's decline amid controversies around drug pricing and questions over the future of the U.S. system.

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

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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.

Master limited partnership (MLP) is, generally, a limited partnership that is publicly traded on a securities exchange.

EBIT is earnings before interest and taxes.

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

Brexit ("British exit") refers to the June 23, 2016 referendum by British voters to leave the European Union.

As of December 31 2016, the holdings discussed represented the following percentages of the Longleaf Partners Fund: Chesapeake Energy, 4.5%; CONSOL, 6.1%; Wynn, 5.9%; Scripps, 4.8%; FedEx, 9.5%; Level 3, 9.7%; CK Hutchison, 6.1%; Ralph Lauren, 3.5%; T. Rowe Price, 2.5%. 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.

LLP000581

Expires 4/30/17

Longleaf Partners Small-Cap Fund

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

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

Fund Profile

Investment Style	US small-cap value
Ticker	LLSCX
Inception Date	February 21, 1989
Net Assets	$4.0 billion
Expense Ratio	**0.91%**
Turnover (5 yr avg)	33%
Weighted Average Market Cap.	$5.8 billion

Holdings (19)

	Activity**	Weight
Level 3 Communications		8.1%
Liberty Media		6.9
CONSOL Energy		5.7
ViaSat		5.7
Graham Holdings		5.5
Wynn Resorts		5.4
Eastman Kodak *(preferred)*	NEW	5.1
OCI		4.8
Scripps Networks		4.8
Hopewell		4.6
Rayonier		4.4
Actuant		3.8
Deltic Timber		3.5
Sonic	+	3.0
Everest Re		2.7
Tribune Media	–	2.6
Neiman Marcus *(bonds)*		1.9
SEACOR		1.6
Triangle Petroleum *(bonds)*	–	1.1
Cash		18.8
Total		100.0%

**Full eliminations include the following positions: None.

Investment Approach — Business, People, Price

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

Fund Management and Partnership

Southeastern Asset Management, founded in 1975, is an independent, Memphis-based global firm managing $19.5 billion. Southeastern's employees and related entities are the largest investors across the Longleaf Partners Funds.

Sector Composition

Consumer Discretionary	30.1%
Information Technology	10.8
Real Estate	9.0
Energy	8.4
Materials	8.3
Telecommunication Services	8.1
Industrials	3.8
Financials	2.7
Cash	18.8

Performance Contribution

Top Contributors	Return	Portfolio Contribution
Level 3	22%	1.41%
OCI	18	0.83
Liberty Media	11	0.68

Top Detractors	Return	Portfolio Contribution
ViaSat	-11%	-0.72%
Wynn Resorts	-11	-0.65
CONSOL Energy	-5	-0.30

Performance at 12/31/16

	Total Return		Average Annual Return					
	Qtr	YTD	One Year	Five Year	Ten Year	15 Year	20 Year	Since Inception
Small-Cap Fund	**3.88%**	**20.48%**	**20.48%**	**15.35%**	**8.15%**	**10.89%**	**11.28%**	**11.09%**
Russell 2000 Index	8.83	21.31	21.31	14.46	7.07	8.49	8.25	9.63

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.

LLP000579 expires May 15, 2017

December 31, 2016

4Q16

Longleaf Partners Small-Cap Fund Commentary

Longleaf Partners Small-Cap Fund delivered a substantial return of 20.48% in 2016, following a 3.88% gain in the fourth quarter. The Fund far outpaced the Russell 2000 Index throughout the year until the November presidential election sent the index soaring over 13%, catching up with the Small-Cap Fund to deliver 8.83% in the fourth quarter and 21.31% for the year. Our 2016 risk adjusted absolute and relative returns were impressive given that our cash balance averaged 23% throughout the year. The Fund's longer-term results have materially outpaced the index.

Results at our companies drove the Fund's return, with a large part of our success coming at the hands of our corporate partners' moves to build shareholder value. Four holdings, including DreamWorks Animation, Chemtura, Liberty Media, and Level 3 Communications, were involved in attractive mergers or acquisitions. A number of other companies sold or bought assets to focus more heavily on their core businesses. Even at OCI, our primary detractor in 2016, the company was in the process of being acquired before the U.S. government removed tax inversion benefits. The year highlighted the importance of value additive capital allocation by our CEOs and boards. In large measure because of our capable management partners, we believe the Fund will continue to benefit from not only their operating skills, but their abilities to successfully integrate merged businesses and make value accretive capital decisions. The competitive strength of our businesses and our collaborative engagement with our partners make us confident in the Fund's future returns.

Annual Contributors/Detractors

(2016 investment return; 2016 Fund contribution)

DreamWorks Animation (+55%, 5.06%), the film studio and multimedia company, was the Fund's largest contributor for the year. We sold the position in the second quarter after Comcast announced an all cash acquisition for $41 per share. We started buying DreamWorks in the third quarter of 2014 at $19 per share following disappointing new movie releases. Our appraisal hinged on the valuable film library and DreamWorks' growing success in TV and web content, as well as licensing. We partnered with a strong board led by Chairman Mellody Hobson and owner-operator CEO Jeffrey Katzenberg, who built the company's brands, developed a presence in China, managed costs, and ultimately monetized the company at full value with a 104% return for the Fund during our two year holding period.

