

THE FAIRHOLME FUND

Managed by **Bruce Berkowitz**, Chief Investment Officer of Fairholme Capital Management (the "Manager")

at 9/30/17

Seeks long-term growth of capital.

Growth of \$10 (Since Inception)⁽¹⁾

Net Asset Value	\$20.32
Distribution Value	\$27.71
Reinvestment Value ⁽²⁾	\$7.80
Total Value	\$55.83

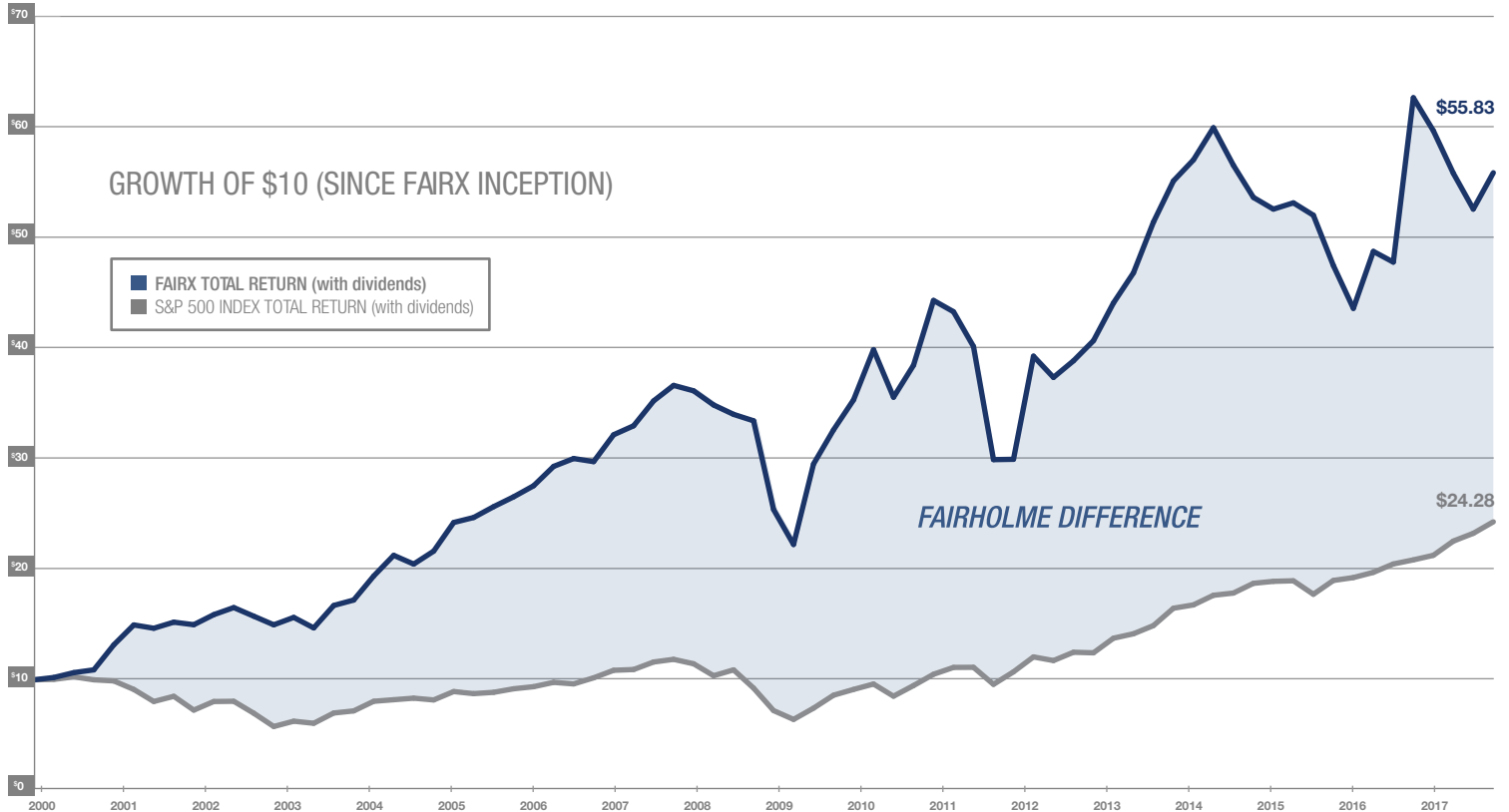
60-Month Rolling Returns

Best	+185.26% (3/2009-2/2014)	+181.57% (3/2009-2/2014)
Average	+65.31%	+44.77%
Worst	-6.89% (1/2007-12/2011)	-29.05% (3/2004-2/2009)
Percentage of Positive Periods ⁽³⁾	96%	82%

FAIRX S&P 500 Index



Fund Manager of the Decade⁽⁴⁾
Domestic Equity



The chart above covers the period from inception (December 29, 1999) of The Fairholme Fund (the "Fund" or "FAIRX") to September 30, 2017. **Performance information quoted above represents past performance and does not guarantee future results. The investment return and principal value of an investment in the Fund will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance information quoted above. Performance figures assume reinvestment of dividends and capital gains, but do not reflect a 2.00% redemption fee on shares redeemed within 60 days of purchase. Most recent month-end performance and answers to any questions you may have can be obtained by calling Shareholder Services at (866) 202-2263.