Longleaf Partners Funds

Quarterly Summary Report

For the Quarter Ended December 31, 2017

Southeastern Asset Management, Inc.®

Advisor to Longleaf Partners Funds

December 31, 2017

Longleaf Partners Funds Shareholder Letter

For a second consecutive year, all four Longleaf Partners Funds delivered solid absolute results in 2017, with the Longleaf Partners, Longleaf Partners International and Longleaf Partners Global Funds exceeding our annual absolute goal of inflation plus 10%. The Global Fund also outperformed its benchmark index for the year. As is normally the case with our concentrated portfolios, business fundamentals at our companies largely accounted for performance. Our absolute returns were particularly notable in a market environment where stocks others call “growth” outperformed stocks categorized as “value” by over 1200 basis points (bps) in the U.S. and 700 bps elsewhere. Information Technology (IT) was a meaningful part of growth’s momentum as the sector far outpaced all others. This impacted our relative returns, as did our high cash balance in all four Funds throughout the year.

	One Year	4Q
Partners Fund	**15.51%**	**3.62%**
S&P 500 Index	21.83	6.65
Small-Cap Fund	**8.99**	**1.74**
Russell 2000 Index	14.65	3.34
International Fund	**24.23**	**-0.31**
MSCI EAFE Index	25.03	4.23
Global Fund	**26.33**	**2.64**
MSCI World Index	22.40	5.51

Past performance does not guarantee future results.

Most investments positively contributed to our positive returns during the year. Several of our management partners drove value recognition through mergers, acquisitions, spin-offs, or asset sales, including at Scripps Networks, Fairfax Financial, Deltic Timber, United Technologies and CONSOL Energy in North America, CK Asset, Baidu, and Hopewell in Asia, and Stada in Europe. Some of our biggest performers benefitted as the time horizon arbitrage gap closed. Because stock prices normally reflect earnings expectations for several quarters, our approach of appraising value growth over 3-5 years often provides the opportunity to arbitrage short-term versus longer term assumptions. In 2017, we saw big gains when businesses that previously had non-earning assets (NEAs) as they had invested for future growth, such as Wynn Resorts, United Technologies, EXOR and Melco, or facing cyclical lows, like CNH and OCI just 12-24 months ago, had their capital projects start generating strong earnings and/or their business cycles begin to turn.

Our high cash position throughout the year, as well as our limited exposure to IT, dampened relative performance. Cash is a by-product of our disciplined process. It often grows in periods when many companies are rising closer to our appraisals and high market levels make strong businesses hard to find at deep discounts. Cash provides the ammunition to purchase new investments when they qualify and poses no risk of capital loss while we patiently search for the next opportunities that meet our strict criteria.

A narrow group of companies led the indices higher. This concentration lowered stock correlations, contributing to several new qualifiers and an expanded on-deck list for us, but weighing on our relative results during the year and the fourth quarter. We owned few IT investments — a large part of growth’s dominance over value — which was 2017’s strongest performing sector by far in the S&P 500, MSCI World, and MSCI EAFE indices. This single sector accounted for approximately 40% of the S&P 500’s and over 25% of the MSCI World’s one year return. Additionally, because U.S. companies have been fully priced for a while, the Partners, Small-Cap and Global Funds held a higher proportion of companies domiciled elsewhere that already pay less than the current 35% U.S. rate. We, therefore, did not benefit as much from the U.S. market rally driven by tax reform prospects. In the fourth quarter, as capital chased the momentum of IT and companies with higher U.S. tax rates and ignored a few good

Average Annual Total Returns (12/31/17) Partners Fund: Since Inception (4/8/87): 10.58%, Ten Year: 4.74%, Five Year: 9.43%, One Year: 15.51%. Small-Cap Fund: Since Inception (2/21/89): 11.02%, Ten Year: 8.79%, Five Year: 12.60%, One Year: 8.99%. International Fund: Since Inception (10/26/98): 7.89%, Ten Year: 1.37%, Five Year: 6.99%, One Year: 24.23%. Global Fund: Since Inception (12/27/12): 9.61%, Ten Year: na, Five Year: 9.63%, One Year: 26.33%.

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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.

businesses, we bought four new companies at deep discounts across the Funds, as well as several qualifiers in our Asian and European regional strategies.

Temporarily holding cash or not participating in the broad areas driving markets may impact short-term relative results but has little long-term effect on concentrated, bottom-up owners of qualified public companies. Much more important to our investment outcomes are the businesses we own. Our largest holding across the Partners and Global Funds, and third largest in the Small-Cap Fund, CenturyLink (CTL - formerly Level 3), was one of our few investments that declined during the year, even though the stock rallied over 22% from its November low after CTL's purchase of Level 3 closed. Throughout, our investment case grew more compelling. The merger of Level 3's fiber network with Qwest's assets that CTL had previously acquired created a uniquely competitive global fiber network that has particular strengths in the higher margin, growing Enterprise segment. Level 3's CEO Jeff Storey becoming President and COO and eventual CEO of CTL and Sunit Patel maintaining the CFO position in the combined company were critical to our support for the deal. Their leadership makes us confident that CTL management will be able to drive mid single-digit Enterprise revenue growth at high contribution margins, cut costs substantially and deliver the projected $1 billion in deal synergies, much of which will be created by moving traffic onto the company's combined network from third parties.

Despite CTL's stronger positioning, the stock price fell, in part because Level 3 customers delayed new purchases until it was clear who would lead the combined company. But the primary price pressure was due to fears that CTL would not be able to sustain its double-digit dividend yield (a valid concern without the Level 3 acquisition). This worry heightened after the stocks of two mostly unrelated and massively overleveraged regional operators which were more closely aligned with CTL's legacy landline business than the fiber business, saw their stocks collapse after dividend cuts. Storey and Patel confirm that the dividend is safe based on the combined EBITDA of the Level 3 and CTL fiber networks, the synergies from the deal, and the use of Level 3's net operating losses (NOLs) to reduce taxes. By our estimates, once the synergies are realized, the company should deliver over $3/share of Free Cash Flow (FCF) after capex, which will amply cover the $2.16 dividend. We see material additional upside not built into our appraisal based on Patel's record of cost cutting after mergers and the multiple players that would benefit from owning this network. When the stock price dramatically disregarded the positive fundamentals and our assessment of CTL's intrinsic value, management and the board appeared to share our enthusiasm as demonstrated by significant December insider purchases as soon as the blackout period that prohibited purchases was lifted.

Southeastern's Private Equity Approach to Public Markets

CTL illustrates Southeastern's long-term, engaged, concentrated, ownership-oriented value investment discipline. In many ways, our approach is more comparable to how private equity (PE) invests than to the strategies of most public equity managers. A number of our client partners characterize us as taking a PE approach to public markets. The characterization is especially relevant in today's environment, where public equity markets are moving primarily due to momentum, passive flows, and broad optimism rather than on fundamentals. We would go a step further and say that, while our investment discipline is very similar to PE, we offer significant advantages, and the perceived "benefits" of PE – less reported volatility and market correlation – are a mirage.

Southeastern's similarities to PE start with the basic view that we own businesses, not tradeable pieces of paper. We concentrate in our best ideas and, as a result of our deep dive research and engagement, know our companies intimately and work closely alongside our management partners. What we own is based on the bottom up fundamentals of a business without regard to the sectors or countries that are in a market index. We underwrite our appraisals in the same manner as PE, using discounted FCF and sum-of-the-parts valuations-calculations based on in-depth research that includes knowledge of competitors, key suppliers, major customers and company management. We own companies where we believe that the value will grow over the minimum 3-5 year time horizon we have for being owners.

An important parallel to PE but large differentiator to most public equity managers is the emphasis we place on corporate managements/boards and our level of engagement with them. As significant owners of the business, when we believe it can be helpful, we use our over four decades of experience, cumulative knowledge and widespread global network to seek a positive investment outcome. As is true with PE, and as our 2017 performance illustrates, our returns are dependent on results and events at the limited number of businesses we own rather than broad market drivers.

While similar in approach, we believe the Longleaf Funds offer advantages to PE. Shareholders have more portfolio transparency, better liquidity, and a lower fee structure. More importantly, we believe that our risk/reward profile is much more attractive. First, rather than PE's often recruiting temporary hired guns to run their businesses, in public companies we have the opportunity to partner with founders and owner-operators such as Li Ka-shing (CK Hutchison and CK Asset), John Elkann (EXOR), Fred Smith (FedEx) or Steve Wynn (Wynn). These aligned managers not only have deep institutional knowledge, but true commitment to long-term value growth, given that their net worth is tied to the company. Second, PE does not have the ability to take advantage of manic public market prices that create a large margin of safety between the price paid and intrinsic worth. In fact, if buying a public company, PE usually pays a premium to the stock price and an amount relatively close to fair value. Third, by owning public equities, we have more flexibility to manage fund risk. For example, when a company has appreciated, leaving less margin of safety in the price, we can easily lock in some of our gains and reduce the weight of the company in our portfolio. Fourth, without a large discount to intrinsic value, PE takes on further risk by using leverage to amplify returns. While that approach makes the math work when things go well, as it has in the sustained U.S. bull market of the last almost 10 years, the leverage also quickly threatens permanent capital if the case turns negative and/or the multiples that people are willing to pay decline. A look at risk-adjusted or unlevered returns would make the case for PE even less compelling relative to owning public companies. A highly geared balance sheet also limits the flexibility of the underlying portfolio company both to go on offense and to endure challenges. Leverage is likely to become an even less attractive tool as interest rates rise and with the new U.S. limits on interest expense deductibility. Fifth, PE funds have a finite life that creates an incentive to invest capital and unwind investments, even at points in time when prices are unattractive. And, unwinding essentially requires the creation of some sort of transaction, whereas transactions are only one of the potential ways the Funds' investments reach our appraisal values.

The primary perceived advantages of PE are related — less volatility and returns that are uncorrelated to public market equities. However, the numbers do not support the uncorrelated argument. When looking at the last approximately 30 years, U.S. private equity returns have been over 70% correlated to large cap U.S. equities, 65% correlated with U.S. small cap equities, and even 67% correlated to global equities. Over the last 5 years, U.S. PE returns and those of the U.S. large and small cap indices have been within a narrow range of 13.3% - 14.2%, with PE at the low end. Comparable correlation and return data for Non-U.S. Private Equity is difficult because the benchmark includes Venture Capital as well.

