



May 16, 2017

# Longleaf Partners Fund

*Closing to new investors effective June 9, 2017*

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As discussed in recent quarterly reports, we are having difficulty finding new U.S. qualifying opportunities that meet our stringent investment criteria – strong businesses that are managed by capable, shareholder-oriented management teams and are trading at a deeply discounted price. Over the last several quarters, we have sold or scaled back fully valued businesses and have not found new qualifying investments. As a result, cash has grown to 24% of assets.

Cash is the residual of our longstanding investment discipline to buy only when a large discount exists between price and value and to sell when no margin of safety remains. We are unwilling to commit capital to marginally attractive investments because we believe the risks are higher and the prospective returns are lower. We have found that the low return on holding cash over short periods is dwarfed by the opportunity from the next discounted qualifying investment that our liquidity buys.

While we continue to search for stocks that meet our criteria and are confident that we will find them, our current on-deck list is limited. Without company-specific opportunities or a change in the U.S. market, we could continue to have meaningful cash.

As the largest collective investor in Longleaf Partners Fund, our interests are aligned with yours, and we treat your investment as if it were our own. Our long-standing governing principles state that we will consider closing the Funds to new investors when we believe it will benefit current shareholders to do so. We have decided to close the Partners Fund to new investors effective June 9, 2017.

The Fund will reopen only when we believe that sufficient additional investment opportunities exist, and cash inflows would again benefit existing shareholders. We continue to find significant compelling opportunities outside of the U.S., and the Longleaf Partners International Fund and Longleaf Partners Global Fund remain open.

We expect our patience and discipline today should pay off handsomely over the next several years, as it has the three previous times we closed Longleaf Partners Fund.

Existing Longleaf Partners Fund shareholders can continue to add to their accounts, and exceptions to the Fund's closure will be identical to those of Longleaf Partners Small-Cap Fund, which has been closed since 1997. Those exceptions are listed on page 23 of the Fund's Prospectus, which can be found at <http://longleafpartners.com/fund-resources/prospectus>.

Thank you for your continued partnership.

*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](http://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.*

*Funds distributed by ALPS Distributors, Inc.*

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