Longleaf Partners Funds®

Quarterly Report

Partners Fund

Small-Cap Fund

International Fund

Global Fund

September 30, 2014

Longleaf Partners Funds

Advised by Southeastern Asset Management, Inc.®

Cautionary Statement

One of Southeastern's "Governing Principles" is that "we will communicate with our investment partners as candidly as possible," because we believe Longleaf shareholders benefit from understanding our investment philosophy and approach. Our views and opinions regarding the investment prospects of our portfolio holdings and Funds are "forward looking statements" which may or may not be accurate over the long term. While we believe we have a reasonable basis for our appraisals, and we have confidence in our opinions, actual results may differ materially from those we anticipate. Information provided in this report should not be considered a recommendation to purchase or sell any particular security.

You can identify forward looking statements by words like "believe," "expect," "anticipate," or similar expressions when discussing prospects for particular portfolio holdings and/or one of the Funds. We cannot assure future results and achievements. You should not place undue reliance on forward looking statements, which speak only as of the date of this report. We disclaim any obligation to update or alter any forward looking statements, whether as a result of new information, future events, or otherwise. Current performance may be lower or higher than the performance quoted herein. Past performance does not guarantee future results, fund prices fluctuate, and the value of an investment may be worth more or less than the purchase price. ***Call (800)445-9469 or go to longleafpartners.com for current performance information and for the Prospectus and Summary Prospectus, both of which should be read carefully before investing to learn about fund investment objectives, risks and expenses. This material must be accompanied or preceded by a prospectus. Please read it carefully before investing.***

The price-to-value ratio ("P/V") is a calculation that compares the prices of the stocks in a portfolio to Southeastern's appraisals of their intrinsic values. P/V represents a single data point about a Fund, and should not be construed as something more. We caution our shareholders not to give this calculation undue weight. P/V alone tells nothing about:

- *The quality of the businesses we own or the managements that run them;*
- *The cash held in the portfolio and when that cash will be invested;*
- *The range or distribution of individual P/V's that comprise the average; and*
- *The sources of and changes in the P/V.*

When all of the above information is considered, the P/V is a useful tool to gauge the attractiveness of a Fund's potential opportunity. It does not, however, tell when that opportunity will be realized, nor does it guarantee that any particular company's price will ever reach its value. We remind our shareholders who want to find a single silver bullet of information that investments are rarely that simple. To the extent an investor considers P/V in assessing a Fund's return opportunity, the limits of this tool should be considered along with other factors relevant to each investor.

Unless otherwise noted, performance returns of Fund positions combine the underlying stock and bond securities including the effect of trading activity during the period.

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 fewer 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-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.

Indexes

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.

Contents

Performance Summary

Cumulative Returns at September 30, 2014

	Since Inception	20 Year	15 Year	Ten Year	Five Year	One Year	YTD	3Q
Partners Fund (Inception 4/8/87)	**1814.37%**	**571.80%**	**204.27%**	**85.99%**	**91.14%**	**13.48%**	**3.41%**	**-3.43%**
S&P 500 Index	1160.96	523.88	104.15	118.05	107.30	19.73	8.34	1.13
Small-Cap Fund (Inception 2/21/89)	**1494.45**	**993.98**	**375.30**	**180.86**	**132.40**	**14.47**	**8.35**	**-0.82**
Russell 2000 Index	916.77	463.04	214.03	119.66	94.96	3.93	-4.41	-7.36
International Fund (Inception 10/26/98)	**257.63**	**na**	**162.91**	**58.34**	**30.35**	**-2.46**	**-8.75**	**-10.25**
MSCI EAFE Index	109.67	na	76.80	84.52	37.41	4.25	-1.38	-5.88
Global Fund (Inception 12/27/12)	**24.80**	**na**	**na**	**na**	**na**	**6.12**	**-2.80**	**-7.62**
MSCI World Index	31.83	na	na	na	na	12.20	3.89	-2.16

Average Annual Returns at September 30, 2014

	Since Inception	20 Year	15 Year	Ten Year	Five Year	One Year
Partners Fund (Inception 4/8/87)	**11.34%**	**9.99%**	**7.70%**	**6.40%**	**13.83%**	**13.48%**
S&P 500 Index	9.65	9.59	4.87	8.11	15.70	19.73
Small-Cap Fund (Inception 2/21/89)	**11.42**	**12.71**	**10.95**	**10.88**	**18.37**	**14.47**
Russell 2000 Index	9.48	9.03	7.93	8.19	14.29	3.93
International Fund (Inception 10/26/98)	**8.33**	**na**	**6.66**	**4.70**	**5.44**	**-2.46**
MSCI EAFE Index	4.76	na	3.87	6.32	6.56	4.25
Global Fund (Inception 12/27/12)	**13.42**	**na**	**na**	**na**	**na**	**6.12**
MSCI World Index	17.04	na	na	na	na	12.20

The indices are unmanaged. During the inception year, the S&P 500 and the EAFE Index were available only at month-end; therefore the S&P 500 value at 3/31/87 and the EAFE value at 10/31/98 were used to calculate performance since inception. 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

The December 31, 2013 total expense ratios for the Longleaf Partners Funds are: Partners Fund 0.92%, Small-Cap Fund 0.91%, International Fund 1.27%, and Global Fund 1.73% before limitation. The Global Fund total expense ratio at 6/30/14 (per the semi-annual report) is 1.58%. The Funds' 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 1.5%, Small-Cap Fund 1.5%, International Fund 1.75%, and Global Fund 1.65%.

Letter To Our Shareholders

The third quarter was marked by global unrest and uncertainty, which prompted more stock price volatility across world markets and weighed on some of our names. Macro pressures included lower energy prices, a stronger U.S. dollar, a weak European economy, slower growth in China, and heightened geopolitical turmoil in Russia, Ukraine, the Middle East, and very recently, Hong Kong. These pressures impacted prices at some of our holdings, resulting in third quarter returns that were negative and, with the exception of the Small-Cap Fund, trailed the benchmark indices. However, the global stress also created buying opportunities as more companies on our on-deck list met our criteria for buying businesses at deep discounts to their intrinsic values. As a result, new opportunities improved our long-term performance prospects by reducing cash and improving the price-to-value (P/V) in all four Longleaf Funds.

Across the Funds, the primary performance detractors were our U.S. energy holdings and several companies with challenges in specific emerging markets. In spite of the negative impact on our third quarter returns, we continue to have strong conviction in the intrinsic worth and quality of these positions for several reasons. First, our conservative assumptions already embedded the lower forecasts that the market was just digesting. Second, macro-driven pressures that hurt broad industries did not impact the prospects for our specific holdings – our appraisals are not necessarily correlated to the macro factors currently undermining stock prices. Third, those company-specific challenges that emerged were temporary or focused in business areas that were minor parts of our appraisals.

Not only did those companies under the most price pressure meet our operating expectations, but their upside prospects increased due in large part to the actions of our CEO partners. To provide insight into these positions and why we continue to have long-term conviction in their potential to outperform, we discuss them below.

In the U.S.

The worst performing sector in the S&P 500 and MSCI World Indices was energy, down 9.1% and 9.5% respectively. With the unusually cool summer, natural gas prices fell 7%, crude 13%, and coal 13%. Within the sector, exploration and production companies (E&Ps) such as Chesapeake, Murphy, and CONSOL, suffered more than the average, which was helped by subgroups such as refining and storage and transportation. While lower energy prices rather than company-specific disappointments in our energy names drove declines, they did not impact our appraisals of these three companies because our models already incorporated lower commodity prices based on the futures curve pricing and the marginal cost of production in our various plays. Higher commodity prices would likely lift their stocks, but these three companies do not require a rise in energy prices for intrinsic values to be recognized. At Chesapeake, CEO Doug Lawler is continuing to drive value recognition in ways he can control – selling non-core assets at reasonable prices, reducing debt, and increasing operating efficiencies in both corporate and production activity. He is building additional upside with $2–3 billion of annual discretionary capital spending that management projects should deliver strong returns on capital, even without higher commodity prices.

Neither is Murphy's CEO, Roger Jenkins, relying on higher commodity prices for value recognition. The company is selling its U.K. downstream assets and announced the sale of 30% of its Malaysian assets at a price above our appraisal. Moreover, Jenkins built value by repurchasing shares as they became more discounted, a move he properly viewed as buying their proven barrels of oil for much less than it would cost to drill new wells or buy other plays. CONSOL is more than its category of "coal and consumable fuels." In fact, management has been selling coal assets, and more than half of our appraisal is attributable to gas reserves in the Marcellus and Utica shale plays. To monetize production value in the recent quarter, Executive Chairman Brett Harvey and CEO Nick Deluliis successfully completed an initial public offering (IPO) for a midstream Master Limited Partnership (MLP) at metrics above both our appraisal and the projected price. The company's variety of assets, including the Baltimore port terminal, provide multiple options for gaining value recognition without reliance on commodity price increases.

Outside the U.S.

In spite of stock declines at the most significant detractors outside of the U.S., these companies met our underlying business expectations during the quarter. They are diverse businesses but faced various emerging market uncertainties in addition to currency pressures and company-specific issues. In each case, management is taking the initiative to overcome current market perceptions through discounted buybacks, productive capital investments, and/or value accretive transactions.

Melco International, the Macau gaming company held in the International and Global Funds, fell alongside all Macau gaming stocks. There has been a meaningful drop in VIP revenues. The causes include China's crackdown on corruption causing wealthier people to keep a lower profile away from Macau, slower Chinese economic growth hurting property sales that boosted gambler credit, and liquidity challenges faced by junket operators who organize VIP visits and extend credit to them. Other pressures impacting the stocks are difficult to quantify, such as tighter transit visa requirements, wage inflation and labor unrest, UnionPay credit card restrictions, and a smoking ban starting in October. The negative news flow did not impact our conviction in Melco. Our appraisal already incorporated lower growth in both VIP and mass revenues than most sell-side analysts had previously assumed for the year. Over 80% of Melco's EBITDA (earnings before interest, taxes, depreciation and amortization) comes from the mass, non-VIP segment that is still growing gross gaming revenue at 15%. This important mass market has margins several times higher than the margins on VIPs whose revenues are split with junket operators. 100% hotel occupancy also has limited growth this year, but planned new hotels should increase visitation over the next few years as should the new Hong Kong–Macau bridge that will allow passengers at the Hong Kong airport to arrive in Macau in half an hour. Melco has a near-term supply advantage with its Studio City casino and hotel opening in Q3 2015. Despite analyst downgrades on Macau gaming stocks, Melco is estimated to have high EBITDA growth in 2015 and 2016. The company began repurchasing shares in Melco Crown in September, and our partner, CEO Lawrence Ho, has bought more stock personally in the last five months.

