

**Southeastern Asset Management, Inc.**

**5100 Poplar Ave, Suite 2450  
Memphis, Tennessee 38137**

**Phone Number 901-761-2474**

**Fax Number 901-818-5160**

**December 18, 2024**

**FORM ADV PART 2  
BROCHURE**

**This brochure provides information about the qualifications and business practices of Southeastern Asset Management, Inc. If you have any questions about the contents of this brochure, please contact us at 901-761-2474. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

**Additional information about Southeastern Asset Management, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Southeastern Asset Management, Inc. is 105276.**

**Southeastern Asset Management, Inc. is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.**

### ***SUMMARY OF MATERIAL CHANGES***

**Southeastern Asset Management 's Brochure has been updated with the following material changes that have occurred since the last annual update of our brochure on March 27, 2024.**

Item 1: In September 2024 Southeastern Asset Management, Inc ("Southeastern") announced that Staley Cates would be retiring from Southeastern following a transition period, which concluded in early December 2024. Ownership of the firm was updated to reflect his retirement.

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## Advisory Business

Form ADV Part 2A, Item 4

**THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.**

**A. Describe your advisory firm, including how long you have been in business. Identify your principal owner(s).**

**Notes:** (1) For purposes of this item, your principal owners include the persons you list as owning 25% or more of your firm on Schedule A of Part 1A of Form ADV (Ownership Codes C, D or E). (2) If you are a publicly held company without a 25% shareholder, simply disclose that you are publicly held. (3) If an individual or company owns 25% or more of your firm through subsidiaries, you must identify the individual or parent company and intermediate subsidiaries. If you are an SEC-registered adviser, you must identify intermediate subsidiaries that are publicly held, but not other intermediate subsidiaries. If you are a state-registered adviser, you must identify all intermediate subsidiaries.

In 1975 O. Mason Hawkins founded Southeastern Asset Management Inc. ("Southeastern" or the "Company") to provide investment management services for clients using a value-oriented, long-term, bottom-up stock selection process. Mr. Hawkins owns more than 25% of the firm, and serves as its Chairman. The remainder of the Company is owned entirely by its employees. Effective January 1, 2019, Ross Glotzbach became CEO of the firm.

Southeastern Asset Management International (UK) Ltd. ("Southeastern UK"), is a UK limited company 100% owned by Southeastern. Southeastern UK provides international research and client services to Southeastern. Southeastern Asset Management International (Singapore) Pte. Ltd. (Southeastern Singapore), is a Singapore limited company 100% owned by Southeastern, and provides fund management services. Southeastern UK and Southeastern Singapore were formed with existing employees of Southeastern and began operation in November 2007 and December 2009, respectively, after receiving regulatory authorization. Southeastern UK and Southeastern Singapore provide services directly to Southeastern to assist in managing client portfolios.

**B. Describe the types of advisory services you offer. If you hold yourself out as specializing in a particular type of advisory service, such as financial planning, quantitative analysis, or market timing, explain the nature of that service in greater detail. If you provide investment advice only with respect to limited types of investments, explain the type of investment advice you offer, and disclose that your advice is limited to those types of investments.**

The Company primarily provides discretionary investment management services for institutional accounts and funds. The Company follows a similar strategy for its various clients and seeks superior long-term performance by acquiring equity securities that meet certain qualitative and quantitative criteria:

- *Strong businesses that are understandable, financially sound, competitively entrenched, and will generate growing free cash flow;*
- *Good management partners who are capable operators, responsible capital allocators, trustworthy, and shareholder-oriented; and*
- *Good price that is a meaningful discount to our conservative appraisal determined through fundamental financial analysis using disciplines we've applied for almost 50 years. We believe purchasing equities at prices substantially less than their intrinsic worth will protect capital from significant permanent loss and provide the opportunity for substantial appreciation if the market recognizes the company's value.*

We sell securities when they approach our appraisals, when we perceive a change in company fundamentals

that permanently impairs corporate value, when other investments offer substantially greater opportunity, or if the original reasons for purchase materially change. While Southeastern focuses primarily on common stocks and securities convertible into common stocks, depending on client guidelines, the firm also invests for its clients in debt securities and certain derivatives. There are four primary types of accounts, including US Equity, Non-US Equity, Global Equity, which is a combination of US and non-US investments, and Asia-Pacific Equity, which invests primarily in securities from the Asia-Pacific region. Southeastern also manages a few Small-Cap accounts. Southeastern may offer additional account types in the future.

**C. Explain whether (and, if so, how) you tailor your advisory services to the individual needs of clients. Explain whether clients may impose restrictions on investing in certain securities or types of securities.**

Southeastern provides investment management services to separately managed accounts, each of which is covered by an investment management agreement (IMA) that contains guidelines and restrictions specific to that client. Broadly speaking, clients hire Southeastern to implement the investment philosophy it has applied for many years, but portfolios are specifically tailored to meet each client's requirements. In particular, client relations personnel initially gain an understanding of the client's financial situation and investment objectives to determine the suitability of Southeastern's approach. Then client relations, portfolio administration, and trading departments review the terms of the IMA prior to execution to ensure Southeastern is capable of performing the requirements and that the guidelines are appropriate in light of Southeastern's investment strategy. Following execution of the IMA, the research team selects investments that it believes meet Southeastern's criteria, as well as the client mandates for which it would be appropriate. Trading and portfolio administration oversee the structuring of portfolios to be sure they meet each client's stated guidelines and restrictions.

**D. If you participate in wrap fee programs by providing portfolio management services, (1) describe the differences, if any, between how you manage wrap fee accounts and how you manage other accounts, and (2) explain that you receive a portion of the wrap fee for your services.**

Not applicable.

**E. If you manage client assets, disclose the amount of client assets you manage on a discretionary basis and the amount of client assets you manage on a non-discretionary basis. Disclose the date "as of" which you calculated the amounts.**

**Note:** Your method for computing the amount of "client assets you manage" can be different from the method for computing "assets under management" required for Item 5.F in Part 1A. However, if you choose to use a different method to compute "client assets you manage," you must keep documentation describing the method you use. The amount you disclose may be rounded to the nearest \$100,000. Your "as of" date must not be more than 90 days before the date you last updated your brochure in response to this [Item 4.E](#).

As of December 31, 2023: \$5,271,901,660 discretionary and \$0 non-discretionary.

## ***Fees and Compensation***

Form ADV Part 2A, Item 5

**THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.**

A. Describe how you are compensated for your advisory services. Provide your fee schedule. Disclose whether the fees are negotiable.

**Note:** If you are an SEC-registered adviser, you do not need to include this information in a brochure that is delivered only to qualified purchasers as defined in section [2\(a\)\(51\)\(A\) of the Investment Company Act of 1940](#).

Southeastern charges an asset management fee which is generally based on the fair market value of the assets in the portfolio either on the last business day of the quarter or the average of the monthly values during the quarter, depending on contractual terms. The minimum for a new account relationship is \$25 million. Exceptions may apply on a case by case basis. In certain cases fees are negotiable depending on a variety of factors.