CONSOL Energy (+131%; +3.55%), the natural gas and Appalachian coal company also contributed large gains over the year. CEO Nick Deluliis, management, and the board, led by Chairman Will Thorndike, monetized assets and continued to cut costs in the pursuit of separating the coal and gas businesses which is expected to happen in 2017. Following the disposition of its metallurgical coal assets in the first half of the year, CONSOL sold its high cost Miller Creek and Fola thermal coal mines to a private buyer at a price above our appraisal. The company also delivered positive free cash flow (FCF) for the year, which many thought very unlikely at the start of 2016. In the fourth quarter, CONSOL announced the unwinding of a joint venture with Noble Energy in which the company received $205 million in cash from Noble while maintaining ownership of valuable earnings before interest, taxes, depreciation, and amortization (EBITDA) producing properties. Recent transactions involving other companies' gas assets in Appalachia, as well as CONSOL's own midstream master limited partnerships' (MLP) prices, support our appraisal of CONSOL which is much higher than the stock price.

Liberty Media Corp. (+79%; +3.36%), a holding company for a broad range of entertainment businesses, was an additional large contributor to the Fund's return in 2016 and rose 11% in the fourth quarter. We initiated the position in the second quarter when "old Liberty Media" spun out three tracking stocks, including Liberty Media Corp. (LMCK). LMCK's main asset immediately post-spin was 34% of Live Nation Entertainment, the largest ticketing and live entertainment company in the world. Live Nation reported solid results throughout the year. Shortly after our purchase of Liberty Media, the company announced its acquisition of a controlling interest in Formula One Group, which is now LMCK's most important asset. Formula One adds to LMCK's properties a global, live sports brand with over 400 million unique viewers, and its worldwide races generate long-term contracted revenue from broadcasting, event fees, and advertising. A key part of the acquisition was the appointment of Chase Carey as Formula One Group Chairman. Southeastern successfully partnered with Carey previously, and we are thrilled to partner with him again, as his experience as one of the smartest

Average Annual Total Returns (12/31/16): Since Inception (2/21/89): 11.09%, Ten Year: 8.15%, Five Year: 15.35%, One Year: 20.48%

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

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

people in sports media directly relates to the Formula One opportunity. Upon the anticipated first quarter 2017 closing of the acquisition, Liberty Media Corp. will be renamed Formula One Group. Our past investments with Chairman John Malone and CEO Greg Maffei have been rewarding, and we expect this opportunity to partner with these superior capital allocators to continue to benefit the Fund.

Wynn Resorts (+27%; +1.67%), the luxury gaming and hotel operator with prime real estate in Las Vegas, Macau, and Boston, was another significant contributor during the year despite a slight retreat in the fourth quarter. The total Macau market reported higher gross gaming revenues year-over-year in most months of the second half, indicating stabilization and a return to growth. In August, the company opened the Wynn Palace in Cotai (Macau). The property has ramped up more slowly than some analysts had hoped, but Wynn has a history of careful openings and eventual success. During the fourth quarter, sentiment shifted up and down, as some positive industry level data points were offset by concerns over Chinese policy changes that could potentially impact Macau indirectly. In the U.S., Las Vegas had solid results, and the company received the final licenses necessary to begin construction of Wynn Boston Harbor, which is expected to open in 2019. Wynn also announced plans to develop part of its Las Vegas golf course property into a hotel, restaurants, and other attractions. In December, the company sold 49% of its retail assets in Las Vegas for over twenty times EBITDA, which was accretive to our value and well above where the stock trades. The sale was also further evidence of how our heavily-aligned partner, Steve Wynn, continues to build value per share and pursue value recognition for shareholders.

Scripps Networks (+31%,+1.51%), the media company whose three main brands are HGTV, Food Network and Travel Channel, had solid advertising revenue gains during the year, and the stock continued its rise in the fourth quarter, gaining 13%. Ratings were strong overall in 2016, and HGTV ended up as the third most watched U.S. cable channel behind ESPN and Fox News. The company's advertising has more exposure to stable categories than most competitors and also earns premiums per viewer over the competition. The year did see a decline in distributor fees paid to Scripps, but this was due to one-time items that will be lapped next year. Part of the stock's discount is related to international expansion which has not yet produced profits but has created startup costs and non-cash amortization. Scripps' high-profile lifestyle channels could be valuable content for other media and entertainment companies, as evidenced by AT&T's recent bid for Time Warner at an attractive multiple relative to Scripps' stock price.