OCI, owned by Longleaf Small-Cap, International, and Global, consists of a legacy construction business and the much larger nitrogen fertilizer business. Natural gas is the primary component in nitrogen fertilizer production, and during the quarter, gas supply interruptions impacted production at OCI's two Egyptian plants, weighing on the short term stock price. Management anticipates that plant utilization will improve over the next year with several factors increasing gas supply: Egypt has begun to import liquid natural gas for the power sector, the cement industry is switching from natural gas to petroleum coke, and the major producers have begun to return to Egypt to ramp up exploration in the wake of a more stabilized government. We

Letter To Our Shareholders

The stock declines that hurt our performance were not indicative of underlying threats to the investment cases.

assume a continued low utilization rate of 50% in our appraisal, but even at this rate, the plants are cash flow positive. OCI's other plants around the world are operating at or near full capacity with low cost gas and higher prices for Ammonia and Urea, two primary outputs. The long-term case for OCI remains compelling as the company is the low cost industry leader in nitrogen fertilizer, essential for world food production. In the next 12-18 months the company will have higher production and lower capex with the opening of a greenfield plant in Iowa and the completion of the Beaumont, Texas extension. The company is also building the largest methanol plant in the country in Texas. CEO Nassef Sawiris has built and monetized substantial value historically; specifically, he has added enormous value for Southeastern's clients and our partners in the Longleaf Funds through his work at Texas Industries and Lafarge. Most recently, he announced that in early 2015 OCI will separate the fertilizer and construction businesses to remove the conglomerate discount in the stock price.

Weak emerging market results, due in part to currency moves, pressured the price of cement maker Lafarge, held in the International and Global Funds. Additionally, the stock pulled back following its initial surge after the announcement of the Holcim merger. The company's geographic diversity and our already conservative growth assumptions helped our appraisal remain steady. Slower volume growth in a few markets, such as Latin America, Western Europe, and Eastern Europe, was offset by solid demand in North America, Asia, and the U.K. as well as strong pricing in most markets. The planned merger with Holcim should be completed in 2015, providing upside opportunity through over €1 billion in cost savings and synergies. CEO Bruno Lafont has enhanced the company's value by divesting a number of plants at attractive prices as he moves to meet anticipated antitrust requirements.

Opportunity Set

A number of our stocks appreciated in the quarter, but none reached our full appraisal, as values also grew. Several of our largest positive contributors in the quarter, such as FedEx in the Partners Fund and formerly in the Global Fund, and Vopak in the International and Global Funds, only recently were in a similar boat to our current detractors facing stock price pressures that did not impact our appraisals. We often find opportunity when short-term uncertainty, either specific to a single area of a company or about macro trends, prices a stock at a discount to its intrinsic worth based on longer term free cash flow.

This time horizon arbitrage created by many of the pressures previously mentioned helped us find new qualifiers in all four Funds during the quarter. We made headway in reducing the cash levels, using our liquidity for several new purchases. In the International and Global Funds where cash was more limited, we replaced existing holdings with more attractive, new opportunities. Overall, prices remain more compelling outside of the U.S., due to more disruptions and broader uncertainty. This geographic discrepancy is evident in our on-deck lists, our lower-than-normal U.S. weight in the Global Fund portfolio, and our cash levels and P/V differences in the Partners and Small-Cap Funds relative to the International and Global Funds.

Outlook

While our third quarter results were disappointing, we used the market's volatility to enhance our prospective returns by deploying cash and selectively trading out more fully valued existing positions for attractive new opportunities. The stock declines that hurt our performance were not indicative of underlying threats to the investment cases. As we review each company we own, operating results are on track versus our expectations. Our appraisal values are stable or growing. We expect those values to increase and believe that, over time, prices will rise to meet those values like we are beginning to see at some of our stronger performers.

Our management teams continue to hasten value recognition using the levers at their disposal, such as repurchasing discounted shares, splitting out business segments, and selling assets at attractive prices. We are engaged in productive conversations with our management partners about ways to close the price-to-value gaps while this window of opportunity lasts. Buyers have access to particularly cheap capital and will pay high multiples for yield, tax benefits, and long-term control of natural resources. We have been pleased that many of our companies have been focusing on their core businesses and monetizing assets at attractive prices. Given our capable partners, we expect to see additional value creative capital allocation decision making that will further enhance our appraisals and ultimate returns.

Sincerely,

O. Mason Hawkins, CFA
Chairman & Chief Executive Officer
Southeastern Asset Management, Inc.

G. Staley Cates, CFA
President & Chief Investment Officer
Southeastern Asset Management, Inc.

October 31, 2014

Partners Fund Management Discussion

Longleaf Partners Fund declined 3.4% in the quarter as macro pressures, including lower energy prices, impacted a handful of our holdings. The S&P 500 Index advanced 1.1%. Importantly, increased market volatility created several buying opportunities for the Fund, reducing the cash position that has dampened absolute and relative year-to-date (YTD) results, which were 3.4% versus 8.3% for the Index. In the bull market of the last five years, the Fund exceeded our absolute return goal of inflation plus 10%. Over longer-term periods of 15+ years, the Fund outperformed the Index.

Cumulative Returns at September 30, 2014

	Since Inception	25 Year	20 Year	15 Year	Ten Year	Five Year	One Year	YTD	3Q
Partners Fund (Inception 4/8/87)	**1814.37%**	**1160.75%**	**571.80%**	**204.27%**	**85.99%**	**91.14%**	**13.48%**	**3.41%**	**-3.43%**
S&P 500 Index	1160.96	866.34	523.88	104.15	118.05	107.30	19.73	8.34	1.13

Average Annual Returns at September 30, 2014

	Since Inception	25 Year	20 Year	15 Year	Ten Year	Five Year	One Year
Partners Fund (Inception 4/8/87)	**11.34%**	**10.67%**	**9.99%**	**7.70%**	**6.40%**	**13.83%**	**13.48%**
S&P 500 Index	9.65	9.50	9.59	4.87	8.11	15.70	19.73

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.

The December 31, 2013 total expense ratio for the Partners Fund is 0.92%. The expense ratio is subject to fee waiver to the extent normal annual operating expenses exceed 1.50% of average annual net assets.

FedEx, the largest contributor for the quarter and a major contributor YTD, rose 7% and 13% respectively. The company reported strong operating results led by Ground, where revenue grew 8% year-over-year and operating margins expanded toward 20%. Express had healthy U.S. volumes, and Freight saw both volume and revenue increases. While Ground remains the majority of our appraisal, Freight's results were notable with 70% operating income growth and double-digit margins. Sustained operating performance in this division would drive additional future value growth. During the quarter, the company continued to demonstrate its pricing power. The company repurchased 5.3 million shares, an annualized rate of 7%, and authorized an additional 15 million shares.

Another large contributor for the quarter was Berkshire Hathaway which rose 9%. YTD the holding advanced 17%. The company's myriad of businesses performed well. In insurance, GEICO grew premiums 11% and wrote at a 92% combined ratio. Reinsurance was helped by few natural disaster claims. In rail, Burlington Northern's revenues rose 8% as volumes increased and pricing improved, particularly in agricultural products following a record grain harvest and limited supply given increased oil shipments. Berkshire's U.S. and U.K. utility revenues also grew. The manufacturing, service, and retailing businesses increased sales and earnings. Overall, corporate revenues from these diverse businesses grew 6%, earnings increased 17%, and our appraisal increased.

Fiber and networking company Level 3 Communications' 4% gain in the quarter took YTD return to 38%. Level 3 had a strong quarter with EBITDA (earnings before interest, taxes, depreciation and amortization) up over 20%, organic revenues up 7%, and positive free cash flow. The company's purchase of tw telecom, announced in the second quarter, remains on track to close in the fourth quarter. Even after its gain, the stock sells for a deep discount to our appraisal and is an overweight position.

Bank of New York Mellon (BK) gained 4% in the quarter and 12% YTD. The asset management business grew steadily along with the markets but low market volatility and low rates this year have hampered revenue growth in asset services. The company emphasized the substantial earnings power that modest interest rate increases will create as money market fee waivers will end and net interest margins will expand. During the quarter BK repurchased almost 1% of outstanding shares, approximately one-third of the total buyback approved by the Federal Reserve.

Although Cheung Kong declined 7% in the third quarter, its 13% YTD return made this Hong Kong based conglomerate a large contributor for the year. In the first half, Hong Kong property sales were strong, and management made several value-enhancing asset sales across multiple business lines as well as returned capital to shareholders. More recently, Cheung Kong's price was penalized amid protests and labor strikes in Hong Kong. Our appraisal remained intact. We are partnered with strong capital allocators who have not bought overpriced assets in China or Hong Kong. Cheung Kong's strong balance sheet positions management to buy discounted land in the event of a real estate correction.

The performance bright spots were overshadowed by the negative impact of the energy sector which fell 9.1% in the S&P 500 Index as oil, gas and coal prices declined between 7-13%. Energy, including the roughly 50% of Loews' value, is 18% of the Partners Fund versus approximately 10% of the S&P 500. Our appraisals of our energy-related holdings did not fall in spite of large stock declines, because our models already incorporated lower commodity prices based on the futures curve pricing and the marginal cost of production in our various plays. Chesapeake fell 20% in the quarter. While costs declined, capex remained on plan, and the company moved production estimates up slightly. During the two year tenure of the new board, balance sheet leverage has been reduced by $6 billion, primarily from noncore asset sales. CEO Doug Lawler is driving value recognition in ways he can control - selling non-core assets at reasonable prices, reducing debt, and increasing operating efficiencies in both corporate and production activity. He is building additional upside with the $2–3 billion of annual discretionary capital spending that management projects should deliver strong returns on capital, even without higher commodity prices. The company's 4.8 million net developed acres and 7.5 million undeveloped acres of oil and gas fields cannot be replicated.

CONSOL Energy posted a negative 18% return in the quarter. Over half of our appraisal is attributable to the company's gas reserves in the Marcellus and Utica shale plays. To monetize gas production value, Executive Chairman Brett Harvey and CEO Nick Deluliis successfully completed an initial public offering (IPO) for a midstream Master Limited Partnership (MLP) at metrics above both our appraisal and the projected price in the recent quarter. Approximately 40% of our appraisal is in CONSOL's coal assets. As the low-cost producer in Appalachia due to its use of long wall mining methods, the company plans to shift more of its met coal sales to domestic customers – a competitive move that will pressure overleveraged, high cost producers. The company's variety of assets, including the

The recent quarter performance set back is temporary and not indicative of our future opportunity.

Partners Fund Management Discussion

Baltimore port terminal, provides multiple options for gaining value recognition without reliance on commodity price increases.

Over the last three months, Murphy Oil declined 14%. CEO Roger Jenkins made value accretive moves, announcing sales of its U.K. downstream assets and of 30% of the company's Malaysian assets at a price above our appraisal. Moreover, Jenkins built value by repurchasing shares as they became more discounted, a move that he properly viewed as buying their proven barrels of oil for much less than it would cost to drill new wells or buy other plays.

For the YTD period Loews was the Fund's primary performance detractor, down 13% after a 5% decline in the quarter. The stock fell because of pressure on its energy-related investments in Diamond Offshore, the drilling company, and to a lesser degree, Boardwalk Pipeline. Loews recently announced the sale of Highmount Exploration and Production in line with our anticipated price. Through the last reported period in July, the company aggressively repurchased shares.