Some of the assumptions about low correlations are related to the lower volatility in PE's reported returns. Cash flows, market shares, margins, and earnings of a publicly held company are not inherently more volatile than those of a privately held one. Because businesses are worth the earnings stream they produce, private and public companies should be worth similar multiples every day. But, because PE managers do not price daily, and the valuation methods they use are often based on their own internal views rather than an external daily mark to market, PE's reported returns appear smoother than what the exact same company priced daily in public markets would be. Factors unrelated to the business can swing short-term stock prices, but PE pricing does not take that into account. A company owned by a PE fund for 5 years with a 60% return could report a consistent rate of approximately 10% returns per year, while that same company, if public, with the same 60% return over 5 years, would have been deemed "riskier" because the stock market repriced it every day. For those willing to take a 5+ year view of owning a business, price volatility is an opportunity, not a risk, and one which owners of publicly traded companies can much more readily exploit. It has never been clear to us why investors are more willing to take a longer term horizon in privately held leveraged businesses than in financially sound publicly held ones.

2017 Recap & Looking Ahead

Following double-digit returns in 2016, we delivered solid absolute returns in 2017, in spite of the dominance of momentum investing, abnormally low volatility in public equities (lower even than normal private equity smoothing), the ascendance of IT stocks and high cash balances. We also added several building blocks to the Funds for future compounding. As market correlations declined, particularly in the latter part of the year, we found more prospective qualifiers.

Owning publicly traded businesses using PE's long-term, research-driven, and engaged approach makes us confident in the risk/reward proposition of the Funds over the next 5+ years, particularly relative to both the lofty valuations in public markets and the illiquid, levered profiles of PE funds. We have cash available to be nimble and a well-developed on-deck list of prospective businesses to own. Our investments have a margin of safety with stock prices on average at less than 75% of our conservative appraisals. Our companies' values should continue to build from their FCF coupons, which we expect to grow over the next 3+ years because various businesses currently have temporarily depressed earnings, investments with returns that are 12-36 months out, or upside from the changes in the U.S. tax laws. Most of our investees have the balance sheet strength to go on offense when opportunity is presented. Our management partners can continue to make intelligent capital allocation moves that are unrelated to, and therefore uncorrelated with, the broader stock market. Furthermore, be assured that we are prepared to be engaged with our corporate partners on your behalf to help generate the equity returns you and we expect. As the largest investor group in the Funds, your partners at Southeastern enter 2018 optimistic and wish you a Happy New Year.

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.

"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.

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

One basis point is equal to 1/100th of 1%, or 0.01% (0.0001)

Venture capital is financing that investors provide to start up companies and small businesses that are believed to have long term potential.

As of December 31, 2017, the top ten holdings for the Longleaf Partners Fund: CenturyLink, 8.1%; FedEx, 7.6%;CK Hutchinson, 7.0%; LafargeHolcim, 6.4%; CK Asset, 6.1%; Fairfax, 5.8%; Mattel, 5.2%; United Technologies, 4.9%; Alphabet, 4.8%; CNX Resources, 4.8%. Longleaf Partners Small-Cap Fund: ViaSat, 7.4%; OCI, 7.3%; CenturyLink, 6.5%; Graham Holdings, 6.3%; Mattel,5.3%; Hopewell Holdings, 5.1%; CNX Resources, 4.8%; Neiman Marcus, 4.7%; Liberty Media Formula One, 4.7%; Park Hotels, 4.7%. Longleaf Partners International Fund: EXOR, 9.0%; LafargeHolcim, 7.4%; OCI, 6.9%; CK Hutchison, 6.5%; Fairfax, 6.2%; Hikma Pharmaceuticals, 5.9%; CK Asset, 5.3%; Baidu, 4.8%; Great Eagle, 4.7%; Ferrovial, 4.3%. Longleaf Parterners Global Fund: CenturyLink, 7.8%; FedEx, 6.9%; Fairfax, 5.5%; EXOR, 5.5%; LafargeHolcim, 5.3%; CK Hutchison, 5.3%; OCI, 4.9%; CK Asset, 4.3%; Alphabet, 4.3%; United Technologies, 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.

LLP000735
Expires 4/30/2018

Longleaf Partners Fund

4Q17 December 31, 2017

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	$3.3 billion
Expense Ratio	**0.95%**
Turnover (5 yr avg)	29%
Weighted Average Market Cap.	$79.4 billion

Holdings (16)

	Activity*	Weight
CenturyLink	+	8.1%
FedEx		7.6
CK Hutchison		7.0
LafargeHolcim	+	6.4
CK Asset Holdings		6.1
Fairfax Financial		5.8
Mattel	+	5.2
United Technologies		4.9
Alphabet	--	4.8
CNX Resources	--	4.8
CNH Industrial	--	4.1
Allergan	NEW	4.0
Wynn Resorts	--	2.6
General Electric	NEW	1.9
Chesapeake Energy	--	1.9
CONSOL Energy		1.7
Cash		23.1
Total		100.0%

*Full elimination includes the following position: T. Rowe Price

**CONSOL Energy includes contributions from CONSOL Energy and CNX Resources

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 $18.4 billion. Southeastern's employees and related entities are the largest investors across the Longleaf Partners Funds.

Sector Composition

Industrials	25.5%
Energy	8.4
Telecommunication Services	8.1
Consumer Discretionary	7.8
Materials	6.4
Real Estate	6.1
Financials	5.8
Information Technology	4.8
Health Care	4.0
Cash	23.1

Performance Contribution

Top Contributors	Return	Portfolio Contribution
CONSOL Energy**	16%	0.94%
FedEx	11	0.75
Alphabet	10	0.56

Top Detractors	Return	Portfolio Contribution
CenturyLink	-5%	-0.52%
Allergan	-7	-0.20
Chesapeake Energy	-8	-0.17

Performance at 12/31/17

	Total Return		Average Annual Return					
	Qtr	YTD	One Year	Five Year	Ten Year	15 Year	20 Year	Since Inception
Partners Fund	**3.62%**	**15.51%**	**15.51%**	**9.43%**	**4.74%**	**7.31%**	**7.31%**	**10.58%**
S&P 500 Index	6.65	21.83	21.83	15.79	8.50	9.92	7.20	9.91

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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.

LLP000750 expires April 15, 2018

Longleaf Partners Fund Commentary

Longleaf Partners Fund delivered a strong absolute return of 15.51% in 2017 and 3.62% in the fourth quarter, exceeding our annual goal of inflation plus 10% for both periods and for the second consecutive year. Our discipline, which requires a material margin of safety between stock price and intrinsic worth, kept the Fund with high cash levels and out of most of the Information Technology (IT) sector that powered the index's 6.65% return in the quarter and 21.83% for the year. Cash, which faced no risk of capital loss, and the Fund's limited IT exposure accounted for almost all of the shortfall versus the index. The long-running bull market became more reminiscent of the late 1990s as IT dominated and started to leave other high quality companies with attractive discounts.

Most of our businesses contributed to the Fund's solid absolute results. Investments that our management partners made in the last few years began to show anticipated returns including Wynn's Palace Resort in Macau, new Ground distribution facilities at FedEx, Pratt and Whitney's geared turbofan engines within United Technologies, and Fairfax's investments in Asia. Substantial multi-year cost cutting programs also yielded results, moving margins up at CNH and FedEx's Express unit. Our management partners pursued transactions to further entrench their competitive positions or capture value recognition. Scripps Networks sold at a solid price to Discovery Communications, United Technologies announced a plan to buy Rockwell Collins in September, and in the fourth quarter, CK Asset sold The Center, Hong Kong's fifth tallest office building for an almost 2% capitalization rate — well above our carrying value. At the end of November, CONSOL Energy completed the split of its coal and gas businesses.

The absence of many detractors added to the Fund's performance for the year and the fourth quarter. In the first half, Chesapeake declined along with other Exploration and Production companies as natural gas prices fell. Level 3, now CenturyLink (CTL), spent most of the year under price pressure with uncertainty over the deal's outcome and skepticism over CTL's dividend sustainability, but following the merger's close and management's renewed commitment to the dividend, the stock rebounded over 22% from its November low.

We focus on the fundamentals of the businesses we own rather than the stock market. In 2017, however, a few broad drivers had enough impact on the index strength that they are worth highlighting. As noted above, IT drove much of the S&P 500's results. The sector far surpassed all others with a 38% gain and more than doubled any other sector's contribution to performance. IT momentum chasing contributed to stocks that others define as "growth" far surpassing those categorized as "value," 27% versus 15%. In the last four months, renewed optimism around the tax bill pushed up stocks. Companies in the index with current tax rates over 25% rose an average 12% since the end of August, whereas those with rates already lower gained just 6%.

We spent a good deal of time looking at the impact of the tax changes on our companies as well as how lower rates might affect other investment opportunities. In some cases, lower rates will benefit shareholders, but we believe the widespread earnings optimism is overblown. Companies in more competitive industries likely will give up any tax savings to customers through better pricing and/or to employees via higher wages and benefits, which was already demonstrated late in the year. The S&P 500's multi-year run has resulted in our owning more qualifiers domiciled outside of the U.S. in the Partners Fund. We therefore did not participate as much in the tax rally because a number of our companies already pay lower rates or, in the case of CenturyLink, have net operating losses (NOLs) that offset taxes.

Portfolio activity ramped up in the latter half of the year. We sold three successful investments as the stocks reached our appraisals of their business values including T. Rowe Price in the fourth quarter, and exited one investment following a management change. More surprisingly, even as the market hit new highs, we bought four new companies — two in the last quarter. As a result, the Fund's cash position ended the year at 23%, slightly lower than the balance held for most of 2017. Additionally, as fewer companies participated in the market's new highs, our on-deck list of qualifiers grew.

Contributors/Detractors

(2017 Investment return; 2017 Fund contribution; Q4 Investment return; Q4 Fund contribution)

Wynn Resorts (+98%, +4.21%, +14%, +0.44%), the U.S. and Macau gaming company, was the largest contributor to the Fund's 2017 performance with strong earnings growth in Macau and Las Vegas. Industry gross gaming revenues (GGR) in Macau accelerated in the second half of 2017 well beyond full year GGR growth expectations. With major infrastructure

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projects moving closer to completion, mass visits and spending increasing, and VIPs returning, concerns about potential oversupply from significant capacity additions in Macau turned into confidence that additional hotel and gaming properties will be well absorbed by the market. Steve Wynn continued to create future value with the Boston resort expected to open in 2019, new development around the Las Vegas golf course, and the chance to pursue casino development in Japan. After the stock more than tripled from its lows two years ago and moved closer to our assessment of the company's value, we reduced the Fund's position.

