



FAIRHOLME FUNDS

SHARES DISTRIBUTED BY  
FAIRHOLME DISTRIBUTORS, LLC  
MEMBER FINRA

FAIRHOLMEFUNDS.COM

DATE: November 18, 2019

TO: Shareholders of The Fairholme Fund, The Fairholme Focused Income Fund, and The Fairholme Allocation Fund

RE: December 2019 Dividend Distribution ESTIMATES

### THE FAIRHOLME FUND (FAIRX)

Please be advised that The Fairholme Fund expects to distribute an Ordinary Income dividend to shareholders of record in mid-December. As of November 18, 2019, the anticipated Record Date, Ex-Dividend Date, Payable Date, and Estimated Cents-Per-Share are as follows:

Distribution Type	Record Date	Ex-Dividend Date	Payable Date	Estimated Cents-Per-Share
Ordinary Income	December 12, 2019	December 13, 2019	December 13, 2019	\$0.16-\$0.18
Total				\$0.16-\$0.18

### THE FAIRHOLME FOCUSED INCOME FUND (FOCIX)

Please be advised that The Fairholme Focused Income Fund expects to distribute an Ordinary Income dividend to shareholders of record in mid-December. As of November 18, 2019, the anticipated Record Date, Ex-Dividend Date, Payable Date, and Estimated Cents-Per-Share are as follows:

Distribution Type	Record Date	Ex-Dividend Date	Payable Date	Estimated Cents-Per-Share
Ordinary Income	December 12, 2019	December 13, 2019	December 13, 2019	\$0.04-\$0.06
Total				\$0.04-\$0.06

## THE FAIRHOLME ALLOCATION FUND (FAAFX)

Please be advised that The Fairholme Allocation Fund expects to distribute an Ordinary Income dividend to shareholders of record in mid-December. As of November 18, 2019, the anticipated Record Date, Ex-Dividend Date, Payable Date, and Estimated Cents-Per-Share are as follows:

Distribution Type	Record Date	Ex-Dividend Date	Payable Date	Estimated Cents-Per-Share
Ordinary Income	December 12, 2019	December 13, 2019	December 13, 2019	\$0.09-\$0.11
Total				\$0.09-\$0.11

**We do not anticipate paying a Capital Gain distribution for The Fairholme Fund (FAIRX), The Fairholme Focused Income Fund (FOCIX), and The Fairholme Allocation Fund (FAAFX) at this time.**

***The Funds' stated dividend distribution amounts are ESTIMATES as of November 18, 2019, and are subject to significant change. Actual amounts paid may differ from estimates due to further changes in income, dividends, realized short- and long-term gains and losses, shareholder Fund purchases and redemptions, and any applicable tax adjustments incurred before the Funds' Ex-Dividend Date. The Funds' closing net asset values for December 13, 2019, will be reduced by the amount of the final per share ordinary income distributions. Estimates should not be relied upon for tax planning purposes. Please consult your tax advisor. Actual paid amounts will be posted to [www.fairholmefunds.com](http://www.fairholmefunds.com) and stated on applicable U.S. IRS Form 1099-DIV and U.S. IRS Form 1042-S. Fairholme Funds, Inc. has no obligation to provide further estimates. The final determination of the source and tax characteristics of all distributions in 2019 will be made after the end of the year.***

***Investing in the Funds involves risks including loss of principal. The Funds' investment objectives, risks, charges, and expenses should be considered carefully before investing. The [prospectus](#) contains this and other important information about the Funds, and it may be obtained by calling Shareholder Services at (866) 202-2263 or visiting our website [www.fairholmefunds.com](http://www.fairholmefunds.com). Read it carefully before investing.***

The Fairholme Fund is non-diversified, which means that The Fairholme Fund invests in a smaller number of securities when compared to more diversified funds. Therefore, The Fairholme Fund is exposed to greater individual stock volatility than a diversified fund. The Fairholme Fund also invests in foreign securities which involve greater volatility and political, economic and currency risks and differences in accounting methods. The Fairholme Fund may also invest in "special situations" to achieve its objectives. These strategies may involve greater risks than other fund strategies.

The Fairholme Focused Income Fund (the "Income Fund") is a non-diversified mutual fund, which means that the Income Fund invests in a smaller number of securities when compared to more diversified funds. This strategy exposes the Income Fund and its shareholders to greater risk of loss from adverse developments affecting portfolio companies. The Income Fund's investments are also subject to interest rate risk, which is the risk that the value of a security will decline because of a change in general interest rates. Investments subject to interest rate risk will usually decrease in value when interest rates rise and rise in value when interest rates decline. Also, securities with long maturities typically experience a more pronounced change in value when interest rates change. Debt securities are subject to credit risk (potential default by the issuer). The Income Fund may invest without limit in lower-rated securities. Compared to higher-rated fixed income securities, lower-rated debt may entail greater risk of default and market volatility.

The Fairholme Allocation Fund (the "Allocation Fund") is a non-diversified mutual fund, which means that the Allocation Fund can invest in a smaller number of securities when compared to more diversified funds. The

Allocation Fund may invest in lower-rated securities, which may have greater market risk. This strategy exposes The Allocation Fund and its shareholders to greater risk of loss from adverse developments affecting portfolio companies. The allocation of investments among the different asset classes, such as equity or fixed-income asset classes, may have a more significant effect on The Allocation Fund's net asset value when one of these classes is performing more poorly than others.

Fairholme Distributors, LLC (11/19)