Level 3 Communications (+4%, +0.19%), a global fiber and integrated communications network company was the primary contributor to the Fund's fourth quarter return with a 22% gain. The stock rose with the announcement of a merger with CenturyLink, Inc., equating to $66.50 per Level 3 share, a 42% premium to the closing price prior to the announcement. This deal offers numerous benefits for shareholders. The combined company will increase the capacity and reach of CenturyLink's domestic and Level 3's global high-bandwidth fiber networks. Although CenturyLink has been tainted by the performance of its legacy landline business, its Qwest fiber network is a high quality asset. Projected synergies total $975 million, with $125 million in reduced capital expenditures and the remaining $850 million split in half between operating expense reductions and moving data usage onto the company's own network. Additionally, Level 3 will get four directors on the new board. CenturyLink CEO Glen Post has announced that the new CFO will be Sunit Patel who has successfully integrated large acquisitions and managed balance sheets well in his tenure at Level 3.

OCI (-28%, -0.69%), a global fertilizer and chemical producer, was the largest detractor in the Fund for the year, even after a rebound of 18% in the fourth quarter. The two main pressures on the share price were weakness in nitrogen fertilizer prices and the cancellation of the CF Industries merger as a result of the U.S. government crackdown on tax inversions. Despite depressed fertilizer prices, nitrogen remains an essential part of global food production, and global demand is growing by around 2%, which will help deplete the current excess supply by 2018. Given the high cost and long lead time of building a new plant, it is unlikely that new capacity will be built in the medium term. OCI owns the newest and most efficient nitrogen fertilizer plants in the industry, with its large, new Iowa plant now producing. Its Texas Greenfield methanol plant comes online in late 2017. OCI recently initiated a cost savings plan over $100 million, $65 million of which is executed, and the company has completed the majority of its large capital expenditures. We expect significant earnings production in the coming two years, and CEO Nassef Sawiris and his team are working diligently to grow value per share. In early December, the company announced a 25% premium offer to acquire all publicly held shares of OCI Partners in exchange for OCI shares. The acquisition should allow for operating synergies between methanol assets and incremental free cash flow with a positive impact on the combined balance sheet in 2017.

Annual Portfolio Changes

When their prices reached our appraisals following announcements of being acquired, we exited two holdings during the year—**DreamWorks** in the second quarter and **Chemtura** in the third. We also sold our long-held investment in **Vail Resorts** in the third quarter when the stock reached our appraisal, generating a return of over 300% over our holding period. We trimmed a number of the Fund's holdings that became overweight and as their price-to-values (P/V) rose. Our sales added to our cash position, which remained above 20% for most of the year because we found a limited number of new opportunities. The four new qualifiers we did buy—**Liberty Media**, **SEACOR**, **Sonic**, and **Eastman Kodak**—were positive performers, particularly Liberty. Kodak was initiated in the fourth quarter with the negotiation and subsequent purchase of convertible preferred stock (Preferred) of Kodak. This new security issued by the company at our suggestion is an example of the benefits of our engaged, collaborative approach with boards and management teams. The proceeds from our investment will allow the company to refinance high cost debt and unlock encumbered cash. Most importantly, it will allow CEO Jeff Clarke and his team increased financial flexibility to highlight the value of a unique set of printing, imaging, and materials science technology assets. The Preferred provides an attractive risk/reward opportunity. It has an annual cash dividend of 5.5%, is convertible into shares of common stock at $17.40 per share (a substantial discount to our appraisal), and allows us to nominate directors to the board.

Outlook

The Fund's (P/V) in the mid-70s% offers attractive upside. Much uncertainty remains as to how U.S. tax, trade, and regulatory policies will change in the new administration. More volatility, lower market correlations, and higher interest rates would likely unearth new opportunities for the Fund's 19% cash position.

Most importantly, we believe our companies can grow their values substantially and have the ability to deliver good returns in a variety of scenarios. For example, our two largest holdings, Level 3 and Liberty Media, which benefitted from merger and acquisition activity in 2016, have significant revenue prospects from their combinations that are not included in projected synergies, and they have skilled leadership with experience at successful company integrations. We hold numerous other businesses that have had meaningful capital expenditure investment programs over the last few years that should begin to generate returns in 2017 and beyond. These include ViaSat's new satellites, Wynn's newly opened Palace in Macau, Hopewell's Centre II project, and OCI's new fertilizer and methanol plants. As 2016 showed, CEOs and boards who are competent and shareholder-oriented create value. Our corporate partners, as well as the quality of our businesses, give us confidence in our future prospects.

See following page for important disclosures.

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RISKS

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

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

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

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

EBIT is a company's earnings before interest and taxes.

Master limited partnership (MLP) is, generally, a limited partnership that is publicly traded on a securities exchange.

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

As of December 31,2016, the holdings discussed represented the following percentages of the Longleaf Partners Small-Cap Fund: Liberty Media, 6.9%; Level 3, 8.1%; OCI, 4.8%; CONSOL, 5.7%; Wynn; 5.4%; Scripps, 4.8%; SEACOR, 1.6%; Sonic, 3.0%; Eastman Kodak, 5.1%. The following stocks discussed are not held in the Fund: DirecTV and News Corp. 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.