FedEx (+35%, +2.66%,+11%,+0.75%), the world-leading transportation and logistics company, added to the Fund's strong fourth quarter and 2017 results. Express margins jumped to the company's long-held goal of double-digit levels due to strong pricing and utilization of lower cost passenger plane space. Ground yield and volumes were strong, and margins seem to have finally bottomed after recent years of rapid expansion and investment. FedEx moved quickly to integrate acquired TNT into its global network as it deftly handled the effects of a significant TNT cyberattack. CEO Fred Smith continued to think far ahead and prioritize the business's long-term competitive position, reinvesting most earnings into high-return expansions and improvements. We trimmed the Fund's stake as the discount to intrinsic worth shrunk.

CNH Industrial (+57%,+2.49%,+12%,+0.55%), the maker of Case and New Holland agriculture equipment (Ag) and Iveco trucks (CV), helped the Fund's fourth quarter and full year results. After declining for three years, Ag staged a turnaround with Q3 sales growing 12% year-over-year and operating profit margin expanding by 130 basis points. Accordingly, fiscal year 2017 sales and earnings guidance saw meaningful upgrades. The Ag cycle in the U.S. seems to have hit an inflection point in 2017 after peaking in 2013. CNHI management successfully balanced channel inventory while taking costs out during the decline. When U.S. Ag volumes (especially for high horsepower tractors and combines) recover from the current trough levels, the operating leverage on incremental sales will be highly margin accretive. In addition, CNHI was upgraded to an investment grade rating by S&P and Fitch, an important milestone that should allow the company to tap the commercial paper market, lower interest expense, extend the debt maturity profile and potentially release over $1 billion of excess capital in time, which our management partners could return to shareholders in the form of dividends and buybacks. We cut the Fund's exposure to CNH as the gap between price and value narrowed following the positive company developments and stock's more than doubling since its bottom almost two years ago.

Alphabet (+36%,+2.23%,+10%,+0.56%), the diversified internet company with strong positions worldwide in search (Google), video (YouTube), mobile (Android), and more, was among the largest Fund contributors for the fourth quarter and the year. As the discount to intrinsic worth closed, we trimmed, although the Fund maintained a full position because of the company's strong value growth. Revenues in the U.S. and Europe grew in excess of 20% and over 30% around the rest of the world as the search moat widened. Google still has significant opportunities to expand its share of advertisers' total spend beyond its current level. The company made significant progress towards monetizing the fifth of the world's population who watch YouTube every month by improving advertising interactions and separating brands from the site's worst content after a minor scandal. Despite the stock's outperformance during our almost three years of ownership, frightening "FAANG" (Facebook, Apple, Amazon, Netflix, Google) hype and frothy IT valuations, Alphabet still sells below our conservative appraisal, which does not give credit for significant additional upside. Transformative work in 2017 could become future sources of value, including Artificial Intelligence applications for Photos and Cloud, Waymo autonomous cars, world-leading map software, emerging-market Android mobile penetration, and Verily Life Sciences' global partnerships and expansion.

CK Asset (+46%,+2.08%,+6%+0.33%), the Hong Kong based asset holding company, was one of the top contributors for the fourth quarter and year. The company achieved strong volumes of residential property sales in both Hong Kong and mainland China, and in the first half of 2017, sold the highest volume of residential property in Hong Kong. Rather than pay elevated prices for land, CK Asset (CKA) diverted sales proceeds to value accretive share buybacks at prices substantially below our appraisal. CKA spent HK$6.9 billion to buy over 3.3% of its shares, making it one of the top three repurchasers on the Hong Kong stock exchange for the year. To mitigate the cyclical nature of cash flows associated with property development, CKA diversified into stable infrastructure type assets around the globe, including gas pipeline and electric distribution company DUET in Australia, building equipment services provider Reliance Home Comfort in Canada, and fully integrated sub-metering company Ista International GmbH in Germany. To reflect this strategy, the company changed its name from Cheung Kong Property to CK Asset. In November, CKA sold The Center, a prime office building in HK for HK$33,000 per square foot and a capitalization rate of less than 2.5%. This price far exceeded our appraisal of the property and confirmed what great partners we have in Li Ka-shing, his son Victor Li and their team.

CONSOL Energy (+7%,+0.49%,+16%,+0.94%), the former natural gas and coal company based in Appalachia, was a contributor to the Fund's fourth quarter results. The company completed the long-awaited spin-off of its coal assets from its natural gas reserves, undrilled acreage, and pipelines — a move we had encouraged to enable others to fully appreciate the values of each business. The gas company now trades as CNX Resources Corporation (CNX), while the coal pure-play business retained the CONSOL Energy name. Our CNX appraisal assumes gas prices at today's depressed strip, yet the stock price implies much less value for its undrilled resources and midstream assets than comparable peers receive. The company reduced commodity risk by hedging the majority of next year's production above $3/mcf. CONSOL's Pennsylvania Mining Complex is the low-cost coal producer in the eastern

U.S. Both companies announced large buybacks to address their undervalued post-spin prices. We believe our management partners will continue to take action to gain value recognition at both companies. In spite of rampant coal divestment by institutional investors, CONSOL's stock jumped 84% after becoming a pure-play coal business.

United Technologies (+19%,+0.95%,+11%,+0.53%), the industrial conglomerate, reported gains across its segments, putting it among the Fund's top contributors in the fourth quarter. Pratt & Whitney won large Delta and Dassault contracts for its new geared turbofan engine – business that will pay off for decades with lucrative servicing revenues. The company's proposed acquisition of Rockwell Collins should boost its strong competitive position in fitting out and servicing the growing aerospace industry. Carrier benefitted from its leading position in air conditioning systems and ought to gain from digital Smart Home technological improvements over the next several decades. Otis Elevator, one of the most ubiquitous companies in the world's cities, showed solid organic growth. CEO Greg Hayes has positioned each part of United Technologies for long-term performance and the ability to stand-alone as separate companies in the future. Although we sold shares as the stock's discount decreased, the Fund kept a full position that reflected our longer term confidence in management and value growth.

Chesapeake Energy (-44%,-2.07%,-8%,-0.17%), one of the largest U.S. producers of natural gas and oil, was one of the Fund's few detractors in 2017 during a tough market for closing energy asset sales. Overshadowing strong operational performance by CEO Doug Lawler and his management team, domestic gas oversupply weighed down strip prices. Chesapeake made progress delineating some of its newer plays, but the market continued to underestimate the company's ability to sell meaningful assets, as it has done multiple times in the past. We reduced the position to reflect the broad range of outcomes dependent on commodity prices.

CenturyLink (formerly Level 3) (-10%,-1.12%, -5%,-0.52%), the global fiber and integrated communications network company, was the Fund's largest holding and declined during the year and fourth quarter, even though the stock rallied over 22% from its November low after CTL's purchase of Level 3 closed. Throughout, our investment case grew more compelling. The merger of Level 3's fiber network with Qwest's assets that CTL had previously acquired created a uniquely competitive global fiber network that has particular strengths in the higher margin, growing Enterprise segment. Level 3's CEO Jeff Storey becoming President and COO and eventual CEO of CTL and Sunit Patel maintaining the CFO position in the combined company were critical to our support for the deal. Their leadership makes us confident that CTL management will be able to drive mid single-digit Enterprise revenue growth at high contribution margins, cut costs substantially and deliver the projected $1 billion in deal synergies, much of which will be created by moving traffic onto the company's combined network from third parties. Despite CTL's stronger positioning, the stock price fell, in part because Level 3 customers delayed new purchases until it was clear who would lead the combined company. But, the primary price pressure was due to fears that CTL would not be able to sustain its double-digit dividend yield (a valid concern without the Level 3 acquisition). This worry heightened after the stocks of two mostly unrelated and massively overleveraged regional operators which were more closely aligned with CTL's legacy landline business than the fiber business, saw their stocks collapse after dividend cuts. Storey and Patel confirm that the dividend is safe based on the combined EBITDA of the Level 3 and CTL fiber networks, the synergies from the deal, and the use of Level 3's NOLs to reduce taxes. By our estimates, once the synergies are realized, the company should deliver over $3/share of Free Cash Flow (FCF) after capital expenditures (capex), which will amply cover the $2.16 dividend. We see material additional upside not built into our appraisal based on Patel's record of cost cutting after mergers and the multiple players that would benefit from owning this network. When the stock price dramatically disregarded the positive fundamentals and our assessment of CTL's intrinsic value, we bought more, including in the fourth quarter. Management and the board appeared to share our enthusiasm as demonstrated by significant December insider purchases as soon as the blackout period that prohibited purchases was lifted.

Portfolio Activity

Activity within the portfolio increased during the year. It may seem odd that we made purchases given new market highs. We do not require a market correction to find qualifiers, just individual business value mispricing. And while the overall market had strikingly low volatility, a few good businesses' stocks declined enough to enable us to buy four new companies – Fairfax in the second quarter, and three others in the last four months of the year. Late in the third quarter, we began buying Mattel, one of the world's largest toy companies with iconic brands like Fisher-Price, Barbie and Hot Wheels. The stock had fallen almost 70% over the last few years as previous management made a number of mistakes. New CEO Margo Georgiadis, formerly President of Google Americas, took over with a plan to simplify a needlessly complex manufacturing process, focus on profitable core brands rather than dilutive growth, build a better global presence, and transform the company's digital marketing. She cut the dividend to free up cash to invest in the business, which immediately led to a sharp collapse in the stock price and gave us an opportunity to build the Fund's position. Shortly thereafter, the stock's rise on a rumored Hasbro takeover confirmed the discount, but Mattel's board appropriately dismissed any low ball offers. We are confident in management's plan to restore margins and do more with the company's leading franchises in a growing industry.

We purchased two undisclosed positions in the quarter. One, like Mattel, was a time horizon arbitrage opportunity where past mismanagement and a dividend cut obscured the longer term value and prospects for industry-leading businesses. The other was an example of how complexity often leads Southeastern to investments. A more traditionally associated segment of the company was under pressure industry-wide, taking the stock to a multiple similar to peers within that segment. In the case of this company, however, its most valuable segment consists of leading, protected brands that are growing in strength and demand.

We exited four positions during 2017 and trimmed some of the strongest performers whose discounts to intrinsic value had diminished. Earlier in the year we exited Ralph Lauren after the CEO departed. Mergers involving DuPont (Dow) and Scripps Networks (Discovery) drove prices to our appraisals, and we sold those investments in March and August respectively. During the fourth quarter, we sold investment firm T. Rowe Price as the stock approached our appraisal. Despite near-daily headlines on the death of active funds, T. Rowe grew assets under management and maintained its strong position in Target Date retirement funds. The stock gained 70% during our short 13 month holding period. We are grateful to CEO Bill Stromberg and Chairman Brian Rogers for driving strong performance during a challenging time for the industry.