We initiated four new positions in the quarter: McDonald's Corporation, Scripps Networks Interactive, Vivendi, and Franklin Resources. Poor U.S. comps, food quality issues at McDonald's China supplier, minimum wage pressure in the U.S., Russian challenges, and European macro concerns pressured the stock and enabled us to own the company's valuable real estate and dominant breakfast business at a discount. Scripps, a multi-year holding in our Small-Cap Fund, owns various channels, including 100% of HGTV and 69% of The Food Network. Its market capitalization has grown enough for us to own this company in the Partners Fund, and our appraisal has kept pace so that the attractive discount remains. French company Vivendi consists of two key businesses – Universal Music Group, the world's largest record label, and Canal+ Group, France's biggest pay-TV operator. The recent sale of Vivendi's Brazilian broadband business, GVT (Global Village Telecom), highlights Chairman and 5% owner Vincent Bolloré's focus on creating value for shareholders. Southeastern has invested in Vivendi successfully twice before, and the company's focus, asset quality, and management team has grown even stronger. We have owned the mutual fund distribution firm Franklin Resources several times and re-initiated a position in the company as the recent market turmoil helped drive its price to a discount. We did not exit any position during the quarter but trimmed several as their prices and position weights grew.

The combination of price declines, value growth, and portfolio transactions helped improve the price-to-value ratio (P/V) from the mid-80s% to the high-70s%. The Fund's cash position also declined to a stated 14% but an effective 9% when considering options in the portfolio. In our opinion, we own strong businesses and have capable management partners who are driving value growth. We will continue to exercise discipline and patience as we search for additional qualifying opportunities. As the Fund's largest shareholder group, we are confident that the recent quarter performance setback is temporary and not indicative of our future opportunity.

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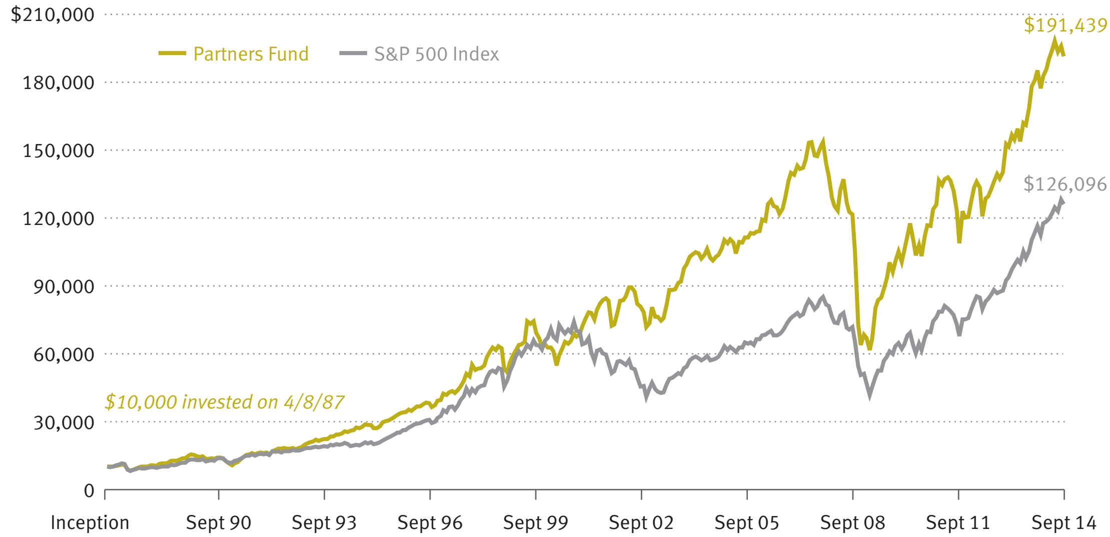
Performance History

Comparison of Change in Value of $10,000 Investment Since Inception April 8, 1987



Average Annual Returns for the Periods Ended September 30, 2014

	Since Inception 4/8/87	20 Year	15 Year	Ten Year	Five Year	One Year	YTD
Partners Fund	**11.34%**	**9.99%**	**7.70%**	**6.40%**	**13.83%**	**13.48%**	**3.41%**
S&P 500 Index	9.65	9.59	4.87	8.11	15.70	19.73	8.34

The index is unmanaged. Because the S&P 500 Index was available only at month-end in 1987, we used the 3/31/87 value for performance since inception. 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. The 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 may be more volatile than those of larger companies.

The December 31, 2013 total expense ratio for the Partners Fund is 0.92%. The expense ratio is subject to fee waiver to the extent normal annual operating expenses exceed 1.50% of average annual net assets.

Portfolio Summary

Portfolio Holdings at September 30, 2014

		Net Assets
Investments		85.7%
Level 3 Communications, Inc.	8.6	
Loews Corporation	7.2	
Cheung Kong Holdings Limited	7.0	
Koninklijke Philips N.V.	6.4	
FedEx Corporation	6.2	
Chesapeake Energy Corporation (Common & Preferred)	6.0	
CONSOL Energy Inc.	5.5	
Mondelez International, Inc.	4.8	
Berkshire Hathaway Inc.	4.7	
Abbott Laboratories	4.6	
Vivendi S.A.	4.6	
McDonald's Corporation	4.0	
The Bank of New York Mellon Corporation	4.0	
The Travelers Companies, Inc.	3.8	
Murphy Oil Corporation	3.7	
Scripps Networks Interactive, Inc.	2.5	
Aon plc (Common & Options)	1.5	
Franklin Resources, Inc.	0.6	
Cash Reserves Net of Other Assets and Liabilities		14.3
		100.0%

Fund holdings are subject to change and holding discussions are not recommendations to buy or sell any security.

Portfolio Changes January 1, 2014 through September 30, 2014

New Holdings	Quarter
Franklin Resources, Inc.	3Q
McDonald's Corporation	3Q
Scripps Networks Interactive, Inc. – Class A	3Q
Vivendi S.A.	3Q
Eliminations	
DIRECTV	1Q
Seventy Seven Energy Inc. (Chesapeake Energy Corporation)[(a)]	3Q
Vulcan Materials Company	1Q

[(a)] *Resulting from corporate action (associated holding)*

Portfolio of Investments

Common Stock

	Share Quantity	Market Value	% of Net Assets
Air Freight & Logistics			
FedEx Corporation	3,091,780	$ 499,167,881	6.2%
Capital Markets			
The Bank of New York Mellon Corporation	8,181,331	316,862,950	4.0
Franklin Resources, Inc.	935,100	51,065,811	0.6
		367,928,761	4.6
Diversified Financial Services			
Berkshire Hathaway Inc. – Class B*	2,740,320	378,547,805	4.7
Diversified Telecommunication Services			
Level 3 Communications, Inc.*(b)	15,026,565	687,164,817	8.6
Vivendi S.A. (Foreign)	15,284,700	369,120,109	4.6
		1,056,284,926	13.2
Food Products			
Mondelez International, Inc. – Class A	11,269,500	386,149,418	4.8
Health Care Equipment & Supplies			
Abbott Laboratories	8,878,087	369,239,638	4.6
Hotels, Restaurants, & Leisure			
McDonald's Corporation	3,410,000	323,302,100	4.0
Industrial Conglomerates			
Koninklijke Philips N.V. (Foreign)	13,374,100	426,782,661	5.3
Koninklijke Philips N.V. ADR (Foreign)	2,734,493	86,710,773	1.1
		513,493,434	6.4
Insurance			
Aon plc (Foreign)	774,841	67,930,310	0.8
Loews Corporation	13,853,000	577,115,980	7.2
The Travelers Companies, Inc.	3,190,885	299,751,737	3.8
		944,798,027	11.8
Media			
Scripps Networks Interactive, Inc. – Class A	2,556,465	199,634,352	2.5
Oil, Gas & Consumable Fuels			
Chesapeake Energy Corporation	18,608,927	427,819,232	5.3
CONSOL Energy Inc.(b)	11,692,000	442,659,120	5.5
Murphy Oil Corporation	5,178,829	294,727,158	3.7
		1,165,205,510	14.5
Real Estate Management & Development			
Cheung Kong Holdings Limited (Foreign)	34,067,000	561,140,177	7.0
Total Common Stocks (Cost $5,113,618,601)		6,764,892,029	84.3

continued

Preferred Stock

	Share Quantity	Market Value	% of Net Assets
Oil, Gas & Consumable Fuels			
Chesapeake Energy Corporation Convertible Preferred Stock 5.75%	10,000	$ 11,118,750	0.2%
Chesapeake Energy Corporation Convertible Preferred Stock – Series A 5.75%	35,480	39,449,325	0.5
Total Preferred Stocks (Cost $36,260,537)		50,568,075	0.7

Options Purchased

	Share Equivalents		
Insurance			
Aon plc Call, 9/30/15, with J.P. Morgan, Strike Price $80 (Foreign) (Cost $30,018,784)	5,303,672	57,385,731	0.7

Short-Term Obligations

	Principal Amount		
Repurchase Agreement with State Street Bank, 0.0% due 10/1/14, Repurchase price $467,830,000 (Collateral: $479,710,000 U.S. Treasury Notes, 2.12% – 2.15% due 6/30/21 to 9/30/21, Value $477,187,350)	467,830,000	467,830,000	5.8
U.S. Treasury Bills, 0.00% – 0.02% due 10/9/14 to 12/26/14	1,150,000,000	1,149,981,475	14.4
Total Short-Term Obligations (Cost $1,617,820,750)		1,617,811,475	20.2
Total Investments (Cost $6,797,718,672)[(a)]		**8,490,657,310**	**105.9**
Options Written		(3,288,276)	–
Other Assets and Liabilities, Net		(472,697,305)	(5.9)
Net Assets		**$8,014,671,729**	**100.0%**
Net asset value per share		**$ 34.90**	

* *Non-income producing security.*

(a) *Aggregate cost for federal income tax purposes is $6,808,244,353. Net unrealized appreciation of $1,692,938,638 consists of unrealized appreciation and depreciation of $1,707,516,539 and $(14,577,901), respectively.*

(b) *Affiliated issuer, as defined under Section 2(a)(3) of the Investment Company Act of 1940 (ownership of 5% or more of the outstanding voting securities of the issuer during the period).*

Note: Companies designated as "Foreign" are headquartered outside the U.S. and represent 20% of net assets.

Options Written

	Share Equivalents	Unrealized Gain	Market Value	% of Net Assets
Insurance				
Aon plc Put, 9/30/15, with J.P. Morgan, Strike Price $65 (Foreign) (Premiums received $22,858,826)	(5,303,672)	$19,570,550	$(3,288,276)	–%

Small-Cap Fund Management Discussion

Longleaf Partners Small-Cap Fund was down 0.8% in the quarter. The Fund performed well ahead of the Russell 2000's 7.4% decline due to strong returns in several stocks and our sizeable cash position. Year-to-date (YTD), the Fund returned 8.4%, versus the Index's loss of 4.4%. Over each longer-term period shown below, the Fund also surpassed the Index. Over the recent one and five years, Longleaf Small-Cap exceeded our absolute return goal of inflation plus 10%, as it did for the last 20 years.

Cumulative Returns at September 30, 2014

	Since Inception	25 Year	20 Year	15 Year	Ten Year	Five Year	One Year	YTD	3Q
Small-Cap Fund (Inception 2/21/89)	**1494.45%**	**1215.31%**	**993.98%**	**375.30%**	**180.86%**	**132.40%**	**14.47%**	**8.35%**	**-0.82%**
Russell 2000 Index	916.77	786.37	463.04	214.03	119.66	94.96	3.93	-4.41	-7.36

Average Annual Returns at September 30, 2014

	Since Inception	25 Year	20 Year	15 Year	Ten Year	Five Year	One Year
Small-Cap Fund (Inception 2/21/89)	**11.42%**	**10.86%**	**12.71%**	**10.95%**	**10.88%**	**18.37%**	**14.47%**
Russell 2000 Index	9.48	9.12%	9.03	7.93	8.19	14.29	3.93

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.