LLP000582

Expires 4/30/17

Longleaf Partners International Fund

December 31, 2016

4Q16

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	$1.0 billion
Expense Ratio	**1.28%**
Turnover (5 yr avg)	37%
Weighted Average Market Cap.	$15.3 billion

Holdings (19)

	Activity**	Weight
EXOR	–	8.9%
LafargeHolcim		8.2
CK Hutchison		7.0
Melco International	–	6.7
Great Eagle		6.0
OCI		5.7
CEMEX *(bonds)*		5.1
C&C	+	4.8
Cheung Kong Property		4.7
Yum China	NEW	4.5
Baidu		4.3
Undisclosed	NEW	3.1
K. Wah International	–	2.8
Sika	–	2.7
Genting Singapore		2.6
STADA	NEW	2.5
Applus Services		1.1
Genting Berhad *(warrants)*		1.0*
MLog		0.6
Cash		17.7*
Total		100.0%

**Full eliminations include the following positions: Vivendi.

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 $19.5 billion. Southeastern's employees and related entities are the largest investors across the Longleaf Partners Funds.

Sector Composition

Materials	22.3%
Consumer Discretionary	14.8
Real Estate	13.5
Industrials	11.2
Financials	8.9
Consumer Staples	4.8
Information Technology	4.3
Healthcare	2.5
Cash	17.7

Regional Composition

Asia ex-Japan	39.6%
Europe ex-UK	37.0
North America	5.1
Latin America	0.6
Cash	17.7

Performance Contribution

Top Contributors	Return	Portfolio Contribution
OCI	18%	0.71%
EXOR	7	0.44
Great Eagle	7	0.31

Top Detractors	Return	Portfolio Contribution
CK Property	-16%	-0.75%
CK Hutchison	-11	-0.72
K. Wah	-14	-0.43

Performance at 12/31/16

	Total Return		Average Annual Return					
	Qtr	YTD	One Year	Five Year	Ten Year	15 Year	20 Year	Since Inception
International Fund	**-0.31%**	**12.20%**	**12.20%**	**6.47%**	**0.62%**	**4.11%**	**na**	**7.05%**
MSCI EAFE Index	-0.71	1.00	1.00	6.53	0.75	5.28	na	3.96

*Weightings adjusted for sale of warrants and purchase of underlying stock: Genting Berhad, 5.8% and Cash, 12.9%. Detailed information on these positions is available at longleafpartners.com

December 31, 2016

4Q16

Longleaf Partners International Fund Commentary

Longleaf Partners International Fund returned 12.20% for the year, meaningfully outperforming the MSCI EAFE Index's 1.00% return and beating our absolute goal of inflation plus 10%. In the fourth quarter, the Fund fared better than the index, falling -0.31% versus the index's -0.71% decline.

In two distinct environments, the Fund outperformed with minimal exposure to the areas that periodically drove market returns. In the first nine months, perceived "safe" stocks dominated. The fourth quarter reversed, with cyclicals making gains and defensive and minimum volatility stocks declining rapidly to end the full year among the worst performing areas. Global markets had significant quarterly price volatility across geographies. For example, Hong Kong markets suffered declines in the first and fourth quarters amid China concerns, with the fourth quarter further complicated by fears of higher U.S. interest rates and impacts of a Trump presidency on global trade. Our Hong Kong exposure added positively to 2016 results despite these fears. In Europe, markets rebounded quickly in the third quarter after a negative first half overshadowed by Brexit and European terrorist attacks.

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

Annual Contributors/Detractors

(2016 investment return, 2016 Fund contribution)

adidas (+70%, +3. 58%), the German-based global sportswear and equipment brand, was the Fund's top contributor for the year. We sold our stake in the third quarter as the price approached our appraisal value. We engaged in a productive dialogue with the company when necessary since initiating the position in August 2014. Over that time, adidas re-focused on its core brand, grew revenues, sold or sought buyers for non-core segments including Rockport and golf, repurchased just over five percent of the company at substantially discounted prices, replaced the CEO, and added two highly qualified owners to the Supervisory Board, one of whom we proposed. In the Fund's two year holding period, adidas returned 122% (in U.S. dollar) and 166% in local currency (euro).

Great Eagle (+60%, +3.06%), a diversified property holding company based in Hong Kong also added to the Fund's 2016 return. Great Eagle announced a $2 per share special dividend in the second quarter after monetizing commercial real estate in San Francisco at a sub 4% net operating income cap rate. The company also successfully completed the acquisition of a prime hotel site in Roppongi, Tokyo, expected to be operational by the 2020 Tokyo Olympics. In addition to the Langham Hotels owned and operated across global capital cities, Great Eagle owns Hong Kong-listed Champion Real Estate Investment Trust (REIT) and Langham Hotel REIT. The company is led by Dr. Lo Ka Shui who owns 59% of Great Eagle and has an exceptional record of savvy acquisitions and divestitures, as well as value growth.