Outlook

The Fund's last two years' 39% cumulative return outperformed the index and substantially beat our absolute goal of real double-digit returns. We believe we can continue to provide solid results even though the Fund's 2017 return was below the S&P 500 and prolonged the active management debate. Our return was less than that of the inflated index primarily due to two decisions to avoid risk of loss: the Fund held between 20-30% cash throughout the year, which accounted for over 70% of the relative shortfall versus the market; and we did not own more of the pricey IT sector.

We are confident we can outperform over the next 5+ years. First, as was true in 2017, what we own — acts of commission — will produce our returns going forward. The Fund's portfolio contains discounted strong businesses with growing values selling at an attractive P/V in the mid-70s% — a striking contrast to what we believe is an overvalued S&P 500 increasingly driven by momentum in a narrower group of companies. We expect our differentiation from the index (97% Active Share) to be a source of strength to relative results. Second, the Fund's cash is temporary until we find qualifiers, and with lower stock correlations and the prospect of more volatility among stocks, we expect undervaluation opportunities will increase, as they did in late 2017, providing us additional investments that will drive future compounding. Third, through our 42 years at Southeastern and in studying market history, we know that most broad trends come in cycles that can either turn quietly or with unexpected force. Most of our businesses remain in the out of favor bucket. We believe the recent dominance of momentum investing, which reflects speculation at elevated prices, will likely turn back to a favorable environment for undervalued stocks.

It is our strong view that after a nine year bull run and at high historic multiples, the inflated index is more vulnerable to downside surprises than likely to continue double-digit gains. Ben Graham's definition of an investment from *Security Analysis* written in 1934 has never been more relevant: "An **investment** operation is one which, upon thorough analysis, promises safety of principal and a satisfactory return." As the largest shareholder group in the Fund, we aim to preserve capital and compound at a real double-digit rate of return by owning a limited number of undervalued, high quality, competitively advantaged businesses where we are engaged with capable and aligned management partners. We have no doubt that we can deliver good performance because of our understanding of the drivers of each company's value growth versus the associated risks, our ongoing dialogue with management, and our discipline to hold cash when businesses do not meet our stringent criteria.

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.

Cap rate (capitalization rate) is the rate of return on a real estate investment property based on expected income.

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.

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

As of December 31, 2017, the top ten holdings for the Longleaf Partners Fund: CenturyLink, 8.1%; FedEx, 7.6%; CK Hutchinson, 7.0%; LafargeHolcim, 6.4%; CK Asset, 6.1%; Fairfax, 5.8%; Mattel, 5.2%; United Technologies, 4.9%; Alphabet, 4.8%; CNX Resources, 4.8%. 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.

LLP000734

Expires 4/30/18

Longleaf Partners Small-Cap Fund

December 31, 2017

4Q17

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	$3.8 billion
Expense Ratio	**0.91%**
Turnover (5 yr avg)	35%
Weighted Average Market Cap.	$5.1 billion

Holdings (16)

	Activity*	Weight
ViaSat		7.4%
OCI	--	7.3
CenturyLink	+	6.5
Graham Holdings		6.3
Mattel	+	5.3
Hopewell		5.1
CNX Resources	+	4.8
Neiman Marcus *(bonds)*		4.7
Formula One Group		4.7
Park Hotels & Resorts		4.7
Sonic		4.6
Kodak *(preferreds/common)*		4.2
Actuant		3.9
Realogy	NEW	3.6
Wynn Resorts		2.6
CONSOL Energy	--	1.6
Cash		22.7
Total		100.0%

*Full eliminations include the following positions: Deltic Timber and SEACOR

**CONSOL Energy includes contributions from CONSOL Energy and CNX Resources

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 $18.4 billion. Southeastern's employees and related entities are the largest investors across the Longleaf Partners Funds.

Sector Composition

Consumer Discretionary	28.2%
Real Estate	13.4
Information Technology	11.6
Materials	7.3
Telecommunication Services	6.5
Energy	6.4
Industrials	3.9
Cash	22.7

Performance Contribution

Top Contributors	Return	Portfolio Contribution
ViaSat	16%	1.06%
CONSOL Energy**	15	0.87
Neiman Marcus	14	0.64

Top Detractors	Return	Portfolio Contribution
Kodak	-18%	-0.91%
CenturyLink	-7	-0.71
Formula One	-10	-0.55

Performance at 12/31/17

	Total Return		Average Annual Return					
	Qtr	YTD	One Year	Five Year	Ten Year	15 Year	20 Year	Since Inception
Small-Cap Fund	**1.74%**	**8.99%**	**8.99%**	**12.60%**	**8.79%**	**11.81%**	**10.35%**	**11.02%**
Russell 2000 Index	3.34	14.65	14.65	14.12	8.71	11.17	7.89	9.80

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.

LLP000749 expires April 15, 2018

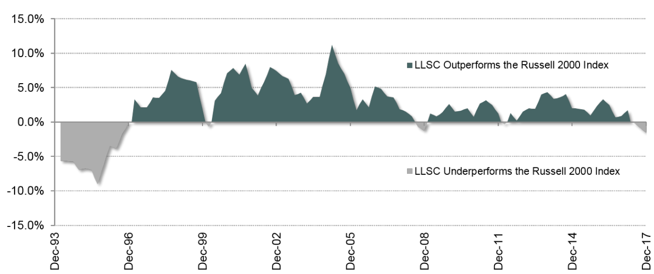
December 31, 2017

4Q17

Longleaf Partners Small-Cap Fund Commentary

Longleaf Partners Small-Cap Fund delivered 8.99% in 2017 and 1.74% in the fourth quarter. These results fell short of our annual absolute goal of inflation plus 10% and the Russell 2000's 14.65% and 3.34% for the same periods. The Fund's 26% average cash position was a drag on the absolute return and accounted for approximately half of the shortfall against the index. The Russell 2000's gains were powered by Healthcare and Information Technology (IT). Our discipline requires a material margin of safety between stock price and intrinsic worth and kept us out of most of the companies in these two sectors. The Fund's longer term 12.60% five year return exceeded our absolute return goal, but because of 2017 results, fell below the index for one of the few times in the Fund's history, as shown in the following chart.

LLSC vs. Russell 2000 Index - Rolling Annualized 5 Year Return Difference



past performance does not guarantee future results.

Most of our businesses produced positive returns in 2017, and only one investment, Kodak, was a notable detractor. Investments that our management partners made in the last few years that were non-earning assets (NEAs) began to show anticipated returns including Wynn's Palace Resort in Macau and OCI's Iowa nitrogen fertilizer plant. Acquisitions, real and rumored, as well as other transactions added to performance. Scripps Networks sold at a solid price to Discovery Communications; Deltic Timber sold to Potlatch near our appraisal; Graham Holdings entered into a unique transaction with Purdue University to strengthen its Kaplan education business; Mattel was rumored to have been approached by Hasbro; at the end of November, CONSOL Energy completed the split of its coal and gas businesses; and on the final day of the year, Hopewell announced the sale of its Hopewell Highway Infrastructure toll road company for 20% above our appraisal, which did not impact 2017 results but was a good way to start 2018.

We focus on the fundamentals of the businesses we own rather than the stock market. In 2017, however, a few broad drivers had enough impact on the index strength that they are worth highlighting. As noted above, Healthcare and IT comprised over half of the index's return and far more than any other sector. We rarely find a qualifier in these two industries, particularly in smaller companies. Their lower diversification, greater business risks and shorter track records make it difficult to have a high degree of confidence in any competitive advantage five years out, which leads to uncertainty about the terminal value. IT momentum chasing contributed to stocks that others define as "growth" far surpassing those categorized as "value" in the Russell 2000, 22% versus 8%.In the last four months, the market also rose with renewed optimism around the tax bill. The two-thirds of Russell 2000 companies with current tax rates over 25% gained an average 12.5% since the end of August, compared to 9.9% for the third with already lower tax rates.

We spent a good deal of time looking at the impact of the tax changes on our companies as well as how lower rates might affect other investment opportunities. In some cases, lower rates will benefit shareholders, but we believe the widespread earnings optimism is overblown. Companies in more competitive industries likely will give up more of any tax savings to customers through better pricing and/or to employees via higher wages and benefits, which was already demonstrated late in the year. Some of the Fund's holdings already pay lower rates because of the global nature of their businesses or, in the case of CenturyLink (CTL), net operating loss (NOLs) that offset taxes. Those that we believe will reap the biggest benefits for shareholders from the new tax law are Graham Holdings and ViaSat.

Even as the market hit new highs, our buying activity increased in the latter half of the year. We built all three new positions after late June, with the anticipated tax changes directly leading to one in the fourth quarter. We also added to CTL and CNX Resources (CONSOL Energy's gas company). We sold eight investments, including two in the fourth quarter. The Fund's cash position ended the year at 23%, slightly lower than the balance held for most of 2017.

Average Annual Total Returns (12/31/17): Since Inception (2/21/89): 11.02%, Ten Year: 8.79%, Five Year: 12.60%, One Year: 8.99%

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.

Contributors/Detractors

(2017 Investment return; 2017 Fund contribution; Q4 Investment return; Q4 Fund contribution)

Wynn Resorts (+98%,+3.89, +14%, +0.45%), the U.S. and Macau gaming company, was the largest contributor to the Fund's 2017 performance with strong earnings growth in Macau and Las Vegas. Industry gross gaming revenues (GGR) in Macau accelerated in the second half of 2017 well beyond full year GGR growth expectations. With major infrastructure projects moving closer to completion, mass visits and spending increasing, and VIPs returning, concerns about potential over-supply from significant capacity additions in Macau turned into confidence that additional hotel and gaming properties will be well absorbed by the market. Steve Wynn continued to create future value with the Boston resort expected to open in 2019, new development around the Las Vegas golf course, and the chance to pursue casino development in Japan. After the stock more than tripled from its lows two years ago and moved closer to our assessment of the company's value, we reduced the Fund's position.

OCI (+44%, +2.22, +8%, +0.54%), a leading producer of nitrogen fertilizers and natural gas-based chemicals, added to the Fund's 2017 and fourth quarter results. The stock's strong performance in the last year closed much of the gap between price and our appraisal value, and we reduced the Fund's stake in the fourth quarter. The company's earnings grew as its new Iowa plant, a particularly large NEA, ramped production and fertilizer commodity prices recovered from 2016 lows. OCI has six production facilities located in the Netherlands, the United States, Egypt and Algeria, and its new U.S. methanol plant will ramp up in 2018. As its major capital expenditure (capex) projects come to completion, cash flows should accelerate meaningfully. CEO Nassef Sawiris is aligned with shareholders and remains focused on value creation and recognition.

