

# THE FAIRHOLME FUND

## SCHEDULE OF INVESTMENTS August 31, 2023 (Unaudited)

Shares		Value	Shares		Value
	<b>DOMESTIC EQUITY SECURITIES — 87.3%</b>			<b>DOMESTIC PREFERRED EQUITY SECURITIES — 0.6%</b>	
	<b>DIVERSIFIED HOLDING COMPANY — 0.1%</b>			<b>MORTGAGE FINANCE — 0.6%</b>	
	Berkshire Hathaway Inc.,		4,335,813	Federal Home Loan Mortgage Corp.	
3,300	Class B <sup>(a)</sup>	\$ 1,188,660		7.875%, Series Z <sup>(a)(c)</sup>	\$ 9,538,788
	<b>OIL &amp; GAS STORAGE &amp; TRANSPORTATION — 5.3%</b>		<b>TOTAL DOMESTIC PREFERRED EQUITY SECURITIES (COST \$16,377,078)</b>		<b>9,538,788</b>
2,953,100	Enterprise Products Partners LP	78,581,991	<b>Principal</b>		
	<b>REAL ESTATE MANAGEMENT &amp; DEVELOPMENT — 81.9%</b>		<b>U.S. GOVERNMENT OBLIGATIONS — 9.2%</b>		
19,394,724	The St. Joe Co. <sup>(b)</sup>	1,197,430,260	U.S. Treasury Bills		
	<b>TOTAL DOMESTIC EQUITY SECURITIES (COST \$560,473,209)</b>	<b>1,277,200,911</b>	\$ 30,000,000	5.248%, 09/12/2023 <sup>(d)</sup>	29,951,806
	<b>FOREIGN EQUITY SECURITIES — 0.9%</b>		50,000,000	5.264%, 09/19/2023 <sup>(d)</sup>	49,868,125
	<b>CANADA — 0.9%</b>		30,000,000	5.277%, 09/26/2023 <sup>(d)</sup>	29,889,844
	<b>METALS &amp; MINING — 0.9%</b>		25,000,000	5.301%, 10/12/2023 <sup>(d)</sup>	24,849,026
6,924,313	Imperial Metals Corp. <sup>(a)</sup>	12,555,186	<b>TOTAL U.S. GOVERNMENT OBLIGATIONS (COST \$134,562,891)</b>		<b>134,558,801</b>
	<b>TOTAL FOREIGN EQUITY SECURITIES (COST \$58,813,886)</b>	<b>12,555,186</b>	<b>Shares</b>		
			<b>MONEY MARKET FUNDS — 1.9%</b>		
			27,444,642	Fidelity Investments Money Market Treasury Portfolio - Class I, 5.20% <sup>(e)</sup>	27,444,642
			<b>TOTAL MONEY MARKET FUNDS (COST \$27,444,642)</b>		<b>27,444,642</b>
			<b>TOTAL INVESTMENTS — 99.9% (COST \$797,671,706)</b>		<b>1,461,298,328</b>
			<b>OTHER ASSETS IN EXCESS OF LIABILITIES — 0.1%</b>		<b>1,212,357</b>
			<b>NET ASSETS — 100.0%</b>		<b>\$ 1,462,510,685</b>

<sup>(a)</sup> Non-income producing security.

<sup>(b)</sup> Affiliated Company. See Note 2.

<sup>(c)</sup> Variable rate security. Rates shown are the effective rates as of August 31, 2023.

<sup>(d)</sup> Rates shown are the effective yields based on the purchase price. The calculation assumes the security is held to maturity.

<sup>(e)</sup> Annualized based on the 1-day yield as of August 31, 2023.

The accompanying notes are an integral part of the schedule of investments.

## Note 1. Significant Accounting Policies

As an investment company, The Fairholme Fund (the Fund”) follows the investment company accounting and reporting guidance, which is part of U.S. generally accepted accounting principles (“U.S. GAAP”). The Fund’s investments are reported at fair value as defined by U.S. GAAP. The Fund calculates its net asset value as soon as practicable following the close of regular trading on the New York Stock Exchange (currently 4:00 p.m. Eastern Time) on each day the New York Stock Exchange is open.

