



Liberty's ownership in SiriusXM (Liberty SiriusXM Group) dates back to 2009 and the depths of the Great Recession. Sirius was on the brink of bankruptcy and Liberty lent them about \$400 million. The loan had a very high yield (and was repaid in under a year) but also included a "kicker" in the form of a virtually free option to acquire 40% of the company. That option was exercised and is now worth over \$10 billion. Management is busily working on extracting full value from the Liberty holding company that owns its Sirius stake.

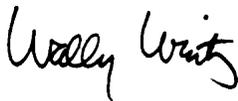
Cable TV and broadband internet providers are among our favorite types of businesses, and Charter Cable is the second-largest cable company in the U.S. Charter recently purchased Time Warner Cable and Bright House Networks and is integrating them into the Charter system. This process will take another two to three years, and when completed, Charter's shares should be worth considerably more than the current \$337. We do not own Charter directly, but we do own it indirectly through Liberty Broadband and Liberty Ventures.

Liberty Broadband is a pure play on Charter, holding about 0.3 shares of Charter for every Broadband share. Ventures is a holding company that owns Charter shares and Liberty Broadband shares. The shares of both Broadband and Ventures offer ways to buy Charter at a discount to its current price. If Charter's value increases, we should be doubly rewarded as Liberty extracts full value for the Charter shares we have bought at a discount. Nothing is ever simple with Liberty and John Malone, but investors are generally very well-served.

The message in these investment vignettes is not that our stocks are terribly cheap. The weighted-average price-to-value of our portfolios is in the mid-upper 80% range—somewhat higher than usual. What gives us comfort, though, is that the businesses are solid and their values are growing. Their stock prices will not be immune from panicky market corrections, but if their prices fall, we will have a basis for stepping in and adding to our positions. The financial press is full of stories about the "death" of value investing—or even of any kind of active management. We still believe that it is more sensible to pick stocks based on valuation than on market capitalization, and we plan to stick to our investment philosophy.

Warren Buffett likes to describe the stock market as analogous to a baseball game in which there is no umpire calling balls and strikes. The batter (investor) can stand at the plate and let pitches (stocks) go by indefinitely, "waiting for his pitch" (a bargain investment). Meanwhile, the fans in the stands are screaming, "Swing, you bum!" We may have been too picky at times, and the cash reserves we hold have come with an opportunity cost, but we believe in our investment process. We are not asleep at the plate—our on-deck list grows by the week. The raw material for triggering market volatility is in place, and we are looking forward to taking advantage of it. In the meantime, we are grateful for a patient group of shareholders with long-term perspectives.

Best regards,



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**Performance data represents past performance, which does not guarantee future results.** The investment return and the 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 the original cost. Current performance may be higher or lower than the performance data quoted. Performance data current to the most recent month end may be obtained at [weitzinvestments.com](http://weitzinvestments.com).

As of June 30, 2017: DXC Technology Co. represented 0.3% and 0.3% of Partners Value and Partners III Opportunity Funds' net assets, respectively. Berkshire Hathaway, Inc. – Class B represented 9.8%, 7.4%, 7.4% and 3.2% of Partners III Opportunity, Value, Partners Value and Balanced Funds' net assets, respectively. Liberty Global Group- Class C represented 7.7%, 6.7%, 5.2%, 2.8% and 1.5% of Partners III Opportunity, Partners Value, Value, Hickory and Balanced Funds' net assets, respectively. LiLAC - Class C represented 2.1%, 2.0% and 1.6% of Partners Value, Hickory and Partners III Opportunity Funds' net assets, respectively. Liberty SiriusXM Group – Series A & C represented 4.8%, 4.1% and 3.3% of Partners III Opportunity, Hickory and Partners Value Funds' net assets, respectively. Liberty SiriusXM Group – Series C represented 2.3% of Value Fund's net assets. Liberty Broadband Corp. – Series A & C represented 9.8%, 8.6% and 8.1% of Partners III Opportunity, Partners Value and Hickory Funds' net assets, respectively. Liberty Broadband Corp. – Series C represented 7.7% and 2.0% of Value and Balanced Funds' net assets, respectively. Liberty Ventures – Series A represented 4.5% and 3.5% of Partners III Opportunity and Hickory Funds' net assets, respectively. Portfolio composition is subject to change at any time. Current and future portfolio holdings are subject to risk.

**Investors should consider carefully the investment objectives, risks, and charges and expenses of the Fund before investing. The Fund's Prospectus contains this and other information about the Fund and should be read carefully before investing. The Prospectus is available from Weitz Investment Management, Inc. Weitz Securities, Inc. is the distributor of the Weitz Funds.**