Scripps Networks (+24%,+1.01%, —, —), the owner of HGTV, Food Network, and other cable channels, contributed to performance when Discovery announced its acquisition at a price near our appraisal. We engaged with management throughout our six years as owners to discuss the company's multiple avenues to value recognition in a period of significant industry change. We sold the position with a 135% gain.

ViaSat (+13%,+0.90% , +16%, +1.06%) the satellite company, was the fourth quarter's largest contributor and helped 2017 results. The company launched its promising new ViaSat-2 satellite. Despite losing broadband subscribers in the Exede segment, the company raised average revenue per user (ARPU) and invested for future growth. The valuable government segment grew revenues and earnings substantially. CEO Mark Dankberg has built significant shareholder value by bringing competence and a rare long-term owner mindset to the company.

CONSOL Energy (+7%, +0.42%, +15%, +0.87%), the former natural gas and coal company based in Appalachia, was a contributor to the Fund's fourth quarter results. The company completed the long-awaited spin-off of its coal assets from its natural gas reserves, undrilled acreage, and pipelines — a move we had encouraged to enable others to fully appreciate the values of each business. The gas company now trades as CNX Resources Corporation (CNX), while the coal pure-play business retained the CONSOL Energy name. Our CNX appraisal assumes gas prices at today's depressed strip, yet the stock price implies much less value for its undrilled resources and midstream assets than comparable peers receive. The company reduced commodity risk by hedging the majority of next year's production above $3/mcf. CONSOL's Pennsylvania Mining Complex is the low-cost coal producer in the eastern U.S. Both companies announced large buybacks to address their undervalued post-spin prices. We believe our management partners will continue to take action to gain value recognition at both companies. We increased our stake in CNX after the spin-off. In spite of rampant coal divestment by institutional investors, CONSOL's stock jumped 84% after becoming a pure-play coal business, and we reduced our ownership after the stock more appropriately began to reflect the company's value.

Neiman Marcus (-0.02%, -10%, +0.64%, +14%) the luxury retailer, contributed to the Fund's fourth quarter. The distressed debt that we own rose as Neiman improved sales and stabilized gross margins after solving an inventory management problem that had weighed down profits. The company has limited exposure to retail killer Amazon because of its high end brand focus, meaningful on-line presence and high-touch service experience. Upside remains in its NEA Hudson Yards store in New York City, scheduled to open in 2019. Despite a sizable debt load from its 2013 private-equity takeover, the bonds imply an enterprise value significantly below our appraisal of the company, and we added to our position before the bonds rallied.

Kodak (-32%,-1.97%,-18%, -0.91%), the imaging company, was a notable detractor from the Fund's results in the fourth quarter and the year. The largest challenge was the decline in its Printing Systems Division (PSD), exacerbated by a spike in aluminum prices that reduced margins. PSD was the primary driver of the stock price with its disappointing earnings, but Kodak is an example of a complex company being undervalued because of the need to unravel its parts. Most analysts simply look at the shrinking PSD segment and overall complexity of the entire company and walk away. But underlying all of that is a profitable Packaging business which is basically immune to the competitive risk of digital imaging because of the package surfaces involved, and which is growing cash flow at double-digit rates. There are also assets unrelated to Kodak's core business including tax loss carryforwards, real estate, a brand that will increasingly be monetized via royalties from others' products, earnouts from prior dispositions, and material sciences intellectual property (IP) (as distinct from the digital imaging IP which was auctioned off in bankruptcy). Kodak has no Wall Street coverage and is unlikely to get credit for its different pieces until they are monetized or start driving earnings higher. With our position primarily in preferred shares, we are less reliant on the stock price. We are confident that CEO Jeff Clarke and his board are focused on value recognition and expect to see progress in 2018.

CenturyLink (formerly Level 3) (-12%,-1.14%-, -7%, 0.71%), declined during the year and fourth quarter, even though the stock rallied over 22% from its November low after CTL's purchase of Level 3 closed. Throughout, our investment case grew more compelling. The merger of Level 3's fiber network with Qwest's assets that CTL had previously acquired created a uniquely competitive global fiber network that has particular strengths in the higher margin, growing Enterprise segment. Level 3's CEO Jeff Storey becoming COO and eventual CEO of CTL and Sunit Patel maintaining the CFO position in the combined company were critical to our support for the deal. Their leadership makes us confident that CTL management will be able to drive mid single-digit Enterprise revenue growth at high contribution margins, cut costs substantially and deliver the projected $1 billion in deal synergies, much of which will be created by moving traffic onto the company's combined network from third parties. Despite CTL's stronger positioning, the stock price fell, in part because Level 3 customers delayed new purchases until it was clear who would lead the combined company. But, the primary price pressure was due to fears that CTL would not be able to sustain its double-digit dividend yield (a valid concern without the Level 3 acquisition). This worry heightened after the stocks of two mostly unrelated and massively overleveraged regional operators which were more closely aligned with CTL's legacy landline business than the fiber business, saw their stocks collapse after dividend cuts. Storey and Patel confirm that the dividend is safe based on the combined EBITDA of the Level 3 and CTL fiber networks, the synergies from the deal, and the use of Level 3's NOLs to reduce taxes. By our estimates, once the synergies are realized, the company should deliver over $3/share of Free Cash Flow (FCF) after capex, which will amply cover the $2.16 dividend. We see material additional upside not built into our appraisal based on Patel's record of cost cutting after mergers and the multiple players that would benefit from owning this network. When the stock price dramatically disregarded the positive fundamentals and our assessment of CTL's intrinsic value, we bought more in the fourth quarter. Management and the board appeared to share our enthusiasm as demonstrated by significant December insider purchases as soon as the blackout period that prohibited purchases was lifted.

Portfolio Activity

We made three new purchases and added to some of the Fund's more discounted investments during the year. As fewer companies participated in the market's new highs, our on-deck list of qualifiers grew. It may seem odd that we made purchases given new market highs. We do not require a market correction to find qualifiers, just individual business value mispricing. And while the overall market had strikingly low volatility, a few good businesses' stocks declined enough to enable us to buy. The undisclosed fourth quarter purchase became undervalued as investors worried about the tax law impact on its industry, but this company's fee based business, strong brands, and capable new CEO make us confident in the ability to grow value per share.

At the end of the second quarter, we began buying Park Hotels, the Hilton spin-off with 67 U.S. hotels. Park owns differentiated properties in supply-constrained markets, many of which cater to large conference business that is resistant to competition from Airbnb and a wave of travel start-ups. The company's Hawaiian Village resort is maybe the most valuable non-gaming hotel in the world. Other properties in key coastal cities have strong barriers to entry. Industry veteran CEO Tom Baltimore has several opportunities to upgrade underutilized real estate. Park has a strong balance sheet but trades at a lower multiple than inferior peers and at a price substantially below replacement cost.

Late in the third quarter, we began buying Mattel, one of the world's largest toy companies with iconic brands like Fisher-Price, Barbie and Hot Wheels. The stock had fallen almost 70% over the last few years as previous management made a number of mistakes. New CEO Margo Georgiadis, formerly President of Google Americas, took over with a plan to simplify a needlessly complex manufacturing process, focus on profitable core brands rather than dilutive growth, build a better global presence, and transform the company's digital marketing. She cut the dividend to free up cash to invest in the business, which immediately led to a sharp collapse in the stock price and gave us an opportunity to build the Fund's position. Shortly thereafter, the stock's rise on a rumored Hasbro takeover confirmed the discount, but Mattel's board appropriately dismissed any low ball offers. Mattel is similar to the Fund's previous investment in DreamWorks which faced near-term depressed earnings and had no dividend when we purchased the stock, but over time, management succeeded in monetizing the value of the company's strong brands. We are similarly confident in Mattel's plan to restore margins and do more with the company's leading franchises in a growing industry.

We sold six companies earlier in the year and Deltic Timber and SEACOR Marine (SMHI) in the fourth quarter. SMHI was a 0.2% position after being split from SEACOR (one of the six earlier sales). SMHI provides transportation to oil rigs. We sold this small holding as oil prices rose. We owned Deltic Timber with acreage in Arkansas and Louisiana for three years. During that time we became more heavily engaged with management regarding capital allocation options as timber prices moved up but the stock failed to follow. Potlach's buyout offer at a fair price ultimately helped drive our 57% gain.

Outlook

The Fund's last two years' 31% cumulative return substantially beat our absolute goal of real double-digit returns but did not meet our longer term objective of outperforming the index. We believe we can continue to provide solid absolute results that also beat the benchmark over the long run. Our 2017 relative shortfall versus the inflated index was primarily due to the combination of two decisions to avoid risk of loss: Small-Cap held between 20-30% cash throughout the year, which accounted for approximately 50% of the relative shortfall versus the index; and, we did not own more of a narrow, pricey part of the market, namely Healthcare and some IT, that far outperformed most stocks. Our notable act of commission that hurt results was a case of a single declining division at Kodak obscuring the value of a quality growing segment as well as other valuable assets that management and the board are focused on monetizing.

We are confident we can outperform over the next 5+ years. First, as was true in 2017, what we own will produce our returns going forward, and the Fund's portfolio primarily contains strong businesses with growing values selling for a P/V in the low 70s% — a striking contrast to what we believe is an overvalued Russell 2000 increasingly driven by momentum in a narrower group of companies. We expect our differentiation from the index (Active Share of 98%) to be a source of strength to relative results. Second, the Fund's cash is temporary until we find qualifiers, and with lower stock correlations and the prospect of more volatility among stocks, we expect undervaluation opportunities will increase, as they did in late 2017, providing us additional investments that will drive future compounding. Third, through our 42 years at Southeastern and in studying market history, we know that most broad trends come in cycles that can turn quietly or with unexpected force. Most of our businesses remain in the out of favor bucket. We believe the recent dominance of momentum investing, which reflects speculation at elevated prices, will likely turn back to a favorable environment for undervalued securities.

It is our strong view that after a nine year bull run and at high historic multiples, the market is more vulnerable to downside surprises than likely to continue double-digit gains. Ben Graham's definition of an investment from *Security Analysis* written in 1934 has never been more relevant: "An **investment** operation is one which, upon thorough analysis, promises safety of principal and a satisfactory return." We aim to preserve capital and compound at a real double-digit rate of return by owning a limited number of undervalued, high quality, competitively advantaged businesses where we are engaged with capable and aligned management partners. We have no doubt that we can deliver good performance because of our understanding of the drivers of each company's value growth versus the associated risks, our ongoing dialogue with management, and our discipline to hold cash when businesses do not meet our stringent criteria.

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.