The December 31, 2013 total expense ratio for the 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.

Film studio DreamWorks Animation was the largest positive contributor in the quarter and among the largest YTD. We purchased the company in the third quarter when the stock sold at a discount following disappointing new releases. These short-term results provided the opportunity to own the valuable movie library and participate in DreamWorks' moves into TV and web content as well as licensing. We partnered with a strong board and owner-operator CEO Jeffrey Katzenberg. The holding gained 38% following reports that Japanese telecom/internet/media company Softbank was in discussions to acquire DreamWorks. While the deal was not completed, the discussions highlighted the value of the company's assets.

Vail Resorts also contributed positively in the quarter and YTD, up 13% and 17% respectively. Vail announced that it acquired Park City Mountain Resort in Utah, which when connected with Vail's Canyons Resort, will create the largest ski resort in the country. The acquisition increased our appraisal of Vail, and the stock price jumped on the news. Vail also reported strong ski pass sales and pricing for the coming ski season.

Fiber and networking company Level 3 Communications' 4% gain in the quarter took the YTD return to 38%. Level 3 had a strong quarter with EBITDA (earnings before interest, taxes, depreciation and amortization) up over 20%, organic revenues up 7%, and positive free cash flow. Even after its gain, the stock sells for a deep discount to our appraisal and is an overweight position. Following the second quarter announcement that Level 3 is buying tw telecom, the two stocks have traded similarly. tw telecom rose 3% in the quarter and was up 37% YTD.

Cement producer Texas Industries (TXI) remained the largest contributor for the year. Martin Marietta's all-stock deal to acquire TXI closed at the beginning of the third quarter. We sold the position as discussed in our report last quarter.

Global fertilizer and chemical producer OCI declined 21% in the third quarter and 31% for the year, making it the largest performance detractor for both periods. Natural gas is the primary component in nitrogen fertilizer production, and during the quarter, gas supply interruptions impacted OCI's two Egyptian plants, weighing on the short term stock price. Management anticipates that plant utilization will improve over the next year with several factors increasing gas supply: Egypt has begun to import liquid natural gas for the power sector, the cement industry is switching from natural gas to petroleum coke, and the major producers have begun to return to Egypt to ramp up exploration in the wake of a more stabilized government. We assume a continued low utilization rate of 50% in our appraisal, but even at this rate, the plants are cash flow positive. OCI's other plants around the world are operating at or near full capacity and benefiting from low cost gas and higher prices for Ammonia and Urea, two primary outputs. The long-term case for OCI remains compelling as the company is a low cost industry leader in nitrogen fertilizer, essential for world food production. In the next 12-18 months the company will have higher production and lower capex with the opening of a greenfield plant in Iowa and the completion of the Beaumont, Texas extension. The company is also building the largest methanol plant in the country in Texas. CEO Nassef Sawiris has built and monetized substantial value historically; specifically, he has added enormous value for our partners in the Small-Cap Fund through his work at Texas Industries. Most recently, he announced that in early 2015 OCI will separate the fertilizer and construction businesses to remove the conglomerate discount in the stock price.

An increase in interest rates in September negatively impacted the price of both our timber and real estate holding, Rayonier, and Empire State Realty Trust (ESRT), the NY metropolitan office and retail Real Estate Investment Trust (REIT). Rayonier declined 10% in the quarter. The company lowered 2014 guidance for its forest resources business due to weak Chinese demand that is likely to lower prices for Rayonier's Washington state and New Zealand timber. ESRT lost 8% in the quarter. Our appraisal, however, grew, as leasing at ESRT's Manhattan office properties was on track and the Empire State Building's observatory attendance remained strong.

Lower prices for small-cap stocks helped us identify a few more opportunities. We initiated two positions, including DreamWorks mentioned above, and added to several holdings. We sold Texas Industries and DineEquity (DIN), the IHOP/Applebee's franchisor, when each stock reached our appraisal. The Fund had held DIN since 1996 and made 821% or 13% annualized in the investment. CEO Julia Stewart successfully re-built the IHOP brand, but the purchase of Applebee's was ill-timed. DIN made it through the financial crisis and recession after the stock reached a low of $5.44. Ultimately, Stewart succeeded in the plan to sell company-owned units and convert Applebee's to a 99% franchise fee model while delivering on cost reductions and paying down debt. When the stock price rose to our $80 appraisal, we made our final sales. Our investment in DIN illustrates just how much stock prices and values can diverge, particularly in periods of broad fear. Our in-depth knowledge of the assets and our engaged work with management gave us the confidence to be patient through the short-term pressures that made us look wrong, and ultimately allowed us to realize a meaningful gain.

The price-to-value ratio has become more attractive in the mid-70s%.

With our purchases, net cash dropped from our post-TXI sale high of 47% to 36% over the last three months. Although we have found a few qualifiers, stock prices for small-cap names remain elevated and make it challenging to find companies that meet our deep discount requirement. Following sales of higher valued companies and recent new buys, the price-to-value ratio (P/V) has become more attractive in the mid-70s%. We have liquidity to take advantage of additional opportunities that come our way through either stock-specific situations or general market volatility. We will continue to be patient and adhere to our investment discipline.

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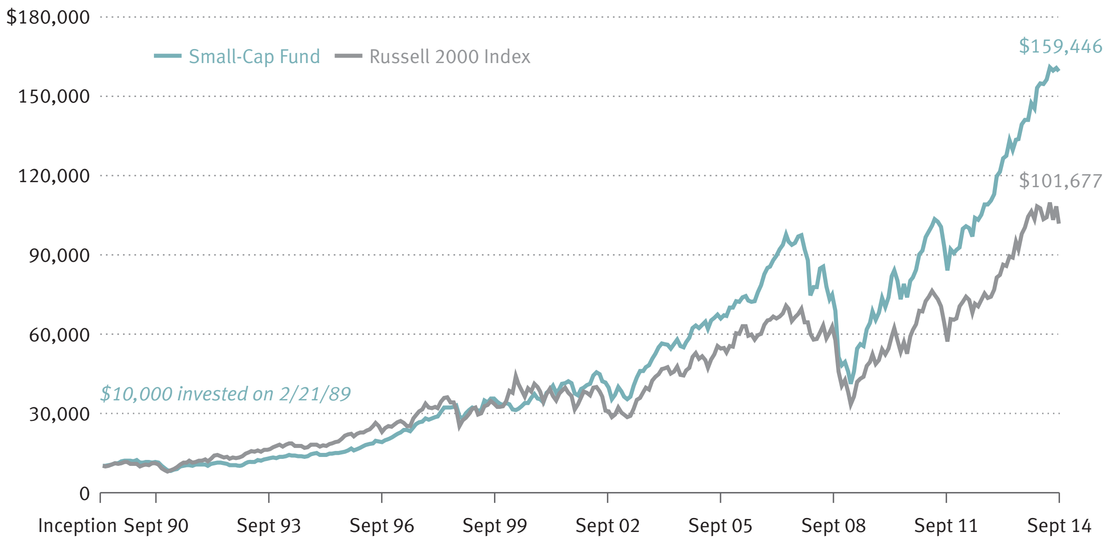
Performance History

Comparison of Change in Value of $10,000 Investment Since Inception February 21, 1989



Average Annual Returns for the Periods Ended September 30, 2014

	Since Inception 2/21/89	20 Year	15 Year	Ten Year	Five Year	One Year	YTD
Small-Cap Fund	**11.42%**	**12.71%**	**10.95%**	**10.88%**	**18.37%**	**14.47%**	**8.35%**
Russell 2000 Index	9.48	9.03	7.93	8.19	14.29	3.93	-4.41

The index is unmanaged. 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. The 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 December 31, 2013 total expense ratio for the 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.

Portfolio Summary

Portfolio Holdings at September 30, 2014

		Net Assets
Investments		63.6%
Level 3 Communications, Inc.	9.1	
Graham Holdings Company	6.9	
Rayonier Inc.	5.5	
Everest Re Group, Ltd.	5.4	
tw telecom inc.	5.1	
Vail Resorts, Inc.	4.9	
OCI N.V.	4.8	
Hopewell Holdings Limited	4.4	
Empire State Realty Trust, Inc.	4.2	
ViaSat, Inc.	3.9	
Scripps Networks Interactive, Inc.	3.7	
DreamWorks Animation SKG, Inc.	3.0	
Fairfax Financial Holdings Limited	2.4	
Deltic Timber Corporation	0.3	
Cash Reserves Net of Other Assets and Liabilities		36.4
		100.0%

Fund holdings are subject to change and holding discussions are not recommendations to buy or sell any security.

Portfolio Changes January 1, 2014 through September 30, 2014

New Holdings	Quarter
Deltic Timber Corporation	3Q
DreamWorks Animation SKG, Inc.	3Q
ViaSat, Inc.	2Q

Eliminations	
DineEquity, Inc.	3Q
Legg Mason, Inc.	1Q
Martin Marietta Materials, Inc.	1Q
Rayonier Advanced Materials (Rayonier Inc.)[a]	2Q
Texas Industries, Inc.	3Q
The Wendy's Company	1Q

[a] *Resulting from corporate action (associated holding)*

Portfolio of Investments

Common Stock

	Share Quantity	Market Value	% of Net Assets
Communications Equipment			
ViaSat, Inc.*(b)	3,054,635	$ 168,371,481	3.9%
Construction & Engineering			
OCI N.V.* (Foreign)	6,731,600	207,926,033	4.8
Diversified Consumer Services			
Graham Holdings Company – Class B(b)	428,000	299,424,520	6.9
Diversified Telecommunication Services			
Level 3 Communications, Inc.*	8,662,900	396,154,417	9.1
tw telecom inc.*	5,382,000	223,945,020	5.1
		620,099,437	14.2
Hotels, Restaurants & Leisure			
Vail Resorts, Inc.(b)	2,477,000	214,904,520	4.9
Industrial Conglomerates			
Hopewell Holdings Limited (Foreign)(b)	54,532,000	191,023,703	4.4
Insurance			
Everest Re Group, Ltd. (Foreign)	1,449,600	234,849,696	5.4
Fairfax Financial Holdings Limited (Foreign)	235,100	105,335,800	2.4
		340,185,496	7.8
Media			
DreamWorks Animation SKG, Inc.*(b)	4,785,426	130,498,567	3.0
Scripps Networks Interactive, Inc. – Class A	2,052,600	160,287,534	3.7
		290,786,101	6.7
Paper & Forest Products			
Deltic Timber Corporation	199,615	12,440,007	0.3
Real Estate Investment Trusts (REITs)			
Empire State Realty Trust, Inc. – Class A(b)	12,270,850	184,308,167	4.2
Rayonier Inc.(b)	7,627,921	237,533,460	5.5
		421,841,627	9.7
Total Common Stocks (Cost $2,068,736,465)		2,767,002,925	63.6

Options Purchased

	Currency Units		
Currency			
Hong Kong Dollar Put, 4/20/17, with BNP Paribas, Strike Price $7.77 (Foreign) (Cost $3,580,175)	189,210,080	2,122,369	–

continued

Short-Term Obligations

	Principal Amount	Market Value	% of Net Assets
Repurchase Agreement with State Street Bank, 0.0% due 10/1/14, Repurchase price $193,838,000 (Collateral: $199,325,000 U.S. Treasury Notes, 2.15% – 2.25% due 9/30/21 to 8/15/22, Value $197,717,726)	193,838,000	$ 193,838,000	4.5%
U.S. Treasury Bills, 0.00% – 0.01% due 10/2/14 to 12/18/14	1,400,000,000	1,399,979,718	32.2
Total Short-Term Obligations (Cost $1,593,820,951)		1,593,817,718	36.7
Total Investments (Cost $3,666,137,591)[(a)]		**4,362,943,012**	**100.3**
Other Assets and Liabilities, Net		(14,376,431)	(0.3)
Net Assets		**$4,348,566,581**	**100.0%**
Net asset value per share		**$ 35.17**	

* *Non-income producing security.*

(a) *Also represents aggregate cost for federal tax purposes. Net unrealized appreciation of $696,805,421 consists of unrealized appreciation and depreciation of $769,913,953 and $(73,108,532), respectively.*

(b) *Affiliated issuer, as defined under Section 2(a)(3) of the Investment Company Act of 1940 (ownership of 5% or more of the outstanding voting securities of the issuer during the period).*

Note: Companies designated as “Foreign” are headquartered outside the U.S. and represent 17% of net assets.