Annual Fees charged for US Equity Accounts (Primarily US securities): 0.75% on all assets;

Annual Fees charged for Global Equity Accounts (Mix of US and non-US securities) and Non-US Equity Accounts (Primarily non-US securities):

\$0 - \$50 Million – 1.000%  
Over \$50 Million to \$100 Million – .875%  
Over \$100 million - .750% on all assets

If the value of an account declines below \$100 million solely as a result of market movements the fee will remain at .750% on all assets; otherwise, the above fee schedule will apply.

Annual Fees charged for Asia-Pacific Accounts (Primarily securities from the Asia-Pacific region):

\$0 - \$50 Million – 1.15%  
Over \$50 Million to \$100 Million – 1.00%  
Over \$100 million - .90% on all assets

If the value of an account declines below \$100 million solely as a result of market movements the fee will remain at .90% on all assets; otherwise, the above fee schedule will apply.

Fees for accounts designated as Small-Cap are 1% annually on the first \$25 million market value of the account, and .75% on the balance.

In certain cases where it is mutually agreeable between the client and Southeastern, a performance based fee may be charged. This fee is negotiated and may vary from account to account, but in all cases is designed to comply with the Investment Advisers Act of 1940 and various state and federal laws which may apply.

Fees have changed over time and therefore certain older accounts have fee structures that vary from the above.

A company will generally be considered Non-US if organized, traded or headquartered outside the United States. A business organized, traded or headquartered in the U.S. may also qualify as Non-US if at least 50% of its assets are outside the U.S. or 50% of its gross income is from non-U.S. sources. Similarly, a company organized, traded or headquartered outside the United States may still be considered U.S. if its assets or

operations are primarily in the United States. Likewise, a company may be considered Asia-Pacific if organized, traded or headquartered in the Asia-Pacific region, or if 50% of its assets or gross income are derived from the Asia-Pacific region.

**B. Describe whether you deduct fees from clients' assets or bill clients for fees incurred. If clients may select either method, disclose this fact. Explain how often you bill clients or deduct your fees.**

Almost all fees are billed quarterly in arrears, and exclude other fees such as brokerage commissions and custodial fees. Clients generally pay their fees and determine whether or not the fees are paid from the client account or billed separately. Southeastern rarely deducts fees from client accounts, and will only do so at the client's request and in compliance with Rule 206(4)-2.

**C. Describe any other types of fees or expenses clients may pay in connection with your advisory services, such as custodian fees or mutual fund expenses. Disclose that clients will incur brokerage and other transaction costs, and direct clients to the section(s) of your brochure that discuss brokerage.**

Not included in Southeastern's investment management fees are other charges you will pay in connection with maintaining and operating a portfolio, such as custodian charges and brokerage commissions. Please see Item 12, page 20, for a discussion of brokerage commissions. Southeastern uses a modified cash basis of accounting for recording income and expenses on its clients' portfolios unless contractually obligated to do otherwise. Interest income on fixed income investments is recorded as it is earned but dividends and earnings on short-term cash investments are recorded when received.

Prospects who do not meet the minimum for a separately managed account and who choose to invest in the Longleaf Partners Funds should read the Prospectus and Summary Prospectus carefully for a discussion of investment objectives, management fees, expenses and risks. Fees discussed in Item 5 A. relate to separately managed accounts only. Please see Item 5 E. 2. for more information.

**D. If your clients either may or must pay your fees in advance, disclose this fact. Explain how a client may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period. Explain how you will determine the amount of the refund.**

Southeastern does not charge fees in advance.

**E. If you or any of your supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds, disclose this fact and respond to Items [5.E.1](#), [5.E.2](#), [5.E.3](#) and [5.E.4](#).**

1. Explain that this practice presents a conflict of interest and gives you or your supervised persons an incentive to recommend investment products based on the compensation received, rather than on a client's needs. Describe generally how you address conflicts that arise, including your procedures for disclosing the conflicts to clients. If you primarily recommend mutual funds, disclose whether you will recommend "no-load" funds.

Southeastern is an investment adviser selling only its own products and services, and while certain supervised persons may be compensated in part based on cultivation, procurement and/or retention of client relationships (whether private account or fund products), there should be no expectation that Southeastern's supervised persons would recommend a product or service other than Southeastern's to clients. Thus, other than disclosure in this ADV Part 2A, there is no separate policy to disclose a conflict to clients. Unlike brokers and/or advisers that sell their clients products and services of third parties who pay compensation for these selling efforts, Southeastern receives no compensation from third parties for selling their products. The Longleaf Partners Funds we sell are no-load, so those funds are not paying for selling efforts. Longleaf pays Southeastern fees for investment management and administration services, as more fully described in the

Longleaf Partners Funds Prospectus.

2. Explain that clients have the option to purchase investment products that you recommend through other brokers or agents that are not affiliated with you.

Clients who wish access to Southeastern's investment management services through a private account must come to Southeastern directly and meet the private account minimum. Parties who wish access to Southeastern's services through one of the Longleaf Partners Funds may invest directly, and pay no fees other than those stated in the Funds' Prospectus. Alternatively, Longleaf shares may be purchased through brokerage firms and other intermediaries, but investors will be subject to the charges, expenses and procedures of the particular broker or intermediary, as well as the expenses of the Funds.

*Please call (800) 445-9469 or view our website, [southeasternasset.com](http://southeasternasset.com), for current performance information of the Longleaf Partners Funds and <https://connect.rightprospectus.com/Longleaf/TADF/543069108/P> for a copy of the Funds' current Prospectus and Summary Prospectus, both of which should be read carefully for a discussion of investment objectives, management fees, expenses, and risks. Past performance is no guarantee of future performance, fund prices fluctuate, and the value of an investment at redemption may be more or less than purchase price.*

3. If more than 50% of your revenue from advisory clients results from commissions and other compensation for the sale of investment products you recommend to your clients, including asset-based distribution fees from the sale of mutual funds, disclose that commissions provide your primary or, if applicable, your exclusive compensation.

Not applicable.

4. If you charge advisory fees in addition to commissions or markups, disclose whether you reduce your advisory fees to offset the commissions or markups.

**Note:** If you receive compensation in connection with the purchase or sale of securities, you should carefully consider the applicability of the broker-dealer registration requirements of the [Securities Exchange Act of 1934](#) and any applicable state securities statutes.

Not applicable.



## ***Performance-Based Fees and Side-By-Side Management***

Form ADV Part 2A, Item 6

**THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.**

If you or any of your supervised persons accepts performance-based fees – that is, fees based on a share of capital gains on or capital appreciation of the assets of a client (such as a client that is a hedge fund or other pooled investment vehicle) – disclose this fact. If you or any of your supervised persons manage both accounts that are charged a performance-based fee and accounts that are charged another type of fee, such as an hourly or flat fee or an asset-based fee, disclose this fact. Explain the conflicts of interest that you or your supervised persons face by managing these accounts at the same time, including that you or your supervised persons have an incentive to favor accounts for which you or your supervised persons receive a performance-based fee, and describe generally how you address these conflicts.