CEMEX (+41%, +1.94%), the global cement, ready-mix concrete, and aggregates company, performed well, reflecting improved fundamentals. The convertible bonds that we own have an attractive risk/reward profile, with asset coverage over twice the debt. Our long-term upside beyond par value, plus the 3.75% annual coupon, will depend on where the equity price trades relative to the conversion price. Our appraisal of CEMEX grew during the year, and we expect further appreciation since its core markets of Mexico and the U.S. are improving. Tonnage prices are rising, with cement plant capacity utilization in the U.S. at approximately 95% in the fourth quarter. On the capital allocation front, the company divested non-core assets. Proceeds from asset sales, as well as free cash flow, continue to reduce debt.

Sika (+35%, +1.77%), the Swiss provider of specialty materials and services for the construction industry was another major contributor in the Fund for the year. Since we initiated

Average Annual Total Returns (12/31/16): Since Inception (10/26/98): 7.05%, Ten Year: 0.62%, Five Year: 6.47%, One Year: 12.20%

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

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

the position, the company has consistently reported strong quarterly results, with increased revenues and improved margins across all regions. Prior to our investment, the founding Burkard family made an agreement to sell its 16% stake to French company Saint-Gobain at an 80% premium without a concurrent offer to others shareholders. We have taken a public stand against the proposed deal, as we believe that all owners should be treated equitably. In late October, Sika's share price rallied after an initial corporate governance win in the two year battle against the Saint-Gobain takeover. The Swiss court ruled that Sika could limit the voting rights of the Burkard family to 5%, essentially blocking the proposed deal. We trimmed the position after strong performance, and we remain optimistic about value growth and the outlook from today.

BR Properties (+25%, 1.55%), one of the main commercial real estate investment companies in Brazil, also stood out as a strong performer in 2016. We sold the holding in the second quarter on the strength of a recovery in the company's earnings, in addition to an offer by GP Investments, a Bermuda-based investment company, to acquire 70% of BR Properties' outstanding shares.

OCI (-29%, -1.52%), a global fertilizer and chemical producer, was the largest detractor in the Fund for the year, even after a rebound of 18% in the fourth quarter. The two main pressures on the share price were weakness in nitrogen fertilizer prices and the cancellation of the CF Industries merger as a result of the U.S. government crackdown on tax inversions. Despite depressed fertilizer prices, nitrogen remains an essential part of global food production, and global demand is growing by around 2%, which will help deplete the current excess supply by 2018. Given the high cost and long lead time of building a new plant, it is unlikely that new capacity will be built in the medium term. OCI owns the newest and most efficient nitrogen fertilizer plants in the industry, with its large, new Iowa plant now producing. Its Texas Greenfield methanol plant comes online in late 2017. OCI recently initiated a cost savings plan over $100 million, $65 million of which is executed, and the company has completed the majority of its large capital expenditures. We expect significant earnings production in the coming two years, and CEO Nassef Sawiris and his team are working diligently to grow value per share. In early December, the company announced a 25% premium offer to acquire all publicly held shares of OCI Partners in exchange for OCI shares. The acquisition should allow for operating synergies between methanol assets and incremental free cash flow with a positive impact on the combined balance sheet in 2017.

CK Hutchison (-14%, -1.24%), a global conglomerate comprised of five core businesses (retail, telecommunications, infrastructure, ports, and energy), was the only other noteworthy detractor in the Fund for 2016. The stock declined in the first half of 2016 in the wake of the rejection by European regulators of its acquisition of U.K. telecom company O2, in addition to Brexit which created concerns about the impact on the company's sizable operations in Europe and the U.K. Following a strong third quarter where the company announced a merger creating the largest Italian mobile operator, the stock lost ground in the fourth quarter after the U.S. election. A stronger U.S. dollar and expectations of tougher trade weighed on Hong Kong stocks in general and on the Hong Kong dollar's relationship to the British pound and euro, where over half of the company's earnings before interest and taxes (EBIT) originate. Our owner-operator partners, Victor Li and his father Li Ka-shing, continued to focus the company on its core competencies by selling its aircraft leasing business during the quarter. In recognition of the steep discount at which CK Hutchison trades to value, the company initiated its first share repurchase in the fourth quarter.

Annual Portfolio Changes

We took advantage of the market volatility and individual company performance throughout the year. We exited several core holdings in the first half, including **ALS**, **Mineral Resources**, and **BR Properties**, as well as **Philips**, **SoftBank**, and **adidas** in the third quarter on the back of share price strength. We exited our small position in **Vivendi** in the fourth quarter. Currency translation to U.S. dollars dampened the return on our investment in this euro-denominated business. In the Fund's two year holding period, Vivendi returned -5% in USD but added 21% in local currency.