International Fund Management Discussion

Longleaf Partners International Fund declined 10.3% in the third quarter and 8.8% for the year-to-date (YTD). The Fund underperformed the MSCI EAFE Index's decline of 5.9% for the quarter and 1.4% YTD. Over the 15+ years since its start, Longleaf International has more than doubled the cumulative performance of the EAFE Index.

Cumulative Returns at September 30, 2014

	Since Inception	15 Year	Ten Year	Five Year	One Year	YTD	3Q
International Fund (Inception 10/26/98)	**257.63%**	**162.91%**	**58.34%**	**30.35%**	**-2.46%**	**-8.75%**	**-10.25%**
MSCI EAFE Index	109.67	76.80	84.52	37.41	4.25	-1.38	-5.88

Average Annual Returns at September 30, 2014

	Since Inception	15 Year	Ten Year	Five Year	One Year
International Fund (Inception 10/26/98)	**8.33%**	**6.66%**	**4.70%**	**5.44%**	**-2.46%**
MSCI EAFE Index	4.76	3.87	6.32	6.56	4.25

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.

The December 31,2013 total expense ratio for the International Fund is 1.27%. The expense ratios is subject to fee waiver to the extent normal annual operating expenses exceed 1.75% of average annual net assets.

Only a handful of names appreciated in a quarter when prices decoupled from values, as macro pressures and uncertainty weighed on many of our holdings. One factor that heavily impacted short-term performance of both the Fund and Index was the U.S. Dollar (USD) strengthening. Most currencies moved meaningfully lower against the USD, causing the translation of stock returns from local currencies into USD to negatively impact most of our holdings and accounting for approximately half of the Fund's decline. These short-term movements did not reflect the underlying operating performance of our businesses and did not impact our long-term appraisals. (The stock return figures cited below are shown in USD; local returns were higher.)

Vopak, the global leader in independent oil and chemical tank storage, added 11% in the period, making it the largest contributor in the quarter. This Netherlands-based company rebounded after reporting results in line with expectations and providing higher EBITDA (earnings before interest, taxes, depreciation, and amortization) guidance. One reason we were able to buy Vopak at a discount last year was that crude oil had been in an unusual period of backwardation, meaning the front end of the futures price curve was higher than the back end. In this environment, traders exit the market, and oil storage declines. In August, the oil futures' price curve returned to an upward slope or "contango," meaning the longer dated price is again higher than the front end price. Vopak benefited from an uptick in traders storing oil for future profit.

After a 2% gain in the quarter, Norwegian consumer goods company Orkla became the largest contributor YTD, adding 21%. The company's results beat sell side expectations with positive organic revenue growth from product innovation and marketing efforts. To offset rising raw material costs, Orkla increased prices in its food segment, highlighting the business' pricing power. The company is reorganizing its Confectionary and Snacks business under new management, and the recently announced bolt-on acquisition of NP Foods will double its presence in the Baltics and increase scale, pricing power, and negotiating ability. Management's disposal of non-core assets progressed with the initial public offering (IPO) of Granges aluminum just after quarter end.

Although Cheung Kong declined 7% in the third quarter, its 13% YTD return made this Hong Kong-based conglomerate a large contributor for the year. In the first half, Hong Kong property sales were strong, and management made several value-enhancing asset sales across multiple business lines as well as returned capital to shareholders. More recently, Cheung Kong's price was penalized amid protests and labor strikes in Hong Kong. Our appraisal remained intact. We are partnered with strong capital allocators who have not bought overpriced assets in China or Hong Kong. Cheung Kong's strong balance sheet positions management to buy discounted land in the event of a real estate correction.

Most holdings declined in the quarter. While we have limited direct exposure to companies based in emerging markets, top line exposure to developing regions impacted a number of our names. Our companies with exposure to China demand, whether directly as with Macau gaming or indirectly as with natural resources and luxury goods, came under more pressure with the Chinese government crackdown on corruption, civil unrest in Hong Kong, and more pervasive concerns about slowing economic growth. General instability in the Middle East and slower Latin American growth also negatively impacted segments at some of our holdings.

Macau gaming company Melco International fell alongside all Macau gaming stocks and was the largest detractor for the quarter and YTD, declining 22% and 36% respectively. A meaningful drop in VIP visitors led to lower revenues. The causes include China's crackdown on corruption causing wealthier people to keep a lower profile away from Macau, slower Chinese economic growth hurting property sales that boosted gambler credit, and liquidity challenges faced by junket operators who organize VIP visits and extend credit to them. Other pressures impacting the stocks are difficult to quantify, such as tighter transit visa requirements, wage inflation and labor unrest, UnionPay credit card restrictions, and a smoking ban starting in October. We met with all of Macau's casino operators in September. Our confidence in Macau's long-term attractiveness, and particularly Melco, remains high in spite of the negative news flow. Our appraisal already incorporated lower growth in both VIP and mass revenues than most sell-side analysts had previously assumed for the year. Over 80% of Melco's EBITDA comes from the mass, non-VIP segment that is still growing gross gaming revenue at 15%. This important mass market has margins several times higher than the margins on VIPs whose revenues are split with junket operators. 100% hotel occupancy also has limited growth this year, but new hotel inventory, projected to increase over 50% in the next three years, should expand visitation, as should the new Hong Kong–Macau bridge that will allow passengers at the Hong Kong airport to arrive in Macau in half an hour. Melco has a near-term supply advantage with its Studio City casino and hotel opening in 3Q 2015. Despite analyst downgrades on Macau gaming stocks, Melco is estimated to have high EBITDA growth in 2015 and 2016. The company began repurchasing shares in Melco Crown in September, and our partner, CEO Lawrence Ho, has bought more stock personally in the last five months.

Cement maker Lafarge declined 16% in the quarter following weak emerging market results, due in part to currency moves. Additionally, the stock pulled back after its initial surge on the announcement of the Holcim merger. The company's geographic diversity and our already conservative growth assumptions helped our appraisal remain steady. Slower volume growth in a few markets, such as Latin America, Western Europe, and Eastern Europe, was offset by solid demand in North America, Asia, and the U.K., as well as strong

Competitively positioned businesses, strong balance sheets, and capable management partners give us confidence in the longer-term prospects.

International Fund Management Discussion

pricing in most markets. The planned merger with Holcim should be completed in 2015, providing upside opportunity through over €1 billion in cost savings and synergies. CEO Bruno Lafont has enhanced the company's value by divesting a number of plants at attractive prices as he moves to meet anticipated antitrust requirements.

The Hong Kong property company K. Wah International declined 18% in the quarter, erasing earlier gains and taking the YTD return to a 15% decline. The Macau gaming concerns that affected Melco also negatively impacted K. Wah because of its 3.9% stake in Galaxy Entertainment, one of the six operators licensed in Macau. Slower sales of K. Wah's luxury China properties driven by the government-imposed slowdown were somewhat offset by mass market property sales in Hong Kong. Management opportunistically bought attractively priced land in urban Hong Kong at a discount to subsequent land auctions in the same area.

Global fertilizer and chemical producer OCI declined 21% in the third quarter and 32% for the year. Natural gas is the primary component in nitrogen fertilizer production, and during the quarter, gas supply interruptions impacted OCI's two Egyptian plants, weighing on the short term stock price. Management anticipates that plant utilization will improve over the next year with several factors increasing gas supply: Egypt has begun to import liquid natural gas for the power sector, the cement industry is switching from natural gas to petroleum coke, and the major producers have begun to return to Egypt to ramp up exploration in the wake of a more stabilized government. We assume a continued low utilization rate of 50% in our appraisal, but even at this rate, the plants are cash flow positive. OCI's other plants around the world are operating at or near full capacity and benefitting from low cost gas and higher prices for Ammonia and Urea, two primary outputs. The long-term case for OCI remains compelling as the company is a low cost industry leader in nitrogen fertilizer, essential for world food production. In the next 12-18 months the company will have higher production and lower capex with the opening of a greenfield plant in Iowa and the completion of the Beaumont, Texas extension. The company is also building the largest methanol plant in the country in Texas. CEO Nassef Sawiris has built and monetized substantial value historically; specifically, he has added enormous value for our partners in the International Fund through his work at Lafarge. Most recently, he announced that in early 2015 OCI will separate the fertilizer and construction businesses to remove the conglomerate discount in the stock price.

In the quarter we bought two new businesses, adidas and Vivendi, and added to several discounted positions. German-based adidas is among the top global sportswear and sports equipment brands. Short-term currency moves, concerns over its business in Russia, and management's postponing 2015 margin targets gave us the opportunity to buy this world class brand at a discount. Management recently announced plans to repurchase up to €1.5 billion – over 10% of shares – and to return capital via a dividend. French company Vivendi consists of two key businesses – Universal Music Group, the world's largest record label, and Canal+ Group, France's biggest pay-TV operator. The recent sale of Vivendi's Brazilian broadband business, GVT (Global Village Telecom), highlights Chairman and 5% owner Vincent Bolloré's focus on creating value for shareholders. Southeastern has invested in Vivendi successfully twice before, and the company's focus, asset quality, and management team has grown even stronger.

To fund our purchases, we trimmed several appreciated stocks and sold Guinness Peat, Hochtief, and Vodafone in the quarter. These exits highlight our long-held investment discipline of selling more fully valued and/or lesser quality names to position the portfolio in businesses with a larger margin of safety and higher expected value growth.

As the Fund's largest shareholders, we feel the discomfort of our recent performance. However, our competitively positioned businesses, strong balance sheets, and capable management partners give us confidence in the longer-term prospects for the portfolio. The Fund ended the quarter with a price-to-value ratio (P/V) in the high-60s%, and we have a robust on-deck list of potential new qualifiers around the world.