A description of the valuation techniques applied to the Fund’s securities follows:

### *Security Valuation:*

Securities for which market quotations are readily available are valued at market value, and other securities are valued at “fair value” as determined in accordance with policies and procedures approved by the Board of Directors of Fairholme Funds, Inc. (the “Board”). Pursuant to Rule 2a-5 under the 1940 Act, the Board has designated Fairholme Capital Management, L.L.C. (the “Manager”) as valuation designee to perform fair value determinations relating to the Fund’s portfolio investments, subject to the Board’s oversight.

The Manager may determine the fair valuation of a security when market quotations are not readily available, when securities are determined to be illiquid or restricted, or when in the judgment of the Manager the prices or values available do not represent the fair value of the investment. Factors which may cause the Manager to make such a judgment include the following: (a) only a bid price or an asked price is available; (b) the spread between bid and ask prices is substantial; (c) the liquidity of the securities; (d) the frequency of sales; (e) the thinness of the market; (f) the size of reported trades; (g) actions of the investment’s markets, such as the suspension or limitation of trading; and (h) local market closures. The circumstances of fair valued securities are frequently monitored to determine if fair valuation measures continue to apply.

Equity securities (common and preferred stocks): Securities traded on a national securities exchange or reported on the NASDAQ national market are generally valued at the official closing price, or at the last reported sale price on the exchange or market on which the securities are traded, as of the close of business on the day the securities are being valued or, lacking any sales, at the last available bid price..

Fixed-income securities (U.S. government obligations, corporate bonds, convertible bonds, and asset backed securities): Fixed-income securities are valued at prices supplied by an independent pricing source or by pricing service providers based on broker or dealer supplied valuations or matrix pricing.

Open-end mutual fund: Investments in open-end mutual funds, including money market funds, are valued at their closing net asset value each business day.

Short-term securities: Investments in securities with remaining maturities of less than sixty days are valued at prices supplied by an independent pricing source or by one of the Fund’s pricing agents based on broker or dealer supplied valuations or matrix pricing.

The Fund uses third-party pricing services, which are approved by the Manager, to provide prices for some of the Fund’s securities. The Fund also uses other independent market trade data sources, as well as broker quotes provided by market makers.

U.S. GAAP defines fair value as the price that the Fund would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. U.S. GAAP establishes the following fair value hierarchy that categorizes the inputs used to measure fair value:

# THE FAIRHOLME FUND

NOTES TO FINANCIAL STATEMENTS (continued)  
August 31, 2023 (unaudited)

- Level 1 — quoted prices in active markets for identical securities;
- Level 2 — other significant observable inputs (including quoted prices for similar securities, quoted prices in inactive markets for identical securities, interest rates, prepayment speeds, credit risk, etc.); and
- Level 3 — significant unobservable inputs (including the Manager’s assumptions in determining the fair value of investments).

The inputs or methodology used for valuing investments are not necessarily an indication of the level of risk associated with investing in those investments. The summary of the Fund’s investments by inputs used to value the Fund’s investments as of August 31, 2023, is as follows:

	Valuation Inputs			Total Fair Value at 08/31/23
	Level 1 - Quoted Prices	Level 2 - Other Significant Observable Inputs	Level 3 - Significant Observable Inputs	
<b>ASSETS:</b>				
<b>INVESTMENTS (Fair Value):</b>				
Domestic Equity Securities*	\$ 1,277,200,911	\$ —	\$ —	\$ 1,277,200,911
Foreign Equity Securities*	12,555,186	—	—	12,555,186
Domestic Preferred Equity Securities*	9,538,788	—	—	9,538,788
U.S. Government Obligations	—	134,558,801	—	134,558,801
Money Market Funds	27,444,642	—	—	27,444,642
<b>TOTAL INVESTMENTS</b>	<u>\$ 1,326,739,527</u>	<u>\$ 134,558,801</u>	<u>\$ —</u>	<u>\$ 1,461,298,328</u>

\* Industry classification for these categories are detailed in the Schedule of Investments.

There were no Level 3 investments for the Fund at August 31, 2023.

## Note 2. Transactions in Shares of Affiliates

Portfolio companies in which the Fund owns 5% or more of the outstanding voting securities of the issuer are considered affiliates of the Fund. The aggregate fair value of all securities of affiliates held by the Fund as of August 31, 2023 amounted to \$1,197,430,260, representing approximately 81.87% of the Fund’s net assets.

