

Dear United Kingdom Fairholme Funds Investor,

As required under HMRC regulations, please read the Fund Report below for the reporting period Year Ended November 30, 2022. The Fairholme Fund (FAIRX), The Fairholme Focused Income Fund (FOCIX), and The Fairholme Allocation Fund (FAAFX) all have Reporting Fund status.

**FAIRHOLME FUNDS, INC.**  
**FUND REPORT TO UK INVESTORS**  
**Reporting period ended November 30, 2022**

	The Fairholme Fund	The Fairholme Focused Income Fund	The Fairholme Allocation Fund
<b>1. Distributions per unit of interest:</b>			
December 15, 2022	-----	\$0.0872	\$0.1355
September 29, 2022	-----	\$0.0647	-----
June 23, 2022	-----	\$0.0563	-----
March 29, 2022	-----	\$0.0450	-----

**2. Excess of reported income per unit of interest over distributions**

The Fairholme Fund	\$0.0176
The Fairholme Focused Income Fund	-----
The Fairholme Allocation Fund	-----

The “fund distribution date” in respect of these amounts is 31 May 2023.

**3. Dates of Distributions:**

See item # 1 above for record dates of distributions. In each case, actual distributions were made the following business day.

**4. Reporting Fund Status:**

The Fairholme Fund (FAIRX), The Fairholme Focused Income Fund (FOCIX) and The Fairholme Allocation Fund (FAAFX) remain Reporting Funds as of the date of this report.

**Past performance is not a guarantee of future results.**

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*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 1-866-202-2263 or visiting our website at [www.fairholmefunds.com](http://www.fairholmefunds.com). Read it carefully before investing.*

**The Fairholme Fund is non-diversified, which means that it invests in a smaller number of securities when compared to more diversified funds. Therefore, the 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. 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.**