Southeastern primarily charges asset based fees, but also manages accounts with performance fees. In addition, Southeastern employees are significant owners of funds managed and/or to be offered by the firm, and certain clients are entities related to Southeastern employees. Conflicts of interest arise in connection with managing performance based fee accounts and accounts in which employees have an interest side by side with Southeastern's other accounts. Southeastern's clients include US, Non-US, Global, Asia-Pacific, and Small-Cap mandates, and investment opportunities may be appropriate for more than one category of account. Because of market conditions and client guidelines, not all investment opportunities will be available to all accounts at all times. While Southeastern has an incentive to favor performance based fee accounts and accounts in which its employees have an interest, Southeastern has developed allocation principles designed to ensure that no account is systematically given preferential treatment over time. Southeastern's compliance team routinely monitors allocations for consistency with these principles, as well as any evidence of conflict of interest. Southeastern's trade allocation policies are available to clients upon request.

## ***Types of Clients***

Form ADV Part 2A, Item 7

**THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.**

Describe the types of clients to whom you generally provide investment advice, such as individuals, trusts, investment companies, or pension plans. If you have any requirements for opening or maintaining an account, such as a minimum account size, disclose the requirements.

Southeastern's clients include but are not limited to wealthy individuals, pension plans, trusts, university endowments, charitable organizations, investment companies, sovereign wealth funds, private funds and other similar institutional clients. The private account minimum is \$25 million for US Equity, Global Equity, and Non-US Equity, and \$10 million for Asia-Pacific Equity. Depending on client guidelines, US accounts hold primarily US securities, Non-US accounts hold primarily non-US securities, Asia-Pacific Accounts hold primarily Asia-Pacific securities and Global Accounts are targeted at approximately a 50/50 mix of US and non-US securities, although the mix may vary from this target. Southeastern also manages a few Small-Cap accounts. The firm manages Asia-Pacific, European and Global private funds with lower investment minimums than private accounts.

## **Methods of Analysis, Investment Strategies and Risk of Loss**

Form ADV Part 2A, Item 8

**THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.**

- A. Describe the methods of analysis and investment strategies you use in formulating investment advice or managing assets. Explain that investing in securities involves risk of loss that clients should be prepared to bear.

### *Determining Business or Intrinsic Value.*

Our research team appraises businesses by studying financial statements, regulatory information, trade publications, and other industry and corporate data, and by talking with corporate management, competitors, and suppliers.

We use two primary methods of appraisal. The first seeks to assess the company's liquidation value based on the current economic worth of corporate assets and liabilities. The second method seeks to determine the company's ongoing value based on its ability to generate free cash flow after required capital expenditures and working capital needs. We calculate the present value of the projected free cash flows plus a terminal value, using a conservative discount rate. We believe our appraisal represents the price that informed buyers and sellers would negotiate in an arms-length sale. We then check our appraisals against our database of comparable historic transactions to verify their reasonableness.

### *Other Investment Criteria.*

In addition to significant estimated undervaluation, we also look for the following when selecting investments:

*Strong Business.* We look for businesses that possess, in our opinion, a number of qualities. First, we must be able to understand both the fundamentals and the economics of a business. Second, a strong balance sheet helps protect a company during slow economic times and enables a business to seize opportunities when they arise. Third, a sustainable competitive advantage in market share, dominant brands, cost structure, or other areas, helps ensure the strength and growth of a company. Fourth, a business must be able to generate and grow free cash flow from operations. Finally, pricing power enables a company to pass cost increases to consumers rather than absorbing them in lower margins.

*Good People.* We look for businesses whose managements possess, in our opinion, four primary qualities. They should be capable operators who can run the business profitably. They should be capable capital allocators who will build shareholder value through wisely reinvesting the free cash flow that the business generates. They should be shareholder oriented in their actions and decisions. They should have the proper incentives with much of their net worth tied to the company's results.

*ESG:* We believe that environmental, social and governance (ESG) best practices are critical to the intrinsic value of any investment. As long-term business owners, we approach ESG considerations from a fundamental, bottom-up research perspective and engage with managements on the most important issues to promote positive change, rather than passively exclude broad sectors of the market. ESG considerations are integrated throughout our investment process, from the initial qualitative and quantitative analysis, to the investment decision-making process, as well as throughout our ownership. When assessing "People," we seek to partner with responsible management teams that practice good stewardship on behalf of shareholders while growing value per share over time through intelligent capital allocation. When assessing

the long-term value of a “Business,” we consider multiple factors. We seek to own high-quality businesses with sustainable competitive advantages, strong balance sheets and long-term free cash flow growth. Environmental and social factors are important drivers within our analysis of a business’s long-term value. One way that this is quantified in determining the right entry “Price” is that we generally assume that companies scoring better on ESG metrics are worth a higher terminal value in our discounted cash flow analysis. While ESG factors are integrated into our process, our main consideration is long term shareholder value creation and we do not offer “ESG Focused” or “ESG Impact” strategies, as defined in Section I.A.2. of SEC Release IA-6034 regarding Environmental, Social and Governance Investment Practices.

Although a company may not meet all the investment criteria above, we must believe that significant unrealized value is present before making an investment.

Southeastern’s portfolios generally contain 18 to 22 securities, unless client guidelines mandate otherwise. We believe limiting the number of holdings lowers the risk of losing capital and improves the long-term return opportunity, because the portfolios contain our most qualified ideas. We strive to know the companies and their managements extremely well. Owning fewer companies also enables each company to have a meaningful impact on investment results.

Normally, cash reserves and money market instruments do not exceed 15% of net assets. If, however, we have difficulty finding attractive investments, require cash to meet expected liquidity needs or otherwise believe it would benefit a Client, all or any portion of Client assets may be held in cash reserves. Holding cash reserves can penalize short-term performance in rising markets, but during market declines cash may allow us to purchase securities at discounted prices. While we may hold any portion of assets in cash reserves for temporary defensive purposes during adverse market, economic or political conditions, we believe such conditions generally create opportunities for us to put excess cash to work.

#### Risk of Loss.

Investing in securities involves the risk of loss. Securities prices fluctuate and may decline in response to actual or perceived developments at individual companies, within particular industries or sectors, or general economic conditions. If the value of investments in your portfolio goes down, you could lose money.

#### Funds Advised by Southeastern

While funds advised by Southeastern follow generally the same investment approach, please read disclosure documents regarding those funds carefully to understand their unique strategies and risks.

**B. For each significant investment strategy or method of analysis you use, explain the material risks involved. If the method of analysis or strategy involves significant or unusual risks, discuss these risks in detail. If your primary strategy involves frequent trading of securities, explain how frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.**

**Investment Selection Risk.** Investments might not reach what we believe are their true values either because the market fails to recognize the value or because our appraisal was wrong.

**Geographic Exposure Risks.** While Southeastern does not limit the percentage of assets invested in any

particular geographic region or country (other than in connection with Asia Pacific accounts or specific private fund and/or client guidelines), there may be periods when an account has significant exposure to a particular region or country, so that negative events occurring in that area, including but not limited to government shutdowns, war, natural disasters, epidemic/pandemic outbreaks, political uprisings and the like would have a greater adverse impact on performance than they would on more geographically diversified accounts.