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

As of December 31, 2017, the top ten holdings for the Longleaf Partners Small-Cap Fund:ViaSat, 7.4%; OCI, 7.3%; CenturyLink, 6.5%; Graham Holdings, 6.3%; Mattel, 5.3%; Hopewell Holdings, 5.1%; CNX Resources, 4.8%; Neiman Marcus, 4.7%; Liberty Media Formula One, 4.7%; Park Hotels, 4.7%. 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.

LLP000733
Expires 4/30/18

Longleaf Partners International Fund

December 31, 2017
4Q17

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.	$19.3 billion

Holdings (17)

	Activity**	Weight
EXOR		9.0%
LafargeHolcim		7.4
OCI	--	6.9
CK Hutchison		6.5
Fairfax Financial		6.2
Hikma Pharmaceuticals	NEW	5.9
CK Asset Holdings		5.3
Baidu		4.8
Great Eagle		4.7
Ferrovial	+	4.3
Melco International	--	4.3
C&C	+	3.6
Yum China	--	3.0
Belmond	+	2.8
Millicom		2.8
Genting Berhad *(warrants)*		0.6*
MLog		0.1
Cash		21.8*
Total		100.0%

*Weightings adjusted for sale of warrants and purchase of underlying stock: Genting Berhad, 4.0% and Cash, 18.4%

**Full elimination includes the following position: Applus Services

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 $18.4 billion. Southeastern's employees and related entities are the largest investors across the Longleaf Partners Funds.

Sector Composition

Financials	15.2%
Materials	14.4
Industrials	10.8
Consumer Discretionary	10.7
Real Estate	10.0
Health Care	5.9
Information Technology	4.8
Consumer Staples	3.6
Telecommunication Services	2.8
Cash	21.8

Regional Composition

Europe ex-UK	34.0%
Asia ex-Japan	29.2
UK	8.7
North America	6.2
Latin America	0.1
Cash	21.8

Performance Contribution

Top Contributors	Return	Portfolio Contribution
OCI	8%	0.63%
Hikma	1	0.52
CK Asset Holdings	6	0.38

Top Detractors	Return	Portfolio Contribution
EXOR	-3%	-0.39%
MLog	-80	-0.38
Baidu	-5	-0.37

Performance at 12/31/17

	Total Return		Average Annual Return					
	Qtr	YTD	One Year	Five Year	Ten Year	15 Year	20 Year	Since Inception
International Fund	**-0.31%**	**24.23%**	**24.23%**	**6.99%**	**1.37%**	**6.91%**	**na**	**7.89%**
MSCI EAFE Index	4.23	25.03	25.03	7.90	1.94	8.11	na	4.97

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.

LLP000728 expires April 15, 2018

4Q17

December 31, 2017

Longleaf Partners International Fund Commentary

Longleaf Partners International Fund delivered a strong 24.23% return in 2017, meaningfully exceeding our annual absolute goal of inflation plus 10% for the second consecutive year and falling just shy of MSCI EAFE's 25.03%. The Fund's sizable cash position, which posed no risk to capital, persisted throughout the year and more than accounted for the 2017 relative performance. The Fund exceeded the index for most of the year until the fourth quarter rally in interest rate sensitive industries, when the Fund declined 0.31% but the index advanced 4.23%. We seek to outperform the benchmark over the long term but were pleased that Longleaf International nearly matched the market in 2017 given high cash, limited exposure to the industries and countries that drove EAFE's return and a market bias for momentum.

Most companies positively contributed to the Fund's substantial 2017 results with over half of holdings posting double-digit gains. There was also an absence of notable performance detractors in both the fourth quarter and the full year. Investments that our management partners made in the last few years began to deliver returns. We have written previously about the market's tendency to discount non-earning assets (NEAs) until cash is flowing. Several companies benefitted from NEAs becoming profitable including Melco's Studio City resort in Macau, EXOR's purchase of PartnerRe, OCI's newly producing Iowa nitrogen plant and Fairfax's investments in Asia. Substantial multi-year cost cutting programs also yielded results, moving margins up at EXOR's holding, CNH. LafargeHolcim cut substantial costs but still has plenty of potential to optimize further under new CEO, Jan Jenisch, who was a laudable partner at the Fund's past investee, Sika. Our management partners pursued transactions to further entrench their competitive positions, focus on their core businesses or capture value recognition. Fairfax completed its acquisition of Allied World and monetized its stake in First Capital. Baidu sold its mobile games and food delivery businesses. Great Eagle took advantage of supply constrained San Francisco by selling its office property for a good price. Most recently, CK Asset sold The Center, Hong Kong's fifth tallest office building for an almost 2% cap rate — well above our carrying value.

The Fund's strong return came in spite of both the headwind of holding over 20% cash in a rising market and the minimal exposure to areas that drove the index's large return. Our investment discipline requires a business with sustainable competitive advantage as well as a material margin of safety between the stock price and intrinsic worth. This discipline resulted in cash but also in the Fund's high 100% Active Share that made our performance all the more noteworthy. The Fund had no exposure to Japan, the index's most substantial country contributor to performance. Although the Fund's return benefitted from the dollar's weakness, EAFE benefitted twice as much. In the fourth quarter, the prospect of higher global interest rates powered the stocks of natural resources, energy, and banks — commodity-type businesses that rarely meet our qualitative criteria. Momentum chasing contributed to stocks that others define as "growth" far surpassing those categorized as "value," 29% versus 21%. The broad index moved on trends and cycles that are unlikely to be durable over the long term, while the Fund's strong performance, in 2017 and normally, was primarily a function of company-specific performance driven by the quality businesses we own, the work of their managements and the discount to a growing intrinsic value.

As is typical after several years of strong returns, our investment cases worked out, and a number of stocks moved closer to our appraisals. We exited six investments, including one in the fourth quarter. More surprisingly, we bought four new companies, including one in the fourth quarter, as our on-deck list of prospective investments grew even as the market appreciated. Market dispersion benefitted our search - only three of the eleven sectors within EAFE returned as much as the overall index, and Information Technology (IT) substantially outperformed all others, gaining just under 40%. Higher dispersion helped create a more robust list of potential opportunities that we believe will make the Fund's cash a major benefit as more companies meet our strict criteria.

Contributors/Detractors

(2017 Investment return; 2017 Fund contribution; Q4 Investment return; Q4 Fund contribution)

Melco International (+116%, +5.66%, +2% +0.12%), the Macau gaming company, was the top contributor for the year and performed well in the fourth quarter as the industry gross gaming revenues (GGR) accelerated in the second half of 2017. November year-to-date GGR growth of 19.5% was substantially higher than Melco's mid-to-high single-digit full year GGR

Average Annual Total Returns (12/31/17): Since Inception (10/26/98): 7.89%, Ten Year: 1.37%, Five Year: 6.99%, One Year: 24.23%

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.

growth expectation. With major infrastructure projects moving closer to completion, mass visits and spending increasing, and VIPs returning, concerns about potential over-supply from significant capacity additions in Macau turned into confidence that additional hotel and gaming properties will be well absorbed by the market. Melco Resorts is on schedule to open phase 3 (Morpheus) of City of Dreams (COD) in the first half of 2018, which will almost double the number of five star hotel rooms at COD. Upon the completion of Morpheus, we expect free cash flow (FCF) –and distributions to shareholders – to increase significantly with growth in industry GGR and the completion of significant growth capital expenditures (capex). Melco's price remained below our appraisal, but we reduced the Fund's exposure as the discount shrunk after the stock more than tripled in the last 18 months.

EXOR (+44%, +3.35%, -3%, -0.39%), one of Europe's leading investment holding companies, was the Fund's largest position and a strong performer in 2017. The component pieces of our appraisal are Fiat Chrysler Automobiles (FCA) (32%), PartnerRe (26%), CNH Industrial (21%), and Ferrari (16%). FCA's profits increased substantially, and takeover speculation also pushed its stock up. CNH rose during the year as its agricultural equipment sales and margins grew, and the company received an investment grade rating. Ferrari's stock reflected its stellar year operationally, if still not living up to hopes on the Formula 1 Circuit. In spite of EXOR's appreciation, at year end the stock traded at a near 40% discount to the market value of its component pieces. European holding companies that are generally held up as EXOR peers tend to cluster around a 10% net asset value (NAV) discount, whereas some North American ones with substantial track records of value creation trade at NAV or even a premium. We believe EXOR's extreme discount is unwarranted as CEO John Elkann and his management team can produce additional double-digit value growth on top of the significant value creation over the last decade. Attractive upside optionality remains in the underlying pieces of EXOR.

Yum China (+54%, +2.80%, +1%, +0.16%), the operator of KFC and Pizza Hut restaurants in China, was a significant contributor to performance during the year and continued to rise in the fourth quarter. Since its November 2016 spin out from Yum Brands!, YUM China (YUMC) has delivered strong results including KFC's 7% same store sales growth year-over-year in Q3 2017. The company returned much of its growing FCF to shareholders, initiating a cash dividend of $0.10/share, buying back stock, and expanding its buyback program from $300mm to $550mm. The announcement that COO Joey Wat will become CEO and current CEO Micky Pant will become Vice-Chairman in March 2018 created additional optimism. Wat has been instrumental in KFC's success, and we believe she will continue to create significant value. With the stock's rapid appreciation more closely reflecting the company's worth, we reduced the portfolio weight of YUMC.

OCI (+44%, +2.54%, +8%, +0.63%), a leading producer of nitrogen fertilizers and natural gas-based chemicals, added to the Fund's 2017 and fourth quarter results. The stock's strong performance last year closed much of the gap between price and our appraisal value, and we reduced the Fund's stake in the fourth quarter. The company's earnings grew as its new Iowa plant, a particularly large NEA, ramped production and fertilizer commodity prices recovered from 2016 lows. OCI has six production facilities located in the Netherlands, the United States, Egypt and Algeria, and its new U.S. methanol plant will ramp up in 2018. As its major capex projects come to completion, cash flows should accelerate meaningfully. CEO Nassef Sawiris is aligned with shareholders and remains focused on value creation and recognition.

CK Asset (+46%, +2.15%, +6%, +0.38%), the Hong Kong based asset holding company, was among the top contributors for the fourth quarter and year. The company achieved strong volumes of residential property sales in both Hong Kong and mainland China, and in the first half of 2017, sold the highest volume of residential property in Hong Kong. Rather than pay elevated prices for land, CK Asset (CKA) diverted sales proceeds to value accretive share buybacks at prices substantially below our appraisal. CKA spent HK$6.9 billion to buy over 3.3% of its shares, making it one of the top three repurchasers on the Hong Kong stock exchange for the year. To mitigate the cyclical nature of cash flows associated with property development, CKA diversified into stable infrastructure type assets around the globe, including gas pipeline and electric distribution company DUET in Australia, building equipment services provider Reliance Home Comfort in Canada, and fully integrated sub-metering company Ista International GmbH in Germany. To reflect this strategy, the company changed its name from Cheung Kong Property to CK Asset. In November, CKA sold The Center, a prime office building in HK for HK$33,000 per square foot and a capitalization rate of less than 2.5%. This price far exceeded our appraisal of the property and once again confirmed what great partners we have in Li Ka-shing, his son Victor Li and their team.