We bought a small position in **Applus** in the second quarter, and we added three new purchases in the fourth quarter. We bought two European-based businesses. One of these we owned during the Eurozone crisis in 2011, and it remains undisclosed while we build the position. The other is **STADA Arzneimittel**, a leading European pharmaceutical company based in Germany. Approximately 60% of this business is generic drugs, and 40% is the over-the-counter branded drugs business that is high margin and better growing. STADA historically traded at a depressed value due to questionable governance and management under its prior executive team. The former CEO used a German "restricted transferability of shares" rule that acted as a poison pill, allowing management to block daily trading of public shares. A local German activist investor, Active Ownership Capital (AOC), took a large stake in the company early in 2016 and made substantial governance improvements, including replacing the CEO with an interim executive, replacing the Chairman, replacing five of six supervisory board members, and abolishing the restricted transferability of shares. New Chairman Ferdinand Oetker is focused on hiring the executive committee and ensuring alignment through ownership incentives at the executive and board level. There is significant room for operational improvement at the business. We also added **Yum China**, which recently spun out of Yum! Brands, a company our team knows well from the Fund's successful multi-year prior investment. Yum China has exclusive rights to KFC, China's leading quick-service restaurant concept, Pizza Hut, a leading casual dining brand, and Taco Bell, with expansion plans in China. Yum China has over 7,300 restaurants and more than 400,000 employees in 1,100+ cities in China with additional expansion opportunity in urban centers. Yum China's brand and scale are unique advantages and fit the desires of a rapidly growing middle class, where eating outside the home is becoming more commonplace

Outlook

In 2016 we delivered substantial absolute performance, and the Fund far outpaced the index, even with a larger-than-average cash balance. The International Fund's price-to-value remains attractive in the high-60s%. We believe that uncertainty over the future of the Eurozone in the wake of Brexit and pending elections in France and Germany, as well as world trade under a Trump administration, is likely to lead to further volatility and opportunity. Weakness in emerging markets and China macro fears are creating further opportunity in Asia to buy world class businesses like Yum China that are trading at meaningful discounts to our appraisal of intrinsic value. The Americas have several near-qualifying opportunities on deck. We believe we have a portfolio of competitively advantaged businesses that are financially strong with management partners who can go on offense in times of uncertainty. Our on-deck list has expanded in the last few months with new prospective investments around the world. Our 18% cash will allow us to invest in high quality businesses with strong management partners. We believe our existing companies and management teams will continue to deliver both organic and transaction-driven value growth that should benefit our future results, as they did in 2016.

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

RISKS

The Longleaf Partners 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.

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.

EBIT is earnings before interest and taxes.

Brexit ("British exit") refers to the June 23, 2016 referendum by British voters to leave the European Union.

As of December 31, 2016, the holdings discussed represented the following percentages of the Longleaf Partners International Fund: Great Eagle,6.0%; Cemex,5.1%; Sika, 2.7%; OCI, 5.7%; CK Hutchison, 7.0%; Applus, 1.1%; STADA, 2.5%; Yum China, 4.5% . 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.

LLP000583

Expires 4/30/17

Longleaf Partners Global Fund

December 31, 2016

4Q16

Longleaf Partners Global Fund

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

Fund Profile

Investment Style	Global value
Ticker	LLGLX
Inception Date	December 27, 2012
Net Assets	$0.2 billion
Expense Ratio	**1.54%**
Turnover (5 yr avg)	na
Weighted Average Market Cap.	$44.1 billion

Holdings (21)

	Activity**	Weight
Level 3 Communications	+	9.3%
FedEx		6.6
LafargeHolcim		6.3
Melco International		6.0
Wynn Resorts	+	5.8
CK Hutchison		5.4
EXOR		4.9
Yum China	NEW	4.9
United Technologies		4.5
OCI		4.3
Chesapeake Energy	–	4.1
Alphabet		4.0
Cheung Kong Property		3.8
CNH Industrial		3.1
Undisclosed	NEW	3.1
K. Wah International	–	2.6
Hopewell		2.6
T. Rowe Price	NEW	2.4
CONSOL Energy		2.4
Genting Berhad *(equity/warrants)*		1.7*
Genting Singapore		1.4
Cash		10.8*
Total		100.0%

*Weightings adjusted for close of options and purchase of underlying stock: Genting Berhad, 5.3% and Cash, 7.2%.
**Full eliminations include the following positions: None.

Investment Approach — Business, People, Price

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

Fund Management and Partnership

Southeastern Asset Management, founded in 1975, is an independent, Memphis-based global firm managing $19.5 billion. Southeastern's employees and related entities are the largest investors across the Longleaf Partners Funds.