** The S&P 500 Index (the "S&P 500") is a widely recognized, unmanaged index of 500 of the largest companies in the United States as measured by market capitalization. The S&P 500 assumes reinvestment of all dividends and distributions. The S&P 500 is used for comparative purposes only, and is not meant to be indicative of the Fund's performance, asset composition, or volatility. Results may differ markedly from the performance of the S&P 500 in either up or down market trends. Because indices cannot be invested in directly, these index returns do not reflect a deduction for fees, expenses, or taxes. The Fund's expense ratio is 1.03%. The expense ratio includes acquired fund fees and expenses which are incurred indirectly by the Fund as a result of investing in securities issued by one or more investment companies, including money market funds.

Cumulative Return

	FAIRX	S&P 500 Index
1-Year	+16.93%	+18.61%
5-Year	+43.80%	+94.44%
10-Year	+52.49%	+104.88%
15-Year	+272.91%	+320.27%
Since Inception	+458.34%	+142.77%

Annualized Return

	FAIRX	S&P 500 Index
1-Year	+16.93%	+18.61%
5-Year	+7.54%	+14.22%
10-Year	+4.31%	+7.44%
15-Year	+9.17%	+10.04%
Since Inception	+10.17%	+5.12%

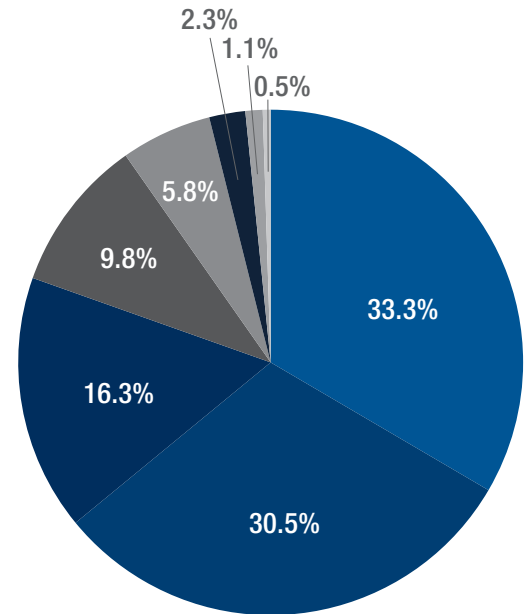
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Top 10 Issuers as of 8/31/17⁽⁵⁾ (% of Net Assets)