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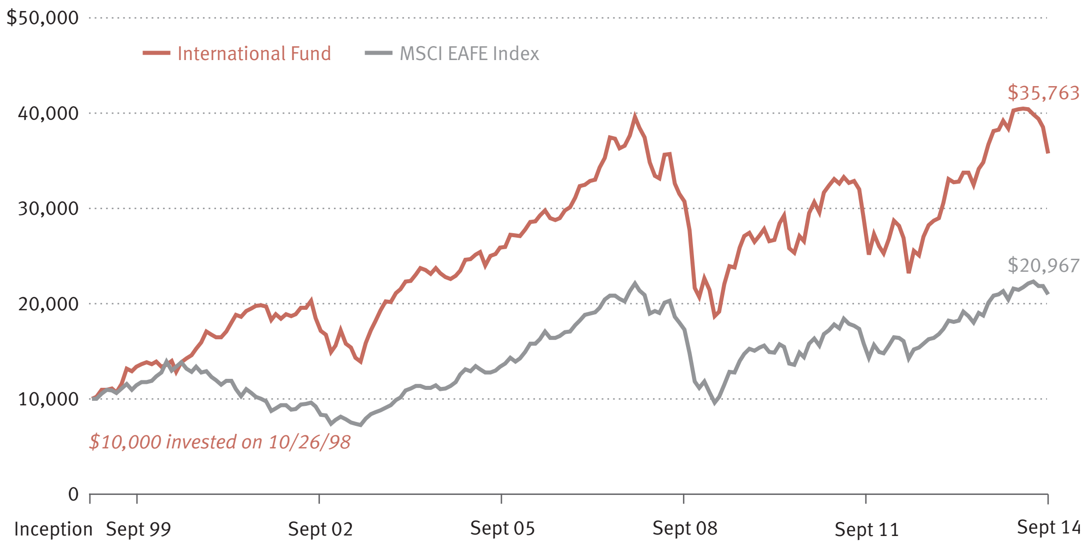
Performance History

Comparison of Change in Value of $10,000 Investment Since Inception October 26, 1998



Average Annual Returns for the Periods Ended September 30, 2014

	Since Inception 10/26/98	15 Year	Ten Year	Five Year	One Year	YTD
International Fund	**8.33%**	**6.66%**	**4.70%**	**5.44%**	**-2.46%**	**-8.75%**
MSCI EAFE Index	4.76	3.87	6.32	6.56	4.25	-1.38

The index is unmanaged. Because the MSCI EAFE was available only at month-end in 1998, we used the 10/31/98 value for performance since inception. 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. The 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.

The December 31, 2013 total expense ratio for the International Fund is 1.27%. The expense ratios is subject to fee waiver to the extent normal annual operating expenses exceed 1.75% of average annual net assets.

Portfolio Summary

Portfolio Holdings at September 30, 2014

		Net Assets
Investments		97.1%
Lafarge S.A.	7.2	
EXOR S.p.A.	7.0	
Cheung Kong Holdings Limited	6.7	
Melco International Development Limited	6.6	
Koninklijke Philips N.V.	5.5	
K. Wah International Holdings Limited	5.4	
News Corporation	4.9	
adidas AG	4.7	
Genting Berhad (Common & Warrants)	4.7	
Christian Dior S.A.	4.6	
OCI N.V.	4.5	
Vivendi S.A.	4.5	
Orkla ASA	4.4	
BR Properties S.A.	4.4	
Colt Group S.A.	4.4	
Koninklijke Vopak N.V.	4.1	
Mineral Resources Limited	3.7	
Manabi S.A. (Preferred)	3.5	
Ferrovial S.A.	3.3	
Iida Group Holdings Company Limited	2.9	
Fairfax Financial Holdings Limited	0.1	
Cash Reserves Net of Other Assets and Liabilities		2.9
		100.0%

Fund holdings are subject to change and holding discussions are not recommendations to buy or sell any security.

Portfolio Changes January 1, 2014 through September 30, 2014

New Holdings	Quarter
adidas AG	3Q
BR Properties S.A.	1Q
Christian Dior S.A.	1Q
Colt Group S.A.	2Q
Iida Group Holdings Company Limited	2Q
Koninklijke Vopak N.V.	1Q
Mineral Resources Limited	1Q
Vivendi S.A.	3Q

Eliminations	
ACS, Actividades de Construccion Y Servicios, S.A.	1Q
CNH Industrial N.V.	1Q
Guinness Peat Group Plc	3Q
Hochtief AG	3Q
Nitori Holdings Co., Ltd	1Q
TNT Express NV	2Q
UGL Limited	2Q
Verizon Communications Inc. (Vodafone Group plc ADR)[a]	1Q
Vodafone Group plc ADR	3Q

[a] *Resulting from corporate action (associated holding)*

Portfolio of Investments

Common Stock

	Share Quantity	Market Value	% of Net Assets
Commercial Services & Supplies			
Mineral Resources Limited (Australia)	7,965,822	$ 60,677,895	3.7%
Construction & Engineering			
Ferrovial S.A. (Spain)	2,739,147	53,123,669	3.3
OCI N.V.* (Netherlands)	2,393,157	73,919,966	4.5
		127,043,635	7.8
Construction Materials			
Lafarge S.A. (France)	1,624,691	117,009,436	7.2
Diversified Financial Services			
EXOR S.p.A. (Italy)	2,946,277	114,393,234	7.0
Diversified Telecommunication Services			
Colt Group S.A.* (United Kingdom)	32,870,900	71,246,483	4.4
Vivendi S.A. (France)	3,027,700	73,117,886	4.5
		144,364,369	8.9
Food Products			
Orkla ASA (Norway)	7,985,900	72,217,719	4.4
Hotels, Restaurants & Leisure			
Genting Berhad (Malaysia)	15,896,500	45,986,217	2.8
Melco International Development Limited (Hong Kong)	46,756,700	108,147,657	6.6
		154,133,874	9.4
Household Durables			
Iida Group Holdings Company Limited (Japan)	3,903,100	47,758,926	2.9
Industrial Conglomerates			
Koninklijke Philips N.V. (Netherlands)	2,828,182	90,250,487	5.5
Insurance			
Fairfax Financial Holdings Limited (Canada)	3,545	1,588,326	0.1
Media			
News Corporation – Class A* (United States)	467,300	7,640,355	0.4
News Corporation – Class B* (United States)	4,539,100	73,215,683	4.5
		80,856,038	4.9
Oil, Gas & Consumable Fuels			
Koninklijke Vopak N.V. (Netherlands)	1,251,290	67,524,743	4.1
Real Estate Management & Development			
BR Properties S.A. (Brazil)	13,682,900	72,110,881	4.4
Cheung Kong Holdings Limited (Hong Kong)	6,703,000	110,409,564	6.7
K. Wah International Holdings Limited[b] (Hong Kong)	158,268,661	88,460,948	5.4
		270,981,393	16.5

continued

Common Stock

	Share Quantity	Market Value	% of Net Assets
Textiles, Apparel & Luxury Goods			
adidas AG (Germany)	1,028,839	$ 76,994,317	4.7%
Christian Dior S.A. (France)	443,985	74,415,280	4.6
		151,409,597	9.3
Total Common Stocks (Cost $1,411,185,265)		1,500,209,672	91.7

Preferred Stock

	Share Quantity	Market Value	% of Net Assets
Metals & Mining			
Manabi S.A. – Class A Preferred*[b][c] (Brazil) (Cost $90,630,186)	91,000	56,713,178	3.5

Warrants

	Share Quantity	Market Value	% of Net Assets
Hotels, Restaurants & Leisure			
Genting Berhad Warrants 12/18/18* (Malaysia) (Cost $29,512,850)	34,998,950	30,939,477	1.9

Options Purchased

	Currency Units	Market Value	% of Net Assets
Currency			
Hong Kong Dollar Put, 4/20/17, with BNP Paribas, Strike Price $7.77 (Hong Kong) (Cost $3,915,343)	207,323,218	2,325,545	0.1

Short-Term Obligations

	Principal Amount	Market Value	% of Net Assets
Repurchase Agreement with State Street Bank, 0.0% due 10/1/14, Repurchase price $40,009,000 (Collateral: $40,810,000 U.S. Treasury Note, 2.12% due 6/30/21, Value $40,810,000)	40,009,000	40,009,000	2.5
Total Investments (Cost $1,575,252,644)[a]		**1,630,196,872**	**99.7**
Other Assets and Liabilities, Net		5,479,731	0.3
Net Assets		**$1,635,676,603**	**100.0%**
Net asset value per share		**$ 16.37**	

* *Non-income producing security.*

(a) *Aggregate cost for federal income tax purposes is $1,575,707,482. Net unrealized appreciation of $54,944,228 consists of unrealized appreciation and depreciation of $180,377,951 and $(125,433,723), respectively.*

(b) *Affiliated issuer, as defined under Section 2(a)(3) of the Investment Company Act of 1940 (ownership of 5% or more of the outstanding voting securities of the issuer during the period).*

(c) *Illiquid. Board Valued.*

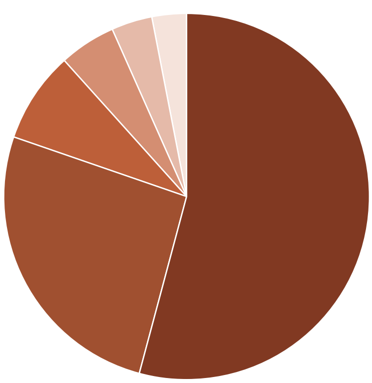
Note: Country listed in parenthesis after each company indicates location of headquarters.

Portfolio of Investments

Country Weightings

	Stocks & Warrants	Net Assets
Hong Kong	19.3%	18.7%
France	16.7	16.3
Netherlands	14.6	14.1
Brazil	8.1	7.9
Italy	7.2	7.0
United States	5.1	4.9
Germany	4.8	4.7
Malaysia	4.8	4.7
Norway	4.6	4.4
United Kingdom	4.5	4.4
Australia	3.8	3.7
Spain	3.4	3.3
Japan	3.0	2.9
Canada	0.1	0.1
	100.0%	97.1
All other, net		2.9
		100.0%

Regional Weightings



Region	Net Assets
Europe	54.2%
Asia	26.3
South America	7.9
North America	5.0
Australia	3.7
Cash & Other	2.9

Fund holdings are subject to change and holding discussions are not recommendations to buy or sell any security.

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Global Fund Management Discussion

Longleaf Partners Global Fund declined 7.6% in the quarter, taking year-to-date (YTD) results to a 2.8% decline and trailing the MSCI World Index's returns of -2.2% and 3.9% in the same periods. This short-term decline negatively impacted the Fund's returns over its 21 month history. We believe the portfolio is well positioned for strong future performance.

Cumulative Returns at September 30, 2014

	Since Inception	One Year	YTD	3Q
Global Fund (Inception 12/27/12)	**24.80%**	**6.12%**	**-2.80%**	**-7.62%**
MSCI World Index	31.83	12.20	3.89	-2.16

Average Annual Returns at September 30, 2014

	Since Inception	One Year
Global Fund (Inception 12/27/12)	**13.42%**	**6.12%**
MSCI World Index	17.04	12.20

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

The December 31, 2013 total expense ratio for the Global Fund is 1.73% before limitation. The total expense ratio per the 6/30/14 semi-annual report is 1.58% The Fund's expense ratio is subject to fee waiver to the extent normal annual operating expenses exceed 1.65% of average annual net assets.