During the year, most portfolio holdings rose, and the couple of stocks that did not had minimal impact on performance. Similarly, in the fourth quarter, no individual stock declines meaningfully hurt the Fund's results.

Portfolio Activity

It may seem odd that we made purchases given new market highs. We do not require a market correction to find qualifiers, just individual business value mispricing. And while the overall market had strikingly low volatility, a few good businesses' stocks declined enough to enable us to buy three new investments in the first half and Hikma in the fourth quarter. Hikma, the pharmaceutical company, is an example of how complexity often leads Southeastern to investments. Industry-wide pressure over the last 18 months on the company's smallest segment, Generics, took the stock to a multiple similar to generics peers. The company's Injectables and Branded units, however, comprise the bulk of our appraisal. In particular, the complexity and sterility requirements of the Injectables business create high barriers to entry in a global industry expected to grow at double-digit annual rates. Chairman and CEO Said Darwazah and his family own nearly 25% of the company, and the share price under his leadership has compounded at 13% per year since its 2005 initial public offering. The market's overemphasis on the Generics industry challenges provided an opportunity to partner with a strong management team focused on growing and realizing value.

We sold six businesses during the year and trimmed some of the Fund's strongest performers whose discounts to intrinsic value had diminished. Sika, Genting Singapore, and the Cemex bonds reached our appraisal values; Stada was acquired above our appraisal; we sold K Wah with Hong Kong real estate's strength after our view of management changed; and in the fourth quarter, we sold the Fund's small stake in Applus as it moved closer to our appraisal.

Outlook

The Fund's last two years' 39% cumulative return outperformed the index and substantially beat our absolute goal of real double-digit returns. Holding 20+% cash, which posed no risk of loss, more than accounted for the Fund's 80 basis point shortfall versus the index in 2017. We are confident we can outperform over the next 5+ years. First, as was true in 2017, what we own – not what drives the index – will produce our returns going forward, and the Fund's portfolio contains discounted strong businesses with growing values selling at an average P/V in the mid-70s% - a striking contrast to what we believe is an overvalued index increasingly driven by momentum in a narrower group of companies. We expect our differentiation from the index to be a source of strength. Second, the Fund's cash is temporary until we find qualifiers, and with lower equity market correlations and the prospect of more volatility among stocks, we expect undervaluation opportunities will increase, as they did in late 2017, providing us additional investments that should drive future compounding.

It is our strong view that with most asset classes selling at full prices and many areas within the stock market trading at high multiples, the inflated index is more vulnerable to downside surprises than likely to continue double-digit gains. Ben Graham's definition of an investment from *Security Analysis* written in 1934 has never been more relevant: "An **investment** operation is one which, upon thorough analysis, promises safety of principal and a satisfactory return." We aim to preserve capital and compound at a real double-digit rate of return by owning a limited number of undervalued, high quality, competitively advantaged businesses where we are engaged with capable and aligned management partners. We have no doubt that we can deliver good performance because of our understanding of the drivers of each company's value growth versus the associated risks, our ongoing dialogue with management, and our discipline to hold cash when businesses do not meet our stringent criteria.

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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.

"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.

As of December 31, 2017, the top ten holdings for the Longleaf Partners International Fund: EXOR, 9.0%; LafargeHolcim, 7.4%; OCI, 6.9%; CK Hutchison, 6.5%; Fairfax, 6.2%; Hikma Pharmaceuticals, 5.9%; CK Asset, 5.3%; Baidu, 4.8%; Great Eagle, 4.7%; Ferrovial, 4.3%. 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.

LLP000732

Expires 4/30/18

Longleaf Partners Global Fund

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)	32%
Weighted Average Market Cap.	$64.1 billion

Holdings (22)

	Activity**	Weight
CenturyLink	+	7.8%
FedEx		6.9
Fairfax Financial		5.5
EXOR		5.5
LafargeHolcim		5.3
CK Hutchison		5.3
OCI		4.9
CK Asset Holdings		4.3
Alphabet		4.3
United Technologies		4.1
Yum China		4.1
Melco International	--	4.0
Ferrovial	+	3.9
Allergan	NEW	3.9
CNX Resources	+	3.8
CNH Industrial		3.8
Wynn Resorts	--	2.5
Hopewell		2.2
General Electric	NEW	1.9
Chesapeake Energy	--	1.5
CONSOL Energy		1.2
Genting Berhad *(warrants)*		0.6*
Cash		12.7*
Total		100.0%

*Weightings adjusted for close of options and purchase of underlying stock: Genting Berhad, 3.6% and Cash, 9.7%

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 $18.4 billion. Southeastern's employees and related entities are the largest investors across the Longleaf Partners Funds.

Sector Composition

Industrials	25.9%
Consumer Discretionary	11.2
Financials	11.0
Materials	10.2
Telecommunication Services	7.8
Energy	6.5
Real Estate	6.5
Information Technology	4.3
Health Care	3.9
Cash	12.7

Regional Composition

North America	43.4%
Europe ex-UK	23.4
Asia ex-Japan	20.5
Cash	12.7

Performance Contribution

Top Contributors	Return	Portfolio Contribution
CONSOL Energy***	16%	0.86%
FedEx	11	0.68
Wynn Resorts	14	0.42

Top Detractors	Return	Portfolio Contribution
CenturyLink	-7%	-0.50%
EXOR	-3	-0.19
Allergan	-6	-0.19

Performance at 12/31/17

	Total Return		Average Annual Return					
	Qtr	YTD	One Year	Five Year	Ten Year	15 Year	20 Year	Since Inception
Global Fund	**2.64%**	**26.33%**	**26.33%**	**9.63%**	**na**	**na**	**na**	**9.61%**
MSCI World Index	5.51	22.40	22.40	11.64	na	na	na	11.66

**Full elimination includes the following position: T. Rowe Price

***CONSOL Energy includes contributions from CONSOL Energy and CNX Resources

****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.

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LLP000751 expires April 15, 2018

December 31, 2017

Longleaf Partners Global Fund Commentary

Longleaf Partners Global Fund delivered a substantial 26.33% return in 2017, meaningfully exceeding our annual absolute goal of inflation plus 10% and the MSCI World Index, up 22.40%, for the second consecutive year. The Fund outperformed even after falling short in the fourth quarter with a 2.64% gain versus 5.51% for the index. The Fund's 2017 results were particularly laudable given double-digit cash, lower exposure to the industries and countries that drove MSCI World's return and a market bias for momentum.

Most companies positively contributed to the Fund's substantial 2017 results, and all of those posted double-digit gains. Investments that our management partners made in the last few years began to deliver returns. We have written previously about the market's tendency to discount non-earning assets (NEAs) until cash is flowing. Several companies benefitted from NEAs beginning to generate cash including Melco's Studio City and Wynn's Palace resorts in Macau, new Ground distribution facilities at FedEx, EXOR's purchase of PartnerRe, OCI's newly producing Iowa nitrogen plant, Fairfax's investments in Asia and Pratt and Whitney's geared turbofan engines within United Technologies. Multi-year cost cutting programs also yielded results, moving margins up at CNH and FedEx's Express unit. LafargeHolcim cut substantial costs but still has plenty of potential to optimize further under new CEO, Jan Jenisch. Our management partners pursued transactions to further entrench their competitive positions, focus on their core businesses or capture value recognition. Fairfax completed its acquisition of Allied World and monetized its stake in First Capital; United Technologies announced a plan to buy Rockwell Collins in September; and in the fourth quarter, CK Asset sold The Center, Hong Kong's fifth tallest office building for an almost 2% capitalization rate – well above our carrying value, while CONSOL Energy completed the split of its coal and gas businesses.

The absence of many detractors added to the Fund's performance for the year and the fourth quarter. Chesapeake declined along with other Exploration and Production companies as natural gas prices fell. Level 3, now CenturyLink (CTL), spent most of the year under price pressure with uncertainty over the deal's outcome and skepticism over CTL's dividend sustainability, but following the merger's close and management's renewed commitment to the dividend, the stock rebounded over 22% from its November low.

The Fund's strong return came in spite of both holding over 10% cash in a rising market and having limited help from much of what drove the index. Our investment discipline requires a business with sustainable competitive advantage as well as a material margin of safety between the stock price and intrinsic worth. This discipline resulted in cash but also in the Fund's high 98% Active Share that made performance all the more noteworthy. Information Technology (IT) drove much of the index results. The sector far surpassed all others with a 38% gain and was the largest contributor by far to performance. IT momentum chasing contributed to stocks that others define as "growth" far surpassing those categorized as "value," 28% versus 17%. The Fund had one-third less exposure to the U.S., the index's largest country contributor, and none to the second largest, Japan. In the fourth quarter, the prospect of higher global interest rates and U.S. tax reform meant that the Fund's lower U.S. weight and lack of bank stocks impacted relative results. The broad index moved on trends and cycles that are unlikely to be durable over the long term, while the Fund's strong performance in 2017 was primarily a function of company-specific performance driven by the quality businesses we own, the work of their managements and the discount to a growing intrinsic value.

As is typical after several years of strong returns, our investment cases worked out, and a number of stocks moved closer to our appraisals. We sold three investments including one in the fourth quarter. More surprisingly, we bought three new companies – two in the fourth quarter, as prospective investments increased even as the market appreciated. With IT dominating and fewer companies participating in the market's highs, greater dispersion helped our on-deck list of qualifiers grow.

Contributors/Detractors

(2017 Investment return; 2017 Fund contribution; Q4 Investment return; Q4 Fund contribution)

Melco International (+116%, +5.23%,+2%, +0.09%), the Macau gaming company, was the top contributor for the year and performed well in the fourth quarter as the industry gross gaming revenues (GGR) accelerated in the second half of 2017. November year-to-date GGR growth of 19.5% was substantially higher than Melco's mid-to-high single-digit full year GGR growth expectation. With major infrastructure projects moving closer to completion, mass visits and spending increasing, and

Average Annual Total Returns (12/31/17): Since Inception (12/27/12): 9.61%, Ten Year: na, Five Year: 9.63%, One Year: 26.33%

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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.