For Non-US and Global accounts that invest in the Eurozone, one or more countries may abandon the euro and/or withdraw from the EU. The impact of these actions, especially if they occur in a disorderly fashion, could be significant and far-reaching. In June 2016, the United Kingdom (the "UK") approved a referendum to leave the EU, commonly referred to as "Brexit," which sparked depreciation in the value of the British pound, short-term declines in global stock markets, and heightened risk of continued worldwide economic volatility. As a result of Brexit, there is considerable uncertainty as to the arrangements that will apply to the UK's relationship with the EU and other countries leading up to, and following, its withdrawal. This long-term uncertainty may affect other countries in the EU and elsewhere. Further, the UK's departure from the EU may cause volatility within the EU, triggering prolonged economic downturns in certain European countries or sparking additional member states to contemplate departing the EU. In addition, Brexit can create actual or perceived additional economic stresses for the UK, including potential for decreased trade, capital outflows, devaluation of the British pound, wider corporate bond spreads due to uncertainty, and possible declines in business and consumer spending, as well as foreign direct investment.

**Non-Diversification Risk.** Because each account generally invests in 18 to 22 companies, each holding will have a greater impact on the account's total return, and its share value could fluctuate more than if a greater number of securities were held.

**Non-U.S. Investment Risks.** Non-U.S. investment risks can include political and economic changes, non-U.S. withholding taxes, exchange controls, confiscation, non-U.S. governmental restrictions, differences in accounting and auditing standards, more limited availability of public information and market illiquidity. In addition, non-U.S. securities are generally denominated and traded in non-U.S. currencies. The exchange rates between currencies can fluctuate daily. As a result, the values of an account's non-U.S. securities may be affected by changes in exchange rates between non-U.S. currencies and the U.S. dollar, as well as between currencies of countries other than the U.S. Southeastern does not intend to hedge to reduce the impact of currency exchange fluctuation. As a result, an account may be more susceptible to currency fluctuations. Non-U.S. investment risks may be more pronounced in emerging markets.

**Small-Cap Risks.** Smaller companies may have more limited product lines, markets, and financial resources than larger companies, and to the extent recently established, may have limited or no operating history to evaluate. In addition, their securities may trade less frequently and in more limited volume than those of larger companies. Small-cap stocks may be more volatile than those of larger companies and, where trading volume is thin, our ability to dispose of such securities may be more limited.

**Liquidity Risk.** Liquidity risk exists when particular investments are difficult to purchase or sell, possibly preventing an account from selling such illiquid securities at an advantageous time or price, or possibly requiring an account to dispose of other investments at unfavorable times or prices in order to satisfy its obligations. Companies with smaller market capitalizations, non-U.S. securities, restricted and illiquid securities, derivatives or securities with substantial market and/or credit risk tend to have the greatest exposure to liquidity risk. Southeastern may take relatively large ownership positions, and may purchase the same security for a number of Southeastern's clients. Depending on market and trading conditions, disposing of such holdings could be more difficult (*i.e.*, at a lower price or with greater delay than desired) than if Southeastern owned a smaller amount. Additionally, the market for certain investments may become illiquid under adverse market or economic conditions independent of any specific adverse changes in the conditions of a particular issuer.

**Derivatives Risks.** Use of derivative instruments involves risks different from, and possibly greater than, the risks associated with investing directly in securities, currencies and other traditional investments. To the extent it invests in derivatives, an account could lose more than the principal amount invested, and the use of certain

derivatives may subject an account to the potential for unlimited loss. A derivative investment may not perform as we expect, may become illiquid and may result in loss if the counterparty is unable or unwilling to meet its obligations. Derivatives also involve the risk of mispricing or improper valuation, the risk of ambiguous documentation, and the risk that changes in the value of the derivative may not correlate perfectly with the underlying asset, rate or index.

**Operational and Cyber Security Risks.** Southeastern faces operational risks arising from factors such as processing errors, failure in systems and technology, changes in personnel and errors caused by third-party service providers. Southeastern may face other disruptive events including, but not limited to, natural disasters and epidemic outbreaks, that adversely affect our ability to conduct business. While we seek to minimize such events through controls and oversight, there may still be failures that could cause losses. In addition, as the use of technology increases, we may be more susceptible to operational risks through breaches in cyber security. A breach in cyber security refers to both intentional and unintentional events that may cause us to lose proprietary information, suffer data corruption, or lose operational capacity. As a result, we may incur regulatory penalties, reputational damage, additional compliance costs associated with corrected measures and/or financial loss. In addition, cyber security breaches of third-party service providers or issuers in which we invest may result in similar negative outcomes.

**Market Disruptions Risk.** Southeastern is subject to additional investment and operational risks with financial, economic and other global market developments and disruptions, including those arising from war, terrorism, market manipulation, government interventions, defaults and shutdowns, political changes or diplomatic developments, public health emergencies (such as the spread of infectious diseases, pandemics and epidemics) and natural/environmental disasters, which can all negatively impact the securities markets and cause investments to lose value. In addition, investments may be negatively impacted by volatility from market trading activity and investor interest, which may be driven by factors unrelated to financial performance or market conditions.

The recent spread of an infectious respiratory illness caused by a novel strain of coronavirus (known as COVID-19) has caused volatility, severe market dislocations and liquidity constraints in many markets, including markets for Southeastern's investments. The transmission of COVID-19 and efforts to contain its spread have resulted in travel restrictions and disruptions, closed international borders, enhanced health screenings at ports of entry and elsewhere, disruption of and delays in healthcare service preparation and delivery, quarantines, event and service cancellations or interruptions, disruptions to business operations (including staff furloughs and reductions) and supply chains, and a reduction in consumer and business spending, as well as general concern and uncertainty that has negatively affected the economy. These disruptions have led to instability in the market place, including equity and debt market losses and overall volatility, and the jobs market. The impact of COVID-19, and other infectious illness outbreaks, epidemics or pandemics that may arise in the future, could adversely affect the economies of many nations or the entire global economy, the financial well-being and performance of individual issuers, borrowers and sectors and the health of the markets generally in potentially significant and unforeseen ways. In addition, the impact of infectious illness, such as COVID-19, may be greater in circumstances or geographies where the relevant healthcare system is either less established or inadequately prepared to respond to the significance of the illness. This crisis or other public health crises may exacerbate other pre-existing political, social and economic risks in certain countries or globally. The spread of COVID-19 or other infectious illness outbreaks, epidemics or pandemics that may arise in the future, could lead to a significant economic downturns or recessions in economies throughout the world.

**C. If you recommend primarily a particular type of security, explain the material risks involved. If the type of security involves significant or unusual risks, discuss these risks in detail.**

In addition to the risks outlined in Item 8 B., as owners of common stocks, we face a number of risks inherent in owning a business, such as operational, financial and regulatory risk. If businesses Southeastern selects are not successful in addressing these risks, their business values and stock prices may decline, which would have a negative impact on the value of your portfolio.