Sector Composition

Industrials	22.7%
Consumer Discretionary	19.8
Materials	10.6
Telecommunication Services	9.3
Real Estate	9.0
Financials	7.3
Energy	6.5
Information Technology	4.0
Cash	10.8

Regional Composition

North America	39.1%
Asia ex-Japan	28.4
Europe ex-UK	21.7
Cash	10.8

Performance Contribution

Top Contributors	Return	Portfolio Contribution
Level 3	22%	1.51%
Chesapeake	12	0.81
OCI	18	0.75

Top Detractors	Return	Portfolio Contribution
CK Property	-16%	-0.84%
CK Hutchison	-11	-0.77
Wynn Resorts	-11	-0.72

Performance at 12/31/16

	Total Return		Average Annual Return					
	Qtr	YTD	One Year	Five Year	Ten Year	15 Year	20 Year	Since Inception
Global Fund	**1.60%**	**20.43%**	**20.43%**	**na**	**na**	**na**	**na**	**5.80%**
MSCI World Index	1.86	7.51	7.51	na	na	na	na	9.13

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

LLP000577 expires May 15, 2017

December 31, 2016

4Q16

Longleaf Partners Global Fund Commentary

Longleaf Partners Global Fund returned 20.43% for the year, more than doubling the MSCI World Index's 7.51% return and beating our absolute goal of inflation plus 10%. In the fourth quarter, the Fund posted a positive return of 1.60%, narrowly falling shy of the MSCI World's 1.86% return in the period.

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

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

Annual Contributors/Detractors

(2016 investment return, 2016 Fund contribution)

Chesapeake Energy (+319%, +11.13%), one of the largest U.S. producers of natural gas, oil, and natural gas liquids, was the Fund's top contributor to performance in 2016 and gained an additional 12% in the fourth quarter. Earlier in the year, we transitioned our equity position into heavily discounted bonds and convertible preferred stock, which offered equity-like returns higher in the capital structure and a potentially faster payback. As the bonds rose close to par, we exited them. At the end of the third quarter, we converted all of our appreciated preferred securities into common stock for an attractive premium. Over the course of the year, management executed beyond expectations, selling various assets, improving the balance sheet through discounted debt repurchases, reducing operating and capital expenditures, and renegotiating midstream contracts. The most recent asset sales in the fourth quarter included a portion of the company's properties in the Haynesville Shale in northern Louisiana for proceeds of approximately $915 million. Signed or closed asset sales reached $2.5 billion in 2016, exceeding management's original target of $1 billion. To further strengthen its balance sheet, the company secured a term loan and convertible debt offering, which raised more capital at better terms than expected. Since the beginning of 2012, Chesapeake has reduced debt by 50%, and its remaining fixed liabilities should be well covered in the coming years. The company has targeted a two times net debt over earnings before interests, taxes, depreciation, and amortization (EBITDA) with cash flow neutrality by 2018 and 5 to 15% of annual production growth by 2020. We salute CEO Doug Lawler and Chesapeake's board, with Brad Martin as Chairman, for their successful pursuit of shareholder value in the face of massive headwinds.

adidas (+60%, +2.60%), the German-based global sportswear and equipment brand, was another significant contributor for the year. We sold our stake in the third quarter as price approached our appraisal value. We engaged in a productive dialogue with the company when necessary since initiating the position in August 2014. Over that time, adidas re-focused on its core brand, grew revenues, sold or sought buyers for non-core segments including Rockport and golf, repurchased just over five percent of the company at substantially discounted prices, replaced the CEO, and added two highly qualified owners to the Supervisory Board, one of whom we proposed. In the Fund's two year holding period, adidas returned 104% (in U.S. dollar) and 147% in local currency (euro).

Wynn Resorts (+28%, +1.76%), the luxury gaming and hotel operator with prime real estate in Las Vegas, Macau, and Boston, also helped drive 2016 returns, despite a slight retreat in the fourth quarter. The total Macau market reported higher gross gaming revenues year-over-year in most months of the second half, indicating stabilization and a return to growth. In August, the company opened the Wynn Palace in Cotai

Average Annual Total Returns (12/31/16): Since Inception (12/27/12): 5.80%, Ten Year: na%, Five Year: na%, One Year: 20.43%

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

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

(Macau). The property has ramped up more slowly than some analysts had hoped, but Wynn has a history of careful openings and eventual success. During the fourth quarter, sentiment shifted up and down, as some positive industry level data points were offset by concerns over Chinese policy changes that could potentially impact Macau indirectly. In the U.S., Las Vegas had solid results, and the company received the final licenses necessary to begin construction of Wynn Boston Harbor, which is expected to open in 2019. Wynn also announced plans to develop part of its Las Vegas golf course property into a hotel, restaurants, and other attractions. In December, the company sold 49% of its retail assets in Las Vegas for over twenty times EBITDA, which was accretive to our value and well above where the stock trades. The sale was also further evidence of how our heavily-aligned partner, Steve Wynn, continues to build value per share and pursue value recognition for shareholders.