Transactions in the Fund during the period ended August 31, 2023, in which the issuer of the security was an affiliate are as follows:

	November 30, 2022		Gross Additions	Gross Deductions	August 31, 2023		Change in Unrealized Appreciation/ Depreciation	
	Shares/ Par Value	Shares/ Par Value			Shares/ Par Value	Shares/ Par Value		Fair Value
The St. Joe Co.	20,921,524	—	1,526,800	19,394,724	\$ 1,197,430,260	\$ 34,897,952	\$ 6,508,392	\$ 445,748,900
Total					<u>\$ 1,197,430,260</u>	<u>\$ 34,897,952</u>	<u>\$ 6,508,392</u>	<u>\$ 445,748,900</u>

For additional information regarding the accounting policies of the Fund and the most recent federal income tax information, refer to the most recent financial statements in the N-CSR filing at [www.sec.gov](http://www.sec.gov).

# THE FAIRHOLME FOCUSED INCOME FUND

## SCHEDULE OF INVESTMENTS August 31, 2023 (unaudited)

<u>Shares</u>	<u>Value</u>	<u>Shares</u>	<u>Value</u>
<b>DOMESTIC EQUITY SECURITIES — 28.5%</b>		<b>MONEY MARKET FUNDS — 8.1%</b>	
<b>OIL &amp; GAS STORAGE &amp; TRANSPORTATION — 25.4%</b>		15,212,416	Fidelity Investments Money Market Treasury Portfolio - Class I, 5.20% <sup>(c)</sup>
1,800,700	Enterprise Products Partners LP \$ 47,916,627		\$ 15,212,416
<b>PROPERTY &amp; CASUALTY INSURANCE — 3.1%</b>		<b>TOTAL MONEY MARKET FUNDS (COST \$15,212,416)</b>	<u>15,212,416</u>
93,300	W. R. Berkley Corp. 5,771,538	<b>MISCELLANEOUS INVESTMENTS — 1.8%<sup>(d)</sup></b>	
<b>TOTAL DOMESTIC EQUITY SECURITIES (COST \$43,516,323)</b>		<b>(COST \$3,376,988)</b>	<u>3,350,071</u>
	53,688,165	<b>TOTAL INVESTMENTS — 100.1% (COST \$179,296,005)</b>	<u>188,375,892</u>
<b>FOREIGN EQUITY SECURITIES — 0.2%</b>		<b>LIABILITIES IN EXCESS OF OTHER ASSETS — (0.1)%</b>	<u>(151,383)</u>
<b>CANADA — 0.2%</b>		<b>NET ASSETS — 100.0%</b>	<u>\$ 188,224,509</u>
<b>OIL &amp; GAS EXPLORATION &amp; PRODUCTION — 0.2%</b>			
40,000	Freehold Royalties Ltd. 425,696		
<b>TOTAL FOREIGN EQUITY SECURITIES (COST \$462,656)</b>			
	425,696		
<b>DOMESTIC PREFERRED EQUITY SECURITIES — 0.5%</b>			
<b>MORTGAGE FINANCE — 0.5%</b>			
298,800	Federal Home Loan Mortgage Corp. 5.100%, Series H <sup>(a)</sup> 992,016		
<b>TOTAL DOMESTIC PREFERRED EQUITY SECURITIES (COST \$2,016,900)</b>			
	992,016		
<b>Principal</b>			
<b>U.S. GOVERNMENT OBLIGATIONS — 61.0%</b>			
U.S. Treasury Bills			
\$ 10,000,000	5.106%, 09/05/2023 <sup>(b)</sup> 9,994,197		
10,000,000	5.018%, 09/07/2023 <sup>(b)</sup> 9,991,210		
30,000,000	5.248%, 09/12/2023 <sup>(b)</sup> 29,951,806		
20,000,000	5.282%, 09/14/2023 <sup>(b)</sup> 19,962,137		
15,000,000	5.264%, 09/19/2023 <sup>(b)</sup> 14,960,438		
10,000,000	5.277%, 09/26/2023 <sup>(b)</sup> 9,963,281		
5,000,000	5.277%, 10/05/2023 <sup>(b)</sup> 4,975,043		
15,000,000	5.301%, 10/12/2023 <sup>(b)</sup> 14,909,416		
<b>TOTAL U.S. GOVERNMENT OBLIGATIONS (COST \$114,710,722)</b>			
	114,707,528		

The accompanying notes are an integral part of the schedule of investments.