## Disciplinary Information

Form ADV Part 2A, Item 9

**THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.**

If there are legal or disciplinary events that are material to a client's or prospective client's evaluation of your advisory business or the integrity of your management, disclose all material facts regarding those events.

Items 9.A, 9.B, and 9.C list specific legal and disciplinary events presumed to be material for this Item. If your advisory firm or a management person has been involved in one of these events, you must disclose it under this Item for ten years following the date of the event, unless (1) the event was resolved in your or the management person's favor, or was reversed, suspended or vacated, or (2) you have rebutted the presumption of materiality to determine that the event is not material (see Note below). For purposes of calculating this ten-year period, the "date" of an event is the date that the final order, judgment, or decree was entered, or the date that any rights of appeal from preliminary orders, judgments or decrees lapsed.

Items 9.A, 9.B, and 9.C do not contain an exclusive list of material disciplinary events. If your advisory firm or a management person has been involved in a legal or disciplinary event that is not listed in Items 9.A, 9.B, or 9.C, but nonetheless is material to a client's or prospective client's evaluation of your advisory business or the integrity of its management, you must disclose the event. Similarly, even if more than ten years have passed since the date of the event, you must disclose the event if it is so serious that it remains material to a client's or prospective client's evaluation.

A. A criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which your firm or a management person

1. was convicted of, or pled guilty or nolo contendere ("no contest") to (a) any felony; (b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses;

Not Applicable.

2. is the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;

Not Applicable

3. was found to have been involved in a violation of an investment-related statute or regulation; or

Not Applicable

4. was the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, your firm or a management person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order.

Not Applicable

B. An administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which your firm or a management person

1. was found to have caused an investment-related business to lose its authorization to do business; or

Not Applicable.

2. was found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority

(a) denying, suspending, or revoking the authorization of your firm or a management person to act in an investment-related business;

Not Applicable.

(b) barring or suspending your firm's or a management person's association with an investment-related business;

Not Applicable.

(c) otherwise significantly limiting your firm's or a management person's investment-related activities; or

Not Applicable.

(d) imposing a civil money penalty of more than \$2,500 on your firm or a management person.

Not Applicable.

C. A self-regulatory organization (SRO) proceeding in which your firm or a management person

Not Applicable.

1. was found to have caused an investment-related business to lose its authorization to do business; or

Not Applicable.

2. was found to have been involved in a violation of the SRO's rules and was: (i) barred or suspended from membership or from association with other members, or was expelled from membership;

(ii) otherwise significantly limited from investment-related activities; or (iii) fined more than \$2,500.

**Note:** You may, under certain circumstances, rebut the presumption that a disciplinary event is material. If an event is immaterial, you are not required to disclose it. When you review a legal or disciplinary event involving your firm or a management person to determine whether it is appropriate to rebut the presumption of materiality, you should consider all of the following factors: (1) the proximity of the person involved in the disciplinary event to the advisory function; (2) the nature of the infraction that led to the disciplinary event; (3) the severity of the disciplinary sanction; and (4) the time elapsed since the date of the disciplinary event. If you conclude that the materiality presumption has been overcome, you must prepare and maintain a file memorandum of your determination in your records. See [SEC rule 204-2\(a\)\(14\)\(iii\)](#).

Not Applicable.



## Other Financial Industry Activities and Affiliations

Form ADV Part 2A, Item 10

**THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.**

- A. If you or any of your management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, disclose this fact.

In connection with the sale and shareholder servicing of funds advised by Southeastern, several of Southeastern's employees are registered representatives of an SEC registered broker dealer not affiliated with Southeastern.

- B. If you or any of your management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities, disclose this fact.

Not Applicable.

C. Describe any relationship or arrangement that is material to your advisory business or to your clients that you or any of your management persons have with any related person listed below. Identify the related person and if the relationship or arrangement creates a material conflict of interest with clients, describe the nature of the conflict and how you address it.

1. broker-dealer, municipal securities dealer, or government securities dealer or broker
2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund)
3. other investment adviser or financial planner
4. futures commission merchant, commodity pool operator, or commodity trading advisor
5. banking or thrift institution
6. accountant or accounting firm
7. lawyer or law firm
8. insurance company or agency
9. pension consultant
10. real estate broker or dealer
11. sponsor or syndicator of limited partnerships.

Southeastern serves as investment manager for the following: 4 U.S. based SEC registered Longleaf Partners Funds, including Longleaf Partners Fund (primarily US mid and large cap companies), Longleaf Partners Small-Cap Fund (primarily US small-cap companies), Longleaf Partners International Fund (primarily non-US companies of various capitalizations), and Longleaf Partners Global Fund (a combination of US and non-US companies of various capitalizations); Longleaf Partners Global and Asia Pacific UCITS Funds, Irish based UCITS funds available to non-US investors; private funds investing in Asia Pacific, European and Global equities; and serves as subadvisor to a private fund without geographic restrictions primarily investing in equities and/or equity based derivatives. Southeastern may offer other pooled investment vehicles in the future.

Southeastern's Code of Ethics requires employees to limit public equity investments to funds managed by Southeastern unless granted prior clearance. Accordingly, Southeastern employees and related parties are significant owners of funds managed by Southeastern. This ownership creates a conflict of interest when Southeastern allocates investment opportunities among its clients. In addition, certain clients of Southeastern are entities related to Southeastern employees. Southeastern has developed allocation principles designed to ensure that no accounts, including but not limited to accounts in which Southeastern employees and related parties have an interest, are systematically given preferential treatment over time. Southeastern's compliance team routinely monitors allocations for consistency with these principles, as well as any evidence of conflict of interest. While Southeastern employees' and related parties' significant ownership of Southeastern managed

funds presents a conflict, it also ensures that Southeastern employees' interests are aligned with those of fund shareholders and other Southeastern clients, since fund portfolios and private accounts own similar securities.

- D. If you recommend or select other investment advisers for your clients and you receive compensation directly or indirectly from those advisers that creates a material conflict of interest, or if you have other business relationships with those advisers that create a material conflict of interest, describe these practices and discuss the material conflicts of interest these practices create and how you address them.

Not Applicable.

## **Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

Form ADV Part 2A, Item 11

**THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.**

A. If you are an SEC-registered adviser, briefly describe your code of ethics adopted pursuant to [SEC rule 204A-1](#) or similar state rules. Explain that you will provide a copy of your code of ethics to any client or prospective client upon request.

### Summary of Code of Ethics

#### A. Persons Covered

All directors, officers and administrative employees of Southeastern Asset Management, Inc., ("Southeastern") are deemed to be "access persons" and all are subject to the Code. In addition, the independent or non "interested" Trustees of the 4 U.S. based SEC registered Longleaf Partners Funds (the "Funds") are covered. Charitable foundations controlled by Southeastern employees are deemed "access persons" and must comply with the Code for investments in accounts not advised by Southeastern.