VIPs returning, concerns about potential over-supply from significant capacity additions in Macau turned into confidence that additional hotel and gaming properties will be well absorbed by the market. Melco Resorts is on schedule to open phase 3 (Morpheus) of City of Dreams (COD) in the first half of 2018, which will almost double the number of five star hotel rooms at COD. Upon the completion of Morpheus, we expect free cash flow (FCF) —and distributions to shareholders —to increase significantly with growth in industry GGR and the completion of significant growth capital expenditures (capex). Melco's price remained below our appraisal, but we reduced the Fund's exposure as the discount shrunk after the stock more than tripled in the last 18 months.

Wynn Resorts (+98%, +4.11%, + 14%, +0.42%), the U.S. and Macau gaming company, also contributed to the Fund's 2017 and fourth quarter performance with strong earnings growth in Macau and Las Vegas. The same positive Macau dynamics described above helped Wynn. Steve Wynn continued to create future value with the Boston resort expected to open in 2019, new development around the Las Vegas golf course, and the chance to pursue casino development in Japan. After the stock more than tripled from its lows two years ago and moved closer to our assessment of the company's value, we reduced the Fund's position.

Yum China (+54%, +2.69%, +0%, +0.02%), the operator of KFC and Pizza Hut restaurants in China, was a significant contributor to performance during the year and continued to rise in the fourth quarter. Since its November 2016 spin out from Yum Brands!, YUM China (YUMC) has delivered strong results including KFC's 7% same store sales growth year-over-year in Q3 2017. The company returned much of its growing FCF to shareholders, initiating a cash dividend of $0.10/share,buying back stock, and expanding its buyback program from $300mm to $550mm. The announcement that COO Joey Wat will become CEO and current CEO Micky Pant will become Vice-Chairman in March 2018 created additional optimism. Wat has been instrumental in KFC's success, and we believe she will continue to create significant value. With the stock's rapid appreciation more closely reflecting the company's worth, we reduced the portfolio weight of YUMC.

FedEx (+35%, +2.33%,+11%, +0.68%), the world-leading transportation and logistics company, added to the Fund's fourth quarter and 2017 results. Express margins jumped to the company's long-held goal of double-digit levels due to strong pricing and utilization of lower cost passenger plane space. Ground yield and volumes were strong, and margins seem to have finally bottomed after recent years of rapid expansion and investment. FedEx moved quickly to integrate acquired TNT into its global network as it deftly handled the effects of a significant TNT cyberattack. CEO Fred Smith continued to think far ahead and prioritize the business's long-term competitive position, reinvesting most earnings into high return expansions and improvements.

EXOR (+43%, +2.14%, -3%, -0.19%), one of Europe's leading investment holding companies, was another strong performer in 2017. The component pieces of our appraisal are Fiat Chrysler Automobiles (FCA) (32%), PartnerRe (26%), CNH Industrial (21%), and Ferrari (16%). FCA's profits increased substantially, and takeover speculation also pushed its stock up. CNH rose during the year as its agricultural equipment sales and margins grew, and the company received an investment grade rating. Ferrari's stock reflected its stellar year operationally, if still not living up to hopes on the Formula 1 Circuit. In spite of EXOR's appreciation, at year end the stock traded at a near 40% discount to the market value of its component pieces. European holding companies that are generally held up as EXOR peers tend to cluster around a 10% NAV discount, whereas some North American ones with substantial track records of value creation trade at net asset value (NAV) or even a premium. We believe EXOR's extreme discount is unwarranted as CEO John Elkann and his management team can produce additional double-digit value growth on top of the significant value creation over the last decade. Attractive upside optionality remains in the underlying pieces of EXOR.

CONSOL Energy (+8%, +0.93% ,+16%, +0.86%), the former natural gas and coal company based in Appalachia, was a the largest contributor to the Fund's fourth quarter results. The company completed the long-awaited spin-off of its coal assets from its natural gas reserves, undrilled acreage, and pipelines - a move we had encouraged to enable others to fully appreciate the values of each business. The gas company now trades as CNX Resources Corporation, while the coal pure-play business retained the CONSOL Energy name. Our CNX appraisal assumes gas prices at today's depressed strip, yet the stock price implies much less value for its undrilled resources and midstream assets than comparable peers receive. The company reduced commodity risk by hedging the majority of next year's production above $3/mcf. CONSOL's Pennsylvania Mining Complex is the low-cost coal producer in the eastern U.S. Both companies announced large buybacks to address their undervalued post-spin prices. We believe our management partners will continue to take action to gain value recognition at both companies. We increased our stake in CNX after the spin-off. In spite of rampant coal divestment by institutional investors, CONSOL's stock jumped 84% after becoming a pure-play coal business.

Chesapeake Energy (-44%, -1.8%, -8%, -0.13%), one of the largest U.S. producers of natural gas and oil, was one of the Fund's few detractors in 2017 during a tough market for closing energy asset sales. Overshadowing strong operational performance by CEO Doug Lawler and his management team, domestic gas oversupply weighed down strip prices. Chesapeake made progress delineating some of its newer plays, but the market continued to underestimate the company's ability to sell meaningful assets, as it has done multiple times in the past. We reduced the position to reflect the broad range of outcomes dependent on commodity prices.

CenturyLink (formerly Level 3) (-12%, -1.27%, -7%,-0.5%), the global fiber and integrated communications network company, was the Fund's largest holding and declined during the year and fourth quarter, even though the stock rallied over 22% from its November low after CTL's purchase of Level 3 closed. Throughout, our investment case grew more compelling. The merger of Level 3's fiber network with Qwest's assets that CTL had previously acquired created a uniquely competitive global fiber network that has particular strengths in the higher margin, growing Enterprise segment. Level 3's CEO Jeff Storey becoming President and COO and eventual CEO of CTL and Sunit Patel maintaining the CFO position in the combined company were critical to our support for the deal. Their leadership makes us confident that CTL management will be able to drive mid single-digit Enterprise revenue growth at high contribution margins, cut costs substantially and deliver the projected $1 billion in deal synergies, much of which will be created by moving traffic onto the company's combined network from third parties. Despite CTL's stronger positioning, the stock price fell, in part because Level 3 customers delayed new purchases until it was clear who would lead the combined company. But, the primary price pressure was due to fears that CTL would not be able to sustain its double-digit dividend yield (a valid concern without the Level 3 acquisition). This worry heightened after the stocks of two mostly unrelated and massively overleveraged regional operators which were more closely aligned with CTL's legacy landline business than the fiber business, saw their stocks collapse after dividend cuts. Storey and Patel confirm that the dividend is safe based on the combined EBITDA of the Level 3 and CTL fiber networks, the synergies from the deal, and the use of Level 3's net operating losses (NOLs) to reduce taxes. By our estimates, once the synergies are realized, the company should deliver over $3/share of FCF after capex, which will amply cover the $2.16 dividend. We see material additional upside not built into our appraisal based on Patel's record of cost cutting after mergers and the multiple players that would benefit from owning this network. When the stock price dramatically disregarded the positive fundamentals and our assessment of CTL's intrinsic value, we bought more during the year, including in the fourth quarter. Management and the board appeared to share our enthusiasm as demonstrated by significant December insider purchases as soon as the blackout period that prohibited purchases was lifted.

Portfolio Activity

It may seem odd that we made purchases given new market highs. We do not require a market correction to find qualifiers, just individual business value mispricing. And while the overall market had strikingly low volatility, a few good businesses' stocks declined enough to enable us to buy three new investments – Fairfax in the first half and two undisclosed businesses in the fourth quarter. One new position was a time horizon arbitrage opportunity where past mismanagement and a dividend cut obscured the longer term value and prospects for industry-leading businesses. The other was an example of how complexity often leads Southeastern to investments. A more traditionally associated segment of the company was under pressure industry-wide, taking the stock to a multiple similar to peers within that segment. In the case of this company, however, its most valuable segment consists of leading, protected brands that are growing in strength and demand.

We sold three businesses during the year and trimmed some of the Fund's stronger performers whose discounts had diminished. Genting Singapore reached our appraisal; we sold K Wah with Hong Kong real estate's strength after our view of management changed; and in the fourth quarter, we sold investment firm T. Rowe Price as the stock approached our appraisal. Despite near daily headlines on the death of active funds, T. Rowe grew assets under management and maintained its strong position in Target Date retirement funds. The stock gained 70% during our short 13 month holding period. We are grateful to CEO Bill Stromberg and Chairman Brian Rogers for driving strong performance during a challenging time for the industry.

Outlook

The Fund's last two years' 52% cumulative return outperformed the index and substantially beat our absolute goal of real double-digit returns. We believe we can continue to provide solid absolute and relative performance over the next 5+ years. First, as was true in 2017, what we own – not what drives the index – will produce our returns going forward, and the Fund's portfolio contains discounted strong businesses with growing values selling at an average P/V in the mid-70s% — a striking contrast to what we believe is an overvalued index increasingly driven by momentum in a narrower group of companies. We expect our differentiation from the index to be a source of strength. Second, with lower equity market correlations and the prospect of more volatility among stocks, we expect undervaluation opportunities will increase, as they did in late 2017, providing us additional investments that will drive future compounding. Third, through our 42 years at Southeastern and in studying market history, we know that most broad trends come in cycles that can either turn quietly or with unexpected force. Most of our businesses remain in the out of favor bucket. We believe the recent dominance of momentum investing, which reflects speculation at elevated prices, will likely turn back to a favorable environment for undervalued stocks.

It is our strong view that with most asset classes selling at full prices and many areas within the stock market trading at high multiples, the inflated index is more vulnerable to downside surprises than likely to continue double-digit gains. Ben Graham's definition of an investment from *Security Analysis* written in 1934 has never been more relevant: "An **investment** operation is one which, upon thorough analysis, promises safety of principal and a satisfactory return." As the largest shareholder group in the Fund, we aim to preserve capital and compound at a real double-digit rate of return by owning a limited number of undervalued, high quality, competitively advantaged businesses where we are engaged with capable and aligned management partners. We have no doubt that we can deliver good performance because of our understanding of the drivers of each company's value growth versus the associated risks, our ongoing dialogue with management, and our discipline to hold cash when businesses do not meet our stringent criteria.

See following page for important disclosures.

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

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.

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

As of December 31, 2017, the top ten holdings for the Longleaf Partners Global Fund: CenturyLink, 7.8%; FedEx, 6.9%; Fairfax, 5.5%; EXOR, 5.5%; LafargeHolcim, 5.3%; CK Hutchison, 5.3%; OCI, 4.9%; CK Asset, 4.3%; Alphabet, 4.3%, United Technologies, 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.

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