Fiber and networking company Level 3 Communications' 4% gain in the quarter took YTD return to 38%, making the company the largest contributor for both periods. Level 3 had a strong quarter, with EBITDA (earnings before interest, taxes, depreciation, and amortization) up over 20%, organic revenues up 7%, and positive free cash flow. The company's purchase of tw telecom, announced in the second quarter, remains on track to close in the fourth quarter. Even after its gain, the stock sells for a deep discount to our appraisal and is an overweight position.

Vopak, the global leader in independent oil and chemical tank storage, added 10% in the period, making it one of the largest contributors in the quarter. This Netherlands-based company rebounded after reporting results in line with expectations and providing higher EBITDA guidance. One reason we were able to buy Vopak at a discount last year was that crude oil had been in an unusual period of backwardation, meaning the front end of the futures price curve was higher than the back end. In this environment, traders exit the market, and oil storage declines. In August, the oil futures price curve returned to an upward slope or "contango," meaning the longer dated price is again higher than the front end price. Vopak benefited from an uptick in traders storing oil for future profit.

Bank of New York Mellon (BK) gained 3% in the quarter and 11% YTD. The asset management business grew steadily along with the markets, but low market volatility and low rates this year have hampered revenue growth in asset services. The company emphasized the substantial earnings power that modest interest rate increases will create as money market fee waivers will end and net interest margins will expand.

Prices remain more compelling outside of the U.S. due to more disruptions and broader uncertainty.

During the quarter, BK repurchased almost 1% of outstanding shares, approximately one-third of the total buyback approved by the Federal Reserve.

The majority of holdings declined in the quarter, as prices decoupled sharply from long-term business values amid global macro fears, including lower energy prices, a weak European economy, slower growth in China, and heightened geopolitical turmoil in Russia, Ukraine, the Middle East, and very recently, Hong Kong. While we have limited direct exposure to companies based in emerging markets, top line exposure to developing regions impacted a number of our names. Our companies with exposure to China demand, whether directly as with Macau gaming or indirectly as with natural resources, came under more pressure with the Chinese government crackdown on corruption, civil unrest in Hong Kong, and more pervasive concerns about slowing economic growth. General instability in the Middle East and slower Latin American growth also negatively impacted segments at some of our holdings. Another factor that negatively impacted short-term performance was the U.S. Dollar (USD) strengthening. Most currencies moved meaningfully lower against the USD, causing the translation of the stock returns of our international names from local currencies into USD to negatively impact most of our foreign holdings and accounting for approximately 40% of the Fund's decline. These short-term movements did not reflect the underlying operating performance of our businesses and did not impact our long-term appraisals. (The stock return figures cited in this report are shown in USD; local returns were higher.)

Macau gaming company Melco International fell alongside all Macau gaming stocks and was the largest detractor for the quarter and YTD, declining 22% and 36% respectively. There has been a meaningful drop in VIP revenues. The causes include China's crackdown on corruption causing wealthier people to keep a lower profile away from Macau, slower Chinese economic growth hurting property sales that boosted gambler credit, and liquidity challenges faced by junket operators who organize VIP visits and extend credit to them. Other pressures impacting the stocks are difficult to quantify, such as tighter transit visa requirements, wage inflation and labor unrest, UnionPay credit card restrictions, and a smoking ban starting in October. We met with all of Macau's casino operators in September. Our confidence in Macau's long term attractiveness, and particularly Melco, remains high in spite of the negative news flow. Our appraisal already incorporated lower growth in both VIP and mass revenues than most sell-side analysts had previously assumed for the year. Over 80% of Melco's EBITDA comes from the mass, non-VIP segment that is still growing gross gaming revenue at 15%. This important mass market has margins several times higher than the margins on VIPs whose revenues are split with junket operators. 100% hotel occupancy also has limited growth this year, but new hotel inventory, projected to increase over 50% in the next three years, should expand visitation, as should the new Hong Kong–Macau bridge that will allow passengers at the Hong Kong airport to arrive in Macau in half an hour. Melco has a near-term supply advantage with its Studio City casino and hotel opening in 3Q 2015. Despite analyst downgrades on Macau gaming stocks, Melco is estimated to have high EBITDA growth in 2015 and 2016. The company began repurchasing shares in Melco Crown in September, and our partner, CEO Lawrence Ho, has bought more stock personally in the last five months.

The energy sector fell 9.5% in the MSCI World Index as oil declined 13% and U.S. natural gas dropped 7%. Our appraisals of our energy-related holdings did not fall in spite of large stock declines, because our models already incorporated lower commodity prices based on the futures curve pricing and the marginal cost of production in our various plays. Chesapeake fell 21% in the quarter. Well costs declined, capex remained on plan, and the company moved production estimates up slightly. During the two year tenure of the new board, balance sheet leverage has been reduced by $6 billion, primarily from noncore asset sales. CEO Doug Lawler is driving value recognition in ways he can control - selling non-core assets at reasonable prices,

Global Fund Management Discussion

reducing debt, and increasing operating efficiencies in both corporate and production activity. He is building additional upside with the $2–3 billion of annual discretionary capital spending that management projects should deliver strong returns on capital, even without higher commodity prices. The company's 4.8 million net developed acres and 7.5 million undeveloped acres of oil and gas fields cannot be replicated.

Global fertilizer and chemical producer OCI declined 21% in the third quarter and 32% for the year. Natural gas is the primary component in nitrogen fertilizer production, and during the quarter, gas supply interruptions impacted OCI's two Egyptian plants, weighing on stock price in the short term. Management anticipates that plant utilization will improve over the next year with several factors increasing gas supply: Egypt has begun to import liquid natural gas for the power sector, the cement industry is switching from natural gas to petroleum coke, and the major producers have begun to return to Egypt to ramp up exploration in the wake of a more stabilized government. We assume a continued low utilization rate of 50% in our appraisal, but even at this rate, the plants are cash flow positive. OCI's other plants around the world are operating at or near full capacity and benefiting from low cost gas and higher prices for Ammonia and Urea, two primary outputs. The long-term case for OCI remains compelling as the company is a low cost industry leader in nitrogen fertilizer, essential for world food production. In the next 12-18 months the company will have higher production and lower capex with the opening of a greenfield plant in Iowa and the completion of the Beaumont, Texas extension. The company is also building the largest methanol plant in Texas. CEO Nassef Sawiris has built and monetized substantial value historically; specifically, he has added enormous value for our partners in the Global Fund through his work at Lafarge. Most recently, he announced that in early 2015 OCI will separate the fertilizer and construction businesses to remove the conglomerate discount in the stock price.

The Hong Kong property company K. Wah International declined 19% in the quarter and for the YTD. The Macau gaming concerns that affected Melco also negatively impacted K. Wah because of its 3.9% stake in Galaxy Entertainment, one of the six operators licensed in Macau. Slower sales of K. Wah's luxury China properties driven by the government-imposed slowdown were somewhat offset by mass market property sales in Hong Kong. Management opportunistically bought attractively priced land in urban Hong Kong at a discount to subsequent land auctions in the same area.

Mineral Resources (MIN AU), an Australian based mining services company, declined 16% in the last three months and 24% since we initiated the position in the second quarter. MIN AU declined alongside the price of iron ore, which plummeted in response to increased supply from major industry players and lower demand from China. Although MIN AU does own some mines, its core business of iron ore crushing and services depends on volume rather than the commodity price. We believe that MIN AU's crushing business will grow as large Australian miners ramp up low cost production at the expense of higher cost competitors. MIN AU's advantage lies in providing crushing services at substantially lower operating and capital costs than miners can achieve themselves. The strength of MIN AU's business is evident in its 20% return on equity (ROE) and its pricing power – the company has not lowered prices for services in 20 years.

In the quarter we bought several new positions including adidas, Vivendi, and Lafarge, taking the total number of new positions for the year to nine. German-based adidas is among the top global sportswear and sports equipment brands. Short-term currency moves, concerns over its business in Russia, and management's postponing 2015 margin targets gave us the opportunity to buy this world class brand at a discount. Management recently announced plans to repurchase up to €1.5 billion – over 10% of shares – and to return capital via a dividend. French company Vivendi consists of two key businesses – Universal Music Group, the world's largest record label, and Canal+ Group, France's biggest pay-TV operator. The recent sale of Vivendi's Brazilian broadband business, GVT

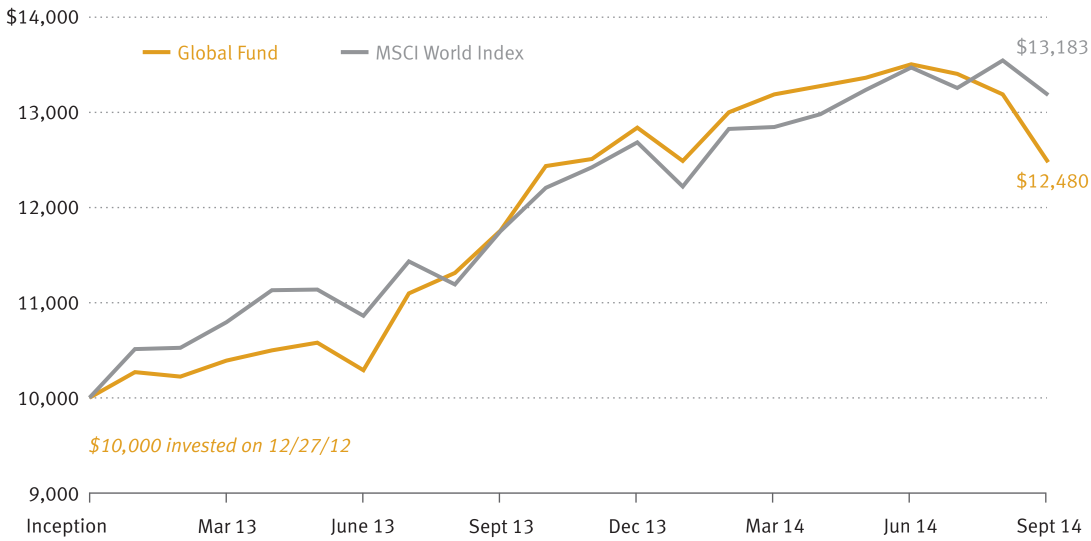
(Global Village Telecom), highlights Chairman and 5% owner Vincent Bolloré's focus on creating value for shareholders. Southeastern has invested in Vivendi successfully twice before, and the company's focus, asset quality, and management team has grown even stronger. Lafarge, the French cement company with global operations, fell with currency and emerging market pressures. The company plans to merge with Holcim in 2015, creating the world's largest cement producer. Chairman Nassef Sawiris (also CEO at OCI) and CEO Bruno Lafont have created substantial value for shareholders.

We exited a number of small positions that we could not add to as the Fund grew because their prices had risen beyond our required discount. Additionally, our sales of Bank of New York Mellon and Guinness Peat Group highlight our long-held investment discipline of selling more fully valued and/or lesser quality names to position the portfolio in businesses with a larger margin of safety and higher expected value growth.