#### B. Transactions Subject to the Code

1. Southeastern Personnel. Southeastern personnel are required to limit their investments in publicly traded equity securities to investment in funds managed by Southeastern. Certain exceptions which apply are:

- (i). The security is an exempt security under SEC definitions such as a money market fund or is a security which is not deemed to be an equity security such as commodities and commodities futures contracts, including short futures or puts on an index to hedge market exposure.
- (ii). A blanket exemption has been granted by the Code Compliance Committee. Examples are companies which employ spouses of Southeastern personnel, and the spouses invest as a natural part of their employment relationship; investments in a Section 529 Plan; and private placements of a type which would not be an appropriate investment for Southeastern's accounts, such as sports franchises or local restaurants.
- (iii). Pre-Clearance of the specific security or situation has been granted by the Code Compliance Committee. In this circumstance, pre-clearance before sale would also be required.
- (iv). Securities owned by Southeastern personnel before the Code in its present form was applicable, including reinvestment of dividends with respect to such previously held securities.

2. Independent Trustees of the Funds. Independent Trustees of the Funds must obtain pre-clearance to purchase or sell securities of the types purchased by the Funds. Certain exceptions apply which are:

- (i) Securities issued by the Trustee's employer or affiliates thereof.

- (ii) Initial public offerings in which the Funds do not participate.
- (iii) Municipal securities.
- (iv) Securities exempted by SEC definition, such as money market funds.
- (v) Securities in any other category which the Funds do not purchase.

#### C. Reporting

Southeastern personnel report all transactions involving covered securities quarterly, and must obtain pre-clearance during the quarter to buy or sell covered securities. Southeastern personnel also make an annual report on their covered securities holdings.

The Funds' independent Trustees obtain pre-clearance during the quarter if the security is of a type that the Funds might purchase, and report quarterly if there were any purchases of securities in which the Funds invested.

Southeastern and the Funds' CCO report to the Board of Trustees of the Funds annually on the operation of the Code of Ethics.

#### D. Other Conflicts of Interest

Southeastern personnel may not purchase private placements of the types which other accounts may purchase; may not purchase initial public offerings; may not engage in short-term trading; may not receive gifts from suppliers which exceed \$100 in value per annum; and may not serve as a director of a public company in the absence of specific approval. In addition, Southeastern's Trading Department must adhere to certain restrictions on business entertainment designed to reduce conflicts.

#### E. Political Contributions

Southeastern personnel are prohibited from making or soliciting political contributions for candidates in state, county, and municipal elections unless granted prior clearance by a member of Southeastern's Board of Directors. Otherwise, there are no limits, except as dictated by federal, state or local law.

#### F. Inside Information

Southeastern personnel may not trade on behalf of any of the firm's accounts or personally while in the possession of any material inside information, nor may any such inside information be communicated to others.

#### G. Market Timing

Southeastern personnel are expressly prohibited from market timing in mutual funds managed by Southeastern.

#### H. Portfolio Holdings

Southeastern personnel are expressly prohibited from selectively disclosing portfolio holdings, subject to certain exceptions such as to professionals subject to a duty of confidentiality and a duty not to trade on the information or to service providers as needed to effect, administer or enforce transactions.

#### I. Penalties

A set of penalties has been adopted, ranging from sale of any securities improperly acquired with forfeiture of

any profits for a first violation to termination of employment for a third violation.

J. Availability of Code of Ethics

Southeastern will provide a copy of its Code of Ethics to any client or prospective client upon request. Please contact Southeastern at 901-761-2474 to request a copy.

B. If you or a related person recommends to clients, or buys or sells for client accounts, securities in which you or a related person has a material financial interest, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.

Examples: (1) You or a related person, as principal, buys securities from (or sells securities to) your clients; (2) you or a related person acts as general partner in a partnership in which you solicit client investments; or (3) you or a related person acts as an investment adviser to an investment company that you recommend to clients.

Southeastern and its employees, acting as principal, do not buy securities from or sell securities to clients. Southeastern does act as investment adviser to the Longleaf Partners Funds, which are mutual funds it recommends to clients, as well as certain private funds, and may offer additional investment products in which it or related persons have a financial interest through fees, commissions and/or ownership of carried interest. While Southeastern and its employees have an interest in increasing sales of funds Southeastern manages (because it increases revenues to the adviser or related persons) prospective clients should understand that Southeastern is not a broker in the business of selling a variety of securities to its clients. It is an asset manager selling investment advisory services, and it does so to large institutions through private accounts and funds and to smaller investors through the Longleaf Funds. Southeastern receives no direct compensation for selling Longleaf to clients, and while there is a theoretical conflict, clients and prospects receive clear disclosure regarding Southeastern's relationship with Longleaf.

C. If you or a related person invests in the same securities (or related securities, e.g., warrants, options or futures) that you or a related person recommends to clients, describe your practice and discuss the conflicts of interest this presents and generally how you address the conflicts that arise in connection with personal trading.

Although Southeastern personnel are required to limit publicly traded equity investments to funds managed by Southeastern, certain exceptions may be applicable. For example, some employees have not been required to dispose of investments held prior to employment with Southeastern. Therefore Southeastern may occasionally recommend securities to clients that are held by Southeastern personnel. Please see D. below.

D. If you or a related person recommends securities to clients, or buys or sells securities for client accounts, at or about the same time that you or a related person buys or sells the same securities for your own (or the related person's own) account, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.

**Note:** The description required by Item 11.A may include information responsive to Item 11.B, C or D. If so, it is not necessary to make repeated disclosures of the same information. You do not have to provide disclosure in response to Item 11.B, 11.C, or 11.D with respect to securities that are not "reportable securities" under [SEC rule 204A-1\(e\)\(10\)](#) and similar state rules.

To the extent an employee wanted to buy or sell a security also owned by client accounts, the transaction would require pre-clearance and would generally be allowed after 15 days had passed since the last client transaction.

## Brokerage Practices

Form ADV Part 2A, Item 12

**THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.**

A. Describe the factors that you consider in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

1. **Research and Other Soft Dollar Benefits.** If you receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions ("soft dollar benefits"), disclose your practices and discuss the conflicts of interest they create.

**Note:** Your disclosure and discussion must include all soft dollar benefits you receive, including, in the case of research, both proprietary research (created or developed by the broker-dealer) and research created or developed by a third party.

Southeastern performs its own independent research in providing investment supervisory services for its clients. Southeastern may utilize supplemental investment research from certain brokerage firms, including firms through which Southeastern places client transactions, in the ordinary course of business. In addition, Southeastern may have clients that are affiliated with a broker-dealer and these broker-dealers may be utilized to execute client transactions. Southeastern does not consider the receipt of research or client affiliations in selecting firms to execute client transactions.

a. Explain that when you use client brokerage commissions (or markups or markdowns) to obtain research or other products or services, you receive a benefit because you do not have to produce or pay for the research, products or services.

While Southeastern does not consider the provision of research when selecting brokers, to the extent brokers Southeastern selects for client trades also provide research to Southeastern, the firm receives a benefit because it does not have to produce or pay for the research provided.

b. Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving the research or other products or services, rather than on your clients' interest in receiving most favorable execution.