# THE FAIRHOLME FOCUSED INCOME FUND

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SCHEDULE OF INVESTMENTS (continued)  
August 31, 2023 (unaudited)

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- (a) Non-income producing security.
- (b) Rates shown are the effective yields based on the purchase price. The calculation assumes the security is held to maturity.
- (c) Annualized based on the 1-day yield as of August 31, 2023.
- (d) Represents previously undisclosed unrestricted securities, which the Fund has held for less than one year.

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# THE FAIRHOLME FOCUSED INCOME FUND

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NOTES TO SCHEDULE OF INVESTMENTS  
August 31, 2023 (unaudited)

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## Note 1. Significant Accounting Policies

As an investment company, The Fairholme Focused Income Fund (the “Fund”) follows the investment company accounting and reporting guidance, which is part of U.S. generally accepted accounting principles (“U.S. GAAP”). The Fund’s investments are reported at fair value as defined by U.S. GAAP. The Fund calculates its net asset value as soon as practicable following the close of regular trading on the New York Stock Exchange (currently 4:00 p.m. Eastern Time) on each day the New York Stock Exchange is open.

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The Manager may determine the fair valuation of a security when market quotations are not readily available, when securities are determined to be illiquid or restricted, or when in the judgment of the Manager the prices or values available do not represent the fair value of the investment. Factors which may cause the Manager to make such a judgment include the following: (a) only a bid price or an asked price is available; (b) the spread between bid and ask prices is substantial; (c) the liquidity of the securities; (d) the frequency of sales; (e) the thinness of the market; (f) the size of reported trades; (g) actions of the investment’s markets, such as the suspension or limitation of trading; and (h) local market closures. The circumstances of fair valued securities are frequently monitored to determine if fair valuation measures continue to apply.

Equity securities (common and preferred stocks): Securities traded on a national securities exchange or reported on the NASDAQ national market are generally valued at the official closing price, or at the last reported sale price on the exchange or market on which the securities are traded, as of the close of business on the day the securities are being valued or, lacking any sales, at the last available bid price.

Fixed-income securities (U.S. government obligations, corporate bonds, convertible bonds, and asset backed securities): Fixed-income securities are valued at prices supplied by an independent pricing source or by pricing service providers based on broker or dealer supplied valuations or matrix pricing.

Open-end mutual funds: Investments in open-end mutual funds, including money market funds, are valued at their closing net asset value each business day.

Short-term securities: Investments in securities with remaining maturities of less than sixty days are valued at prices supplied by an independent pricing source or by one of the Fund’s pricing agents based on broker or dealer supplied valuations or matrix pricing.

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- Level 2 — other significant observable inputs (including quoted prices for similar securities, quoted prices in inactive markets for identical securities, interest rates, prepayment speeds, credit risk, etc.); and
- Level 3 — significant unobservable inputs (including the Manager’s determination as to the fair value of investments).

## THE FAIRHOLME FOCUSED INCOME FUND

NOTES TO SCHEDULE OF INVESTMENTS (continued)  
August 31, 2023 (unaudited)

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	Valuation Inputs			Total Fair Value at 08/31/23
	Level 1 - Quoted Prices	Level 2 - Other Significant Observable Inputs	Level 3 - Significant Observable Inputs	
<b>ASSETS:</b>				
<b>INVESTMENTS (Fair Value):</b>				
Domestic Equity Securities*	\$ 57,038,236	\$ —	\$ —	\$ 57,038,236
Foreign Equity Securities*	425,696	—	—	425,696
Domestic Preferred Equity Securities*	992,016	—	—	992,016
U.S. Government Obligations	—	114,707,528	—	114,707,528
Money Market Funds	15,212,416	—	—	15,212,416
<b>TOTAL INVESTMENTS</b>	<u>\$ 73,668,364</u>	<u>\$ 114,707,528</u>	<u>\$ —</u>	<u>\$ 188,375,892</u>

\* Industry classification for these categories are detailed in the Schedule of Investments.

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