

LARGE CAP EQUITY FUND

Portfolio Managers: Brad Hinton, CFA
(formerly Value Fund)

The Large Cap Equity Fund's Institutional Class returned -1.74% for the third quarter compared to -3.15% for the Russell 1000. Year-to-date, the Fund's Institutional Class has returned +17.04% compared to +13.01% for the Russell 1000.

After a roaring first half, the stock market took a breather in the third quarter. Despite signs of progress, the Federal Reserve stated clearly that its task of taming inflation was not yet done. Fed Chair Powell outlined a potential path of "higher for longer" interest rates, and bulls got spooked. September lived up to its billing as the cruelest month for equity owners, and investor sentiment continued to wobble as summer gave way to autumn.

The Fund held up well in this environment, posting solid relative results despite the modest quarterly decline. As we have said for some time, the Fed's forceful actions to contain inflation are likely to have both intended **and** unintended consequences. The ultimate effects of rapid and steep monetary tightening remain to be seen, and the range of outcomes is wide. Our aim is to own companies that don't depend on smooth sailing. Durable, resilient, adaptable businesses can often make their own breaks, and we own a collection of them.

The Fund's Charter Communications, Inc., (CHTR) position, as well as Liberty Broadband Corp. (LBRDK) which owns 26% of Charter, were the most notable quarterly contributors. Investor sentiment around broadband's competitive position became less negative, and the stocks rebounded nicely from what we considered oversold levels. As for other quarterly contributors, Alphabet, Inc., (GOOG) and Meta Platforms, Inc., (META) added to their exceptional year-to-date returns. After a series of moves to simplify its structure, Liberty SiriusXM (LSXMK) closed the quarter by proposing a combination with Sirius XM Holdings, Inc., (SIRI). We believe the transaction, if completed, should help unlock the trapped value we have long seen in LSXMK shares.

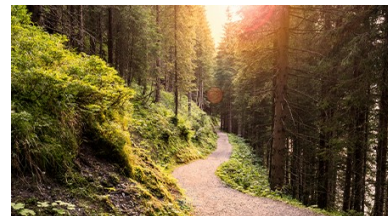
Quarterly detractors included CoStar Group, Inc., (CSGP), Vulcan Materials Co. (VMC), Analog Devices, Inc., (ADI), CarMax, Inc., (KMX), and Oracle Corp. (ORCL). None of the stock price moves were extreme, and the companies' reported results have been within expected ranges. The near-term outlooks for CarMax and Analog Devices remain challenging, and we think their stock prices more than reflect it. In each case we have seen nothing to derail our investment thesis.

Meta Platforms and Alphabet were the true year-to-date standouts. After steep declines in 2022, both stocks rebounded sharply due to a combination of solid fundamentals, disciplined operational execution, and improved sentiment. Despite outsized gains and attention, we think both Alphabet and Meta remain undervalued. Other notable year-to-date contributors included Adobe, Inc., (ADBE), Salesforce, Inc., (CRM), and Oracle. Charles Schwab Corporation (SCHW) (sold in the first quarter), Fidelity National Information Services, Inc., (FIS), Thermo Fisher Scientific, Inc., (TMO), and Danaher Corp. (DHR) were the Fund's largest detractors year-to-date.

We added new positions in Microchip Technology, Inc., (MCHP) and Equifax, Inc., (EFX) during the quarter. Both companies face near-term headwinds that mask the earnings power and compelling valuations that we see for patient investors. Brief capsules follow, but we'd nudge interested readers to listen to equity analyst Mo Spolan discussing Equifax on a [recent episode of the Business Breakdowns podcast](#), and to stay tuned for an upcoming Analyst Corner feature on Microchip Technology from director of equity research Barton Hooper and junior equity analyst Andrew McClure.