While Southeastern has an incentive to select broker-dealers based on the firm's interest in receiving research, Southeastern's Code of Ethics prohibits any person from trying to influence trading for any purpose other than best execution for Southeastern's clients.

c. If you may cause clients to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up), disclose this fact.

Southeastern may pay higher commissions than those charged by other brokers-dealers if it determines in good faith such commissions are reasonable in relation to the brokerage and execution services provided, but it does not "pay up" for research.

d. Disclose whether you use soft dollar benefits to service all of your clients' accounts or only those that paid for the benefits. Disclose whether you seek to allocate soft dollar benefits to client accounts proportionately to the soft dollar credits the accounts generate.

Because Southeastern does not allocate trades to pay for research or other soft dollar benefits, there is no

method to allocate these benefits.

e. Describe the types of products and services you or any of your related persons acquired with client brokerage commissions (or markups or markdowns) within your last fiscal year.

**Note:** This description must be specific enough for your clients to understand the types of products or services that you are acquiring and to permit them to evaluate possible conflicts of interest. Your description must be more detailed for products or services that do not qualify for the safe harbor in [section 28\(e\) of the Securities Exchange Act of 1934](#), such as those services that do not aid in investment decision-making or trade execution. Merely disclosing that you obtain various research reports and products is not specific enough.

Southeastern received company specific research reports, access to industry conferences and the opportunity to meet with company management teams.

f. Explain the procedures you used during your last fiscal year to direct client transactions to a particular broker-dealer in return for soft dollar benefits you received.

Not Applicable

2. **Brokerage for Client Referrals.** If you consider, in selecting or recommending broker-dealers, whether you or a related person receives client referrals from a broker-dealer or third party, disclose this practice and discuss the conflicts of interest it creates.

a. Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving client referrals, rather than on your clients' interest in receiving most favorable execution.

Not Applicable

b. Explain the procedures you used during your last fiscal year to direct client transactions to a particular broker-dealer in return for client referrals.

Not Applicable

3. **Directed Brokerage.**

a. If you routinely recommend, request or require that a client direct you to execute transactions through a specified broker-dealer, describe your practice or policy. Explain that not all advisers require their clients to direct brokerage. If you and the broker-dealer are affiliates or have another economic relationship that creates a material conflict of interest, describe the relationship and discuss the conflicts of interest it presents. Explain that by directing brokerage you may be unable to achieve most favorable execution of client transactions, and that this practice may cost clients more money.

Not Applicable.

b. If you permit a client to direct brokerage, describe your practice. If applicable, explain that you may be unable to achieve most favorable execution of client transactions. Explain that directing brokerage may cost clients more money. For example, in a directed brokerage account, the client may pay higher brokerage commissions because you may not be able to aggregate orders to reduce transaction costs, or the client may receive less favorable prices.

**Note:** If your clients only have directed brokerage arrangements subject to most favorable execution of client transactions, you do not need to respond to the last sentence of Item [12.A.3.a.](#) or to the second or third sentences of Item [12.A.3.b.](#)

Some Southeastern clients designate particular brokerage firms because the designated firms provide the clients with benefits or services they deem to be beneficial. Commissions paid by such accounts may not be negotiated by Southeastern, and as a result may be higher than commissions paid by the firm's other clients

who have not directed brokerage. In addition, accounts directed to a particular broker will not be aggregated with Southeastern's other accounts to access liquidity when available through other brokers or electronic networks at a desirable price, and, in most cases, will trade after Southeastern's non directed clients. As a result, the quality of execution for such clients may be worse than the execution available to non-directed accounts. Finally, splitting trades among multiple brokers could compromise our anonymity and imperil our ability to execute for directed and non-directed accounts. For these and other reasons disclosed to the firm's directed clients, Southeastern has discouraged the use by its clients of designated brokers and no longer accepts accounts that direct brokerage, except in unusual circumstances. Any client that requires directed brokerage acknowledges that their choice may result in not securing best execution.

**B. Discuss whether and under what conditions you aggregate the purchase or sale of securities for various client accounts. If you do not aggregate orders when you have the opportunity to do so, explain your practice and describe the costs to clients of not aggregating.**

Client-account orders with matching trading instructions are almost always aggregated before execution. Except in extraordinary circumstances, all client-account orders for a given security receive the same trading instructions. Extraordinary circumstances where trading instructions do not match and orders would not be aggregated would include client deposits to or redemptions from their respective accounts, account initiation, account closure, client-directed execution instructions, and the "catch up" of certain client accounts which could not participate in prior aggregated (and executed) orders because of cash availability/ portfolio management or other compliance reasons. Depending on facts and circumstances, client orders which are not aggregated with others may not receive the same quality execution as orders which are aggregated. To the extent permitted by the Investment Advisers Act of 1940, Southeastern may execute cross trades between client accounts when it deems the transaction to be in the best interests of both clients and in accordance with any laws, rules or regulations applicable to such clients' accounts (e.g., the Employee Retirement Income Security Act of 1974 or the Investment Company Act of 1940).

Please see the answer to question 12 A.3.(b) regarding the negative consequences of directing brokerage.



## **Review of Accounts**

Form ADV Part 2A, Item 13

**THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.**

**A. Indicate whether you periodically review client accounts or financial plans. If you do, describe the frequency and nature of the review, and the titles of the supervised persons who conduct the review.**

Each client account's portfolio weightings and risk characteristics are reviewed at least weekly by the portfolio managers. An automated portfolio compliance system monitors the account on a pre-trade and post-trade basis for investment restrictions.

**B. If you review client accounts on other than a periodic basis, describe the factors that trigger a review.**

In addition to periodic reviews, additional reviews will occur to the extent a client adds or withdraws money, trading activity results in weightings that approach investment guidelines, or stock selections and/or price fluctuations result in a need to rebalance an account.

**C. Describe the content and indicate the frequency of regular reports you provide to clients regarding their accounts. State whether these reports are written.**

After the close of each quarter (or more frequently if required by the client), Southeastern provides clients written reports showing portfolio holdings with cost and market values, performance information, as well as realized and unrealized gains and losses. Other reports are available to each client at their request. Certain clients require periodic formal, in-person presentations by members of the portfolio management group. Special reports are prepared for these client meetings, showing the particular portfolio's current investments and other pertinent account information through the current date. Southeastern's representatives respond to questions raised by the client at these meetings and may provide additional follow-up reports when necessary. Clients receive an annual portfolio report after the close of the year which includes both realized and unrealized gains and losses.

## ***Client Referrals and Other Compensation***

Form ADV Part 2A, Item 14

**THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.**

A. If someone who is not a client provides an economic benefit to you for providing investment advice or other advisory services to your clients, generally describe the arrangement, explain the conflicts of interest, and describe how you address the conflicts of interest. For purposes of this Item, economic benefits include any sales awards or other prizes.

Not Applicable

B. If you or a related person directly or indirectly compensates any person who is not your supervised person for client referrals, describe the arrangement and the compensation.

**Note:** If you compensate any person for client referrals, you should consider whether [SEC rule 206\(4\)-3](#) or similar state rules regarding solicitation arrangements and/or state rules requiring registration of investment adviser representatives apply.