FedEx (+26%, +1.45%), the global transportation and logistics company, was a leading contributor in the Fund for the year after gaining 7% in the fourth quarter. The company raised guidance for fiscal year 2017 and continued to buy back its discounted shares. Our appraisal increased as expense reductions in Express over the last several years helped raise margins. Investing in growth at Ground depressed margins in that division but should have meaningful payoff longer term. The TNT acquisition, finalized in May, should materially benefit profitability by increasing the final mile density of FedEx's business across Europe. Management indicated that the integration of TNT should generate at least $750 million of annual synergies across its network over the next few years. We believe that CEO Fred Smith and his capable leadership team will continue to drive value growth for shareholders.

CONSOL Energy (+131%, +1.45%), the natural gas and Appalachian coal company, also contributed large gains over the year. CEO Nick Deluliis, management, and the board, led by Chairman Will Thorndike, monetized assets and continued to cut costs in the pursuit of separating the coal and gas businesses which is expected to happen in 2017. Following the disposition of its metallurgical coal assets in the first half of the year, CONSOL sold its high cost Miller Creek and Fola thermal coal mines to a private buyer at a price above our appraisal. The company also delivered positive free cash flow (FCF) for the year, which many thought very unlikely at the start of 2016. In the fourth quarter, CONSOL announced the unwinding of a joint venture with Noble Energy in which the company received $205 million in cash from Noble while maintaining ownership of valuable EBITDA-producing properties. Recent transactions involving other companies' gas assets in Appalachia, as well as CONSOL's own midstream master limited partnerships' (MLP) prices, support our appraisal of CONSOL, which is much higher than the stock price.

OCI (-30%, -1.44%), a global fertilizer and chemical producer, was the largest detractor in the Fund for the year, even after a rebound of 18% in the fourth quarter. The two main pressures on the share price were weakness in nitrogen fertilizer prices and the cancellation of the CF Industries merger as a result of the U.S. government crackdown on tax inversions. Despite depressed fertilizer prices, nitrogen remains an essential part of global food production, and global demand is growing by around 2%, which will help deplete the current excess supply by 2018. Given the high cost and long lead time of building a new plant, it is unlikely that new capacity will be built in the medium term. OCI owns the newest and most efficient nitrogen fertilizer plants in the industry, with its large, new Iowa plant now producing. Its Texas Greenfield methanol plant comes online in late 2017. OCI recently initiated a cost savings plan over $100 million, $65 million of which is executed, and the company has completed the majority of its large capital expenditures. We expect significant earnings production in the coming two years, and CEO Nassef Sawiris and his team are working diligently to grow value per share. In early December, the company announced a 25% premium offer to acquire all publicly held shares of OCI Partners in exchange for OCI shares. The acquisition should allow for operating synergies between methanol assets and incremental free cash flow with a positive impact on the combined balance sheet in 2017.

CK Hutchison (-14%, -0.77%), a global conglomerate comprised of five core businesses (retail, telecommunications, infrastructure, ports, and energy), was the other primary detractor for the year and fell by -11% in the final quarter. The stock declined in the first half of 2016 in the wake of the rejection by European regulators of its acquisition of U.K. telecom company O2, in addition to Brexit which created concerns about the impact on the company's sizable operations in Europe and the U.K. Following a strong third quarter where the company announced a merger creating the largest Italian mobile operator, the stock lost ground in the fourth quarter after the U.S. election. A stronger U.S. dollar and expectations of tougher trade weighed on Hong Kong stocks in general and on the Hong Kong dollar's relationship to the British pound and euro, where over half of the company's earnings before interest and taxes (EBIT) originate. Our owner-operator partners, Victor Li and his father Li Ka-shing, continued to focus the company on its core competencies by selling its aircraft leasing business during the quarter. In recognition of the steep discount at which CK Hutchison trades to value, the company initiated its first share repurchase in the fourth quarter.

Annual Portfolio Activity

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

Outlook

In 2016 we delivered substantial absolute performance, and the Fund far outpaced the index. Much uncertainty remains as to the impact of U.S. tax, trade, and regulatory policies in the new administration. The future of the Eurozone is also unclear in the wake of Brexit and pending elections in France and Germany. Weakness in emerging markets and China macro fears are creating further opportunity in Asia, and the Americas have several on deck investment prospects. More global volatility, lower market correlations, and higher interest rates would likely unearth new opportunities for the Fund's 11% cash.

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

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

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

Master limited partnership (MLP) is, generally, a limited partnership that is publicly traded on a securities exchange.

EBIT is earnings before interest and taxes.

Brexit ("British exit") refers to the June 23, 2016 referendum by British voters to leave the European Union.

As of December 31, 2016, the holdings discussed represented the following percentages of the Longleaf Partners Global Fund: Chesapeake, 4.1%; Wynn, 5.8%; FedEx, 6.6%; CONSOL, 2.4%; OCI, 4.3%, CK Hutchison, 5.4%; Yum China, 4.9%; T. Rowe Price, 2.4%. 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.

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Expires 4/30/17