The St. Joe Co.	20.2%
Cash and Cash Equivalents ⁽⁶⁾	19.1%
Federal National Mortgage Association	16.9%
Federal Home Loan Mortgage Corp.	16.4%
Sears Holdings Corp.	11.4%
Imperial Metals Corp.	6.8%
Seritage Growth Properties	4.9%
International Wire Group, Inc.	1.7%
Monitronics International, Inc.	1.7%
Bristow Group, Inc.	0.3%

Portfolio Composition by Security Type as of 8/31/17

■ Domestic Preferred Equities	33.3%
■ Domestic Common Equities	30.5%
■ Commercial Paper	16.3%
■ Domestic Corporate Bonds	9.8%
■ Foreign Corporate Bonds	5.8%
■ U.S. Treasury Bills	2.3%
■ Foreign Common Equities	1.1%
■ Money Market Funds	0.5%



Investment Minimums

Initial, Regular Account ⁽⁷⁾	\$10,000
Initial, IRA ⁽⁷⁾	\$5,500
Subsequent, Regular Account and IRA	\$1,000
Subsequent, Automatic Investment Plan	\$250/month

The Fund seeks long-term growth of capital. The Manager attempts under normal circumstances, to achieve the Fund's investment objective by investing in a focused portfolio of equity and fixed-income securities. The proportion of the Fund's assets invested in each type of asset class will vary from time to time based upon the Manager's assessment of general market and economic conditions. The Fund may invest in, and may shift frequently among, asset classes and market sectors. There is no guarantee that the Fund will meet its objective.

(1) This chart assumes that distributions have been reinvested and does not include the effect of taxes.

(2) This figure represents the appreciation of the reinvested distributions since inception.

(3) This figure represents the percentage of 60-month rolling periods with returns greater than 0% since the inception of the Fund.

(4) The Fund Manager of the Decade award (2000-2009) recognizes fund managers who have achieved superior risk adjusted results over the past 10 years and have an established record of serving shareholders well. Morningstar takes into consideration the fund's performance over the past ten years, including the fund manager's strategy, approach to risk, size of the fund, and stewardship. Award winners are selected based on Morningstar's proprietary research and in-depth evaluation.

(5) Percentages were calculated aggregating all securities held of a particular issuer.

(6) Includes cash, U.S. Treasury Bills, money market funds, and various commercial paper issuers.

(7) The minimum initial investment for regular accounts and IRAs may be waived by the Manager in its discretion.

Investing in the Fund involves risk including loss of principal. The Fund is non-diversified, meaning it invests in a small number of securities and therefore is exposed to greater individual issuer volatility than a diversified fund. The Fund may focus on issuers undergoing reorganization or other special situations, which may entail greater risk. Any debt securities held by the Fund are subject to credit risk, and some of them may be rated below investment grade, meaning they have greater credit risk. Debt securities usually fall in value when interest rates rise. The Fund may hold foreign securities, which are subject to potential loss from currency fluctuations, limited liquidity, tax regulation, and social instability. Investments in small- and medium-sized companies by the Fund could be more volatile than securities issued by large companies because smaller companies have limited markets and financial resources.

Shares of the Fund are not deposits or obligations of any bank, are not guaranteed by any bank, are not insured by the FDIC or any other agency, and involve investment risk, including possible loss of the principal amount invested. Automatic Investment Plans do not assure a profit and do not protect against a loss in declining markets.

The composition of the Fund's portfolio holdings and sector weighting are subject to change and should not be considered recommendations to buy or sell any securities.

Current and future portfolio holdings are subject to risk.

Contacts

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LEGAL

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The Fund's investment objective, risks, charges, and expenses should be considered carefully before investing. The prospectus contains this and other important information about the Fund, and it may be obtained by calling Shareholder Services at (866) 202-2263 or visiting our website www.fairholmefunds.com. Read it carefully before investing.

Fairholme Distributors, LLC (10/17)