Microchip is a leading provider of mixed signal microcontrollers and analog semiconductors to a broad range of industrial, data center, automotive, communication and consumer appliance customers. The company enjoys favorable product characteristics that help drive strong profitability, and it benefits from several long-wave demand tailwinds such as electronification, automation, and growth in data communications. While Microchip is not immune from semiconductor cycles, its cash flows have been durable through cycles. The multi-year outlook is sturdy, and we think the company is poised to further boost per-share value growth through increasing share repurchases at discounted prices.

Equifax is best known as one of three primary U.S. credit bureaus, but the company's crown jewel is the Equifax Workforce Solutions (EWS) business. The core business of EWS is Verification Services, which is powered by The Work Number (TWN) database with income and employment data on 120 million Americans. TWN is used for mortgage origination, pre-employment background screening, and government benefit applications. The EWS business generally grows at a teens rate with high margins, a long unit expansion runway, and pricing power. We think Equifax is underearning today due to depressed mortgage volumes and weak gross hiring. As these end markets stabilize, our view is that revenue and cash flows can accelerate meaningfully.



VALUE MATTERS: Perspective Over Predictions

As uncertainty again proves to be a certain condition - we continue to believe companies with competitive advantages, smart and flexible management teams, and solid finances will always find ways to move forward, build business value, and earn higher stock prices.

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We also received distributions of two new securities through corporate actions during the quarter. Laboratory Corp. of America Holdings (LH) spun out its clinical research organization (CRO) business to shareholders under the name Fortrea Holdings, Inc., (FTRE). We quickly exited this new position when the stock traded into the mid-\$30s, above our business value estimate. Liberty Media Corp. again reattributed assets and created a new tracking stock called Liberty Live (LLYVK), which was distributed to owners of Liberty SiriusXM. We held onto the Fund's new Liberty Live shares. We like the underlying Live Nation Entertainment, Inc., (LYV) businesses, and we think the tracking stock trades at a reasonable valuation.

We have a focused portfolio that is well-aligned with our vision for successful large-cap investing. The Fund has concentrated ownership stakes in 29 companies, with the top ten representing nearly half of the portfolio. Each position is significant enough to matter, yet none can individually make or break our results. Our current estimate is that the portfolio trades at a price-to-value in the low-80s, which we believe offers adequate return potential over a multi-year period.

Top Relative Contributors and Detractors

TOP CONTRIBUTORS (%)				
	Return	Average Weight	Contribution	% of Net Assets
Alphabet, Inc.	9.04	7.27	0.58	7.4
Liberty Broadband Corp.	14.10	3.33	0.45	2.9
Charter Communications, Inc.	19.77	2.15	0.36	2.4
Liberty Media Corp.-Liberty SiriusXM	6.66	2.22	0.25	2.1
Meta Platforms, Inc.	4.66	3.87	0.18	4.0

TOP DETRACTORS (%)				
	Return	Average Weight	Contribution	% of Net Assets
CoStar Group, Inc.	-13.61	4.48	-0.60	4.2
Vulcan Materials Co.	-10.21	4.40	-0.46	4.2
Analog Devices, Inc.	-9.69	4.52	-0.44	4.5
CarMax, Inc.	-15.50	2.54	-0.41	2.3
Oracle Corp.	-10.75	3.39	-0.37	3.2

Data is for the quarter ending 9/30/2023. Holdings are subject to change and may not be representative of the Fund's current or future investments. Contributions to performance are based on actual daily holdings. Returns shown are the actual returns for the specified period of the security. Additional securities referenced herein as a percent of the Fund's net assets as of 9/30/2023: Adobe, Inc., 3.5%; Danaher Corp., 4.7%; Equifax, Inc., 2.0%; Fidelity National Information Services, Inc., 0.9%; Fortrea Holdings, Inc., 0.0%; Laboratory Corp. of America Holdings, 2.4%; Liberty Media Corp. — Liberty Live, 0.7%; Liberty Media Corp. — Liberty SiriusXM, 2.1%; Live Nation Entertainment, Inc., 0.0%; Microchip Technology, Inc., 2.1%; Salesforce, Inc., 3.1%; Sirius XM Holdings, Inc., 0.0%; The Charles Schwab Corporation, 0.0%; and Thermo Fisher Scientific, Inc., 4.6%.