Southeastern previously contracted with entities in non-US jurisdictions to solicit clients and/or shareholders for certain private funds and the Longleaf UCITS Funds, and to provide customer support services. No compensation has been paid by Southeastern for direct client referrals, but compensation continues to be paid regarding shareholders invested in private funds and the Longleaf UCITS Funds, consistent with local regulations.

## ***Custody***

Form ADV Part 2A, Item 15

**THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.**

If you have custody of client funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to your clients, explain that clients will receive account statements from the broker-dealer, bank or other qualified custodian and that clients should carefully review those statements. If your clients also receive account statements from you, your explanation must include a statement urging clients to compare the account statements they receive from the qualified custodian with those they receive from you.

Southeastern is deemed to have custody of certain client funds and securities under Rule 206(4)-2 of the Advisers Act (the "Custody Rule") because a related person acts as a general partner to certain private funds and/or the Investment Adviser has the authority to obtain funds or securities from such private funds.

Southeastern is subject to the Custody Rule, however it is not required to comply (or is deemed to have complied) with certain requirements of the Custody Rule with respect to each private fund because it complies with the provisions of the so-called "Pooled Vehicle Annual Audit Exception," which, among other things, requires that each fund be subject to audit at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and requires that each fund distribute its audited financial statements to all investors within 120 days of the end of its fiscal year. In addition, investors in these private funds will receive quarterly account statements, which should be reviewed carefully and compared to any statements provided by Southeastern.

In rare cases and at a client's request Southeastern will deduct its fees from a client account, and will do so in compliance with Rule 206(4)-2, designed to safeguard the client's assets. Any such clients receive account statements from their qualified custodian and should carefully review those statements. We also urge clients to compare the account statements they receive from their qualified custodian with those they receive from us.

### ***Investment Discretion***

Form ADV Part 2A, Item 16

**THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.**

If you accept discretionary authority to manage securities accounts on behalf of clients, disclose this fact and describe any limitations clients may (or customarily do) place on this authority. Describe the procedures you follow before you assume this authority (e.g., execution of a power of attorney).

Southeastern accepts discretionary authority to manage securities accounts on behalf of clients. Clients hire Southeastern because they want a portfolio managed using Southeastern's investment expertise and established disciplines, but they are able to (and often do) place guidelines and limitations on this authority. These guidelines would be included in an investment management agreement, which is the document Southeastern and the client sign to establish Southeastern's investment authority. Before signing the agreement, client relations personnel gain an understanding of the client's financial situation and investment objectives to determine the suitability of Southeastern's approach. Then client relations, portfolio administration and, trading departments review the terms of the IMA prior to execution to ensure Southeastern is capable of performing the requirements and the guidelines are appropriate in light of Southeastern's investment strategy.

## Voting Client Securities

Form ADV Part 2A, Item 17

**THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.**

A. If you have, or will accept, authority to vote client securities, briefly describe your voting policies and procedures, including those adopted pursuant to [SEC rule 206\(4\)-6](#). Describe whether (and, if so, how) your clients can direct your vote in a particular solicitation. Describe how you address conflicts of interest between you and your clients with respect to voting their securities. Describe how clients may obtain information from you about how you voted their securities. Explain to clients that they may obtain a copy of your proxy voting policies and procedures upon request.

As required by Rule 206(4)-6 under the Investment Advisers Act of 1940, Southeastern has adopted written policies and procedures (the "Proxy Policy") designed to ensure that Southeastern votes client securities in the best interest of clients and in a manner consistent with the firm's investment strategy. The Proxy Policy discusses specific proposals and how Southeastern is likely to vote. The overriding principle governing Southeastern's voting decisions is what Southeastern believes to be in its clients' long-term financial interest.

Southeastern works with a third-party service provider to ensure that it receives all proxies relating to securities Southeastern selects for its clients' portfolios. Voting decisions are made by the lead analyst, and a special committee reviews for conflicts of interest. In case of a material conflict, Southeastern will seek to disclose the conflict to its clients and obtain consent to vote, or if obtaining consent is not feasible, will vote consistent with the recommendation of an unaffiliated proxy service.

To obtain a copy of the Proxy Policy, to get a report of Southeastern's voting decisions for your account, or to instruct Southeastern how to vote on a particular matter, please contact Southeastern's Proxy Administrator at 901-761-2474, or submit your request in writing to Southeastern Asset Management, Inc., Attention: Proxy Administrator, 6410 Poplar Avenue, Suite 900, Memphis, TN 38119.

B. If you do not have authority to vote client securities, disclose this fact. Explain whether clients will receive their proxies or other solicitations directly from their custodian or a transfer agent or from you, and discuss whether (and, if so, how) clients can contact you with questions about a particular solicitation.

In cases where clients vote their own proxies, they will need to establish procedures with their custodians and/or transfer agents to vote.

## Financial Information

Form ADV Part 2A, Item 18

**THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.**

A. If you require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, include a balance sheet for your most recent fiscal year.

1. The balance sheet must be prepared in accordance with generally accepted accounting principles, audited by an independent public accountant, and accompanied by a note stating the principles used to prepare it, the basis of securities included, and any other explanations required for clarity.

Not Applicable

2. Show parenthetically the market or fair value of securities included at cost.

Not Applicable

3. Qualifications of the independent public accountant and any accompanying independent public accountant's report must conform to [Article 2 of SEC Regulation S-X](#).

Not Applicable

**Note:** If you are a sole proprietor, show investment advisory business assets and liabilities separate from other business and personal assets and liabilities. You may aggregate other business and personal assets unless advisory business liabilities exceed advisory business assets.

**Note:** If you have not completed your first fiscal year, include a balance sheet dated not more than 90 days prior to the date of your brochure.

**Exception:** You are not required to respond to Item 18.A of Part 2A if you also are: (i) a qualified custodian as defined in [SEC rule 206\(4\)-2](#) or similar state rules; or (ii) an insurance company.

Not Applicable

B. If you have discretionary authority or custody of client funds or securities, or you require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, disclose any financial condition that is reasonably likely to impair your ability to meet contractual commitments to clients.

**Note:** With respect to [Items 18.A](#) and [18.B](#), if you are registered or are registering with one or more of the state securities authorities, the dollar amount reporting threshold for including the required balance sheet and for making the required financial condition disclosures is more than \$500 in fees per client, six months or more in advance.

There are none.

C. If you have been the subject of a bankruptcy petition at any time during the past ten years, disclose this fact, the date the petition was first brought, and the current status.

If you are registering or are registered with one or more state securities authorities, you must respond to the following additional Item.

Not Applicable

### ***Additional Information***

Use this section for any additional disclosures needed. Otherwise, delete this section.

Senior management and directors of companies in Southeastern's portfolios may be significant investors with the firm, either through private accounts or in one of our funds. Southeastern intends to follow its established investment disciplines with respect to such holdings and will disregard any potential biases these investment relationships with the firm might create.

In rare circumstances, Southeastern personnel may serve on the Board of Directors of companies in Southeastern's portfolios. Such service could impact Southeastern's ability to trade in the securities of such companies.