The Fund ended the quarter with a price-to-value ratio (P/V) in the low-70s% and cash below 3%. Overall, prices remain more compelling outside of the U.S. due to more disruptions and broader uncertainty. This geographic discrepancy is evident in our on-deck list, our new purchases, and our lower-than-normal U.S. weight in the portfolio. We will continue to opportunistically take advantage of short term market volatility around the world. As the Fund's largest shareholders, we feel the discomfort of our recent performance. However, our competitively positioned businesses, strong balance sheets, and capable management partners give us confidence in the longer-term prospects for the portfolio.

Performance History

Comparison of Change in Value of $10,000 Investment Since Inception December 27, 2012



Average Annual Returns for the Periods Ended September 30, 2014

	Since Inception 12/27/12	One Year	YTD
Global Fund	**13.42%**	**6.12%**	**-2.80%**
MSCI World Index	17.04	12.20	3.89

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

The December 31, 2013 total expense ratio for the Global Fund is 1.73% before limitation. The total expense ratio per the 6/30/14 semi-annual report is 1.58% The Fund's expense ratio is subject to fee waiver to the extent normal annual operating expenses exceed 1.65% of average annual net assets.

Portfolio Summary

Portfolio Holdings at September 30, 2014

		Net Assets
Investments		97.2%
Level 3 Communications, Inc.	10.5	
Cheung Kong Holdings Limited	6.5	
Koninklijke Philips N.V.	6.4	
Melco International Development Limited	6.4	
EXOR S.p.A.	6.0	
Vodafone Group plc ADR	4.8	
Loews Corporation	4.7	
News Corporation	4.7	
Genting Berhad (Common & Warrants)	4.6	
Chesapeake Energy Corporation	4.4	
Vivendi S.A.	4.4	
Lafarge S.A.	4.3	
adidas AG	4.3	
OCI N.V.	4.3	
Orkla ASA	4.3	
Mineral Resources Limited	3.9	
K. Wah International Holdings Limited	3.8	
Hopewell Holdings Limited	3.6	
Koninklijke Vopak N.V.	3.3	
Murphy Oil Corporation	2.0	
Cash Reserves Net of Other Assets and Liabilities		2.8
		100.0%

Fund holdings are subject to change and holding discussions are not recommendations to buy or sell any security.

Portfolio Changes January 1, 2014 through September 30, 2014

New Holdings	Quarter
adidas AG	3Q
Hopewell Holdings Limited	2Q
K. Wah International Holdings Limited	2Q
Koninklijke Vopak N.V.	1Q
Lafarge S.A.	3Q
Mineral Resources Limited	2Q
Sino Land Company Limited	1Q
Vivendi S.A.	3Q
Vodafone Group plc ADR	3Q

Eliminations	
The Bank of New York Mellon Corporation	3Q
CNH Industrial N.V.	2Q
DIRECTV	1Q
Everest Re Group, Ltd.	3Q
Fairfax Financial Holdings Limited	3Q
FedEx Corporation	3Q
Guinness Peat Group Plc	3Q
Hochtief AG	3Q
Mondelez International, Inc.	3Q
Seventy Seven Energy Inc. (Chesapeake Energy Corporation)[a]	3Q
Sino Land Company Limited	3Q
TNT Express NV	2Q

[a] *Resulting from corporate action (associated holding)*

Portfolio of Investments

Common Stock

	Share Quantity	Market Value	% of Net Assets
Commercial Services & Supplies			
Mineral Resources Limited (Australia)	830,166	$ 6,323,607	3.9%
Construction & Engineering			
OCI N.V.* (Netherlands)	227,100	7,014,677	4.3
Construction Materials			
Lafarge S.A. (France)	97,900	7,050,709	4.3
Diversified Financial Services			
EXOR S.p.A. (Italy)	250,700	9,733,770	6.0
Diversified Telecommunication Services			
Level 3 Communications, Inc.* (United States)	371,627	16,994,503	10.5
Vivendi S.A. (France)	293,300	7,083,092	4.4
		24,077,595	14.9
Food Products			
Orkla ASA (Norway)	765,000	6,918,012	4.3
Hotels, Restaurants & Leisure			
Genting Berhad (Malaysia)	1,187,649	3,435,693	2.1
Melco International Development Limited (Hong Kong)	4,475,388	10,351,516	6.4
		13,787,209	8.5
Industrial Conglomerates			
Hopewell Holdings Limited (Hong Kong)	1,687,500	5,911,254	3.6
Koninklijke Philips N.V. (Netherlands)	324,556	10,356,949	6.4
		16,268,203	10.0
Insurance			
Loews Corporation (United States)	184,215	7,674,397	4.7
Media			
News Corporation – Class A* (United States)	66,000	1,079,100	0.7
News Corporation – Class B* (United States)	402,000	6,484,260	4.0
		7,563,360	4.7
Oil, Gas & Consumable Fuels			
Chesapeake Energy Corporation (United States)	311,700	7,165,983	4.4
Koninklijke Vopak N.V. (Netherlands)	98,900	5,337,050	3.3
Murphy Oil Corporation (United States)	56,708	3,227,252	2.0
		15,730,285	9.7
Real Estate Management & Development			
Cheung Kong Holdings Limited (Hong Kong)	642,029	10,575,286	6.5
K. Wah International Holdings Limited (Hong Kong)	11,175,298	6,246,198	3.8
		16,821,484	10.3
Textiles, Apparel & Luxury Goods			
adidas AG (Germany)	94,000	7,034,595	4.3

continued

Common Stock

	Share Quantity	Market Value	% of Net Assets
Wireless Telecommunications Services			
Vodafone Group plc ADR (United Kingdom)	234,700	$ 7,719,283	4.8%
Total Common Stocks (Cost $155,147,452)		153,717,186	94.7

Warrants

Hotels, Restaurants & Leisure			
Genting Berhad Warrants 12/18/18* (Malaysia) (Cost $4,008,255)	4,626,762	4,090,111	2.5

Options Purchased

	Currency Units		
Currency			
Hong Kong Dollar Put, 4/20/17, with BNP Paribas, Strike Price $7.77 (Hong Kong) (Cost $257,895)	13,422,290	150,558	0.1

Short-Term Obligations

	Principal Amount		
Repurchase Agreement with State Street Bank, 0.0% due 10/1/14, Repurchase price $4,587,000 (Collateral: $4,680,000 U.S. Treasury Note, 2.12% due 6/30/21, Value $4,680,000)	4,587,000	4,587,000	2.8
Total Investments (Cost $164,000,602)[(a)]		**162,544,855**	**100.1**
Other Assets and Liabilities, Net		(14,408)	(0.1)
Net Assets		**$162,530,447**	**100.0%**
Net asset value per share		**$ 12.48**	

* *Non-income producing security.*

(a) *Aggregate cost for federal income tax purposes is $164,072,027. Net unrealized depreciation of $(1,455,747) consists of unrealized appreciation and depreciation of $8,947,487 and $(10,403,234), respectively.*

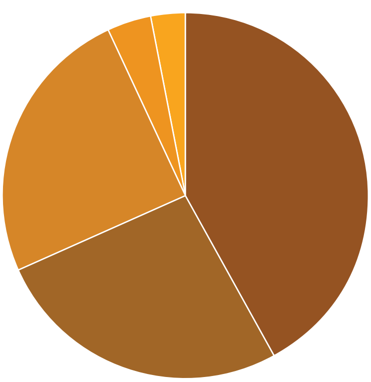
Note: Country listed in parenthesis after each company indicates location of headquarters.

Portfolio of Investments

Country Weightings

	Stocks & Warrants	Net Assets
United States	27.0%	26.3%
Hong Kong	21.0	20.3
Netherlands	14.4	14.0
France	8.9	8.7
Italy	6.2	6.0
United Kingdom	4.9	4.8
Malaysia	4.8	4.6
Germany	4.4	4.3
Norway	4.4	4.3
Australia	4.0	3.9
	100.0%	97.2
All other, net		2.8
		100.0%

Regional Weightings



Region	Net Assets
Europe	42.1%
North America	26.3
Asia	24.9
Australia	3.9
Cash & Other	2.8

Fund holdings are subject to change and holding discussions are not recommendations to buy or sell any security.

Fund Information

The following additional information may be obtained for free by calling (800)445-9469, Option 1, or visiting longleafpartners.com, or on the SEC's website at sec.gov.

Proxy Voting Policies and Procedures

A description of Longleaf's Proxy Voting Policies and Procedures is included in the Statement of Additional Information (SAI).

Proxy Voting Record

Information regarding how the Funds voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is contained in Form N-PX.

Quarterly Portfolio Holdings

Longleaf files a complete schedule of portfolio holdings for the first and third quarters of each fiscal year on Form N-Q, which is available on the SEC's website, and may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Please call (800) SEC-0330 for information on the operation of the Public Reference Room.

In addition to Form N-Q, Longleaf publishes reports for each calendar quarter. These reports include complete schedules of portfolio holdings, as well as performance updates and management discussion. We furnish Longleaf's Quarterly Reports in lieu of Form N-Q to shareholders who request information about our first and third quarter portfolio holdings, and Semi-Annual and Annual Reports for requests related to the second and fourth quarters, respectively.

Fund Trustees

Additional information about Fund Trustees is included in the Statement of Additional Information (SAI).

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Service Directory

Call (800)445-9469

Fund Information ▪ Option 1
To request a printed Prospectus, Summary Prospectus (longleafpartners.com/mutual_fund_documents/prospectus), Statement of Additional Information (including Longleaf's Proxy Voting Policies and Procedures), financial report, application or other Fund information from 8:00 a.m. to 8:00 p.m. Eastern time, Monday through Friday.

Daily Fund Prices ▪ Option 2
For automated reporting 24 hours a day, seven days a week.

Account Information ▪ Option 3
For account balance and transaction activity, 24 hours a day, seven days a week. Please have your Fund number (see below) and account number ready to access your investment information.

Shareholder Inquiries ▪ Option 0
To request action on your existing account from 9:00 a.m. to 6:00 p.m. Eastern time, Monday through Friday.

Correspondence

By regular mail:
Longleaf Partners Funds
P.O. Box 9694
Providence, RI 02940-9694

By express mail or overnight courier:
Longleaf Partners Funds
c/o BNY Mellon
4400 Computer Drive
Westborough, MA 01581
(800)445-9469

Published Daily Price Quotations

Below are the common references for searching printed or electronic media to find daily NAVs of the Funds.

Abbreviation	Symbol	Cusip	Transfer Agent Fund Number	Status to New Investors
Partners	LLPFX	543069108	133	Open
Sm-Cap	LLSCX	543069207	134	Closed 7/31/97
Intl	LLINX	543069405	136	Open
Global	LLGLX	543069504	137	Open

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Our Governing Principles

We will treat your investment as if it were our own.

We will remain significant investors in Longleaf Partners Funds.

We will invest for the long term, while striving to maximize returns and minimize business, financial, purchasing power, regulatory and market risks.

We will choose each equity investment based on its discount from our appraisal of corporate intrinsic value, its financial strength, its management, its competitive position, and our assessment of its future earnings potential.

We will focus our assets in our best ideas.

We will not impose loads or 12b-1 charges on mutual fund shareholders.

We will consider closing to new investors if closing would benefit existing clients.

We will discourage short-term speculators and market timers.

We will continue our efforts to enhance shareholder services.

We will communicate with our investment partners as candidly as possible.

Longleaf Partners Funds
Advised by Southeastern Asset Management, Inc.®