RETURNS (%)												
	TOTAL RETURNS		AVERAGE ANNUAL TOTAL RETURNS							Since Inception	Net Expense	Gross Expense
	QTR	YTD	1-YR	3-YR	5-YR	10-YR	20-YR	30-YR	35-YR	(5/9/1986)		
WVAIX Institutional Class	-1.74	17.04	26.09	8.20	9.91	9.08	7.57	9.78	10.42	10.24	0.89	0.89
WVALX Investor Class	-1.76	16.92	25.95	8.03	9.71	8.88	7.47	9.71	10.37	10.19	1.04	1.04
Russell 1000 Index	-3.15	13.01	21.19	9.53	9.62	11.62	9.78	9.82	10.55	10.39	-	-
S&P 500 Index	-3.27	13.07	21.62	10.15	9.91	11.91	9.71	9.82	10.50	10.42	-	-

The opinions expressed are those of Weitz Investment Management and are not meant as investment advice or to predict or project the future performance of any investment product. The opinions are current through 10/20/2023, are subject to change at any time based on market and other current conditions, and no forecasts can be guaranteed. This commentary is being provided as a general source of information and is not intended as a recommendation to purchase, sell, or hold any specific security or to engage in any investment strategy. Investment decisions should always be made based on an investor's specific objectives, financial needs, risk tolerance and time horizon.

Data quoted is past performance and current performance may be lower or higher. Past performance is no guarantee of future results. Investment return and principal value of an investment will fluctuate, and shares, when redeemed, may be worth more or less than their original cost. Please visit weitzinvestments.com for the most recent month-end performance.

Investment results reflect applicable fees and expenses and assume all distributions are reinvested but do not reflect the deduction of taxes an investor would pay on distributions or share redemptions. Net and Gross Expense Ratios are as of the Fund's most recent prospectus. Certain Funds have entered into fee waiver and/or expense reimbursement arrangements with the Investment Advisor. In these cases, the Advisor has contractually agreed to waive a portion of the Advisor's fee and reimburse certain expenses (excluding taxes, interest, brokerage costs, acquired fund fees and expenses and extraordinary expenses) to limit the total annual fund operating expenses of the Class's average daily net assets through 07/31/2024.

The Gross Expense Ratio reflects the total annual operating expenses of the fund before any fee waivers or reimbursements. The Net Expense Ratio reflects the total annual operating expenses of the Fund after taking into account any such fee waiver and/or expense reimbursement. The net expense ratio represents what investors are ultimately charged to be invested in a mutual fund.

Performance quoted for Institutional Class shares before their inception (07/31/2014) is derived from the historical performance of the Investor Class shares and has not been adjusted for the expenses of the Institutional Class shares, had they, returns would have been different.

Index performance is hypothetical and is shown for illustrative purposes only. You cannot invest directly in an index. The **Russell 1000** measures the performance of the largecap segment of the U.S. equity universe. It is a subset of the Russell 3000 and includes approximately 1,000 of the largest securities based on a combination of their market cap and current index membership. The **S&P 500** is an unmanaged index consisting of 500 companies generally representative of the market for the stocks of large-size U.S. companies.

Consider these risks before investing: All investments involve risks, including possible loss of principal. These risks include market risks, such as political, regulatory, economic, social and health risks (including the risks presented by the spread of infectious diseases). In addition, because the Fund may have a more concentrated portfolio than certain other mutual funds, the performance of each holding in the Fund has a greater impact upon the overall portfolio, which increases risk. See the Fund's prospectus for a further discussion of risks related to the Fund.

Investors should consider carefully the investment objectives, risks, and charges and expenses of a fund before investing. This and other important information is contained in the prospectus and summary prospectus, which may be obtained at weitzinvestments.com or from a financial advisor. Please read the prospectus carefully before investing.

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