

# MULTI CAP EQUITY FUND

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(formerly Partners Value Fund)

The Multi Cap Equity Fund's Institutional Class returned -2.06% for the third quarter compared to -3.25% for the Russell 3000. Year-to-date, the Fund's Institutional Class has returned +9.13% compared to +12.39% for the Russell 3000.

After posting double-digit positive returns for the first half of 2023, stocks took a breather in the third quarter, as did bonds. The great debate over inflation and monetary policy rages on. Year-over-year price increases have slowed materially but remain stubbornly above the Fed's 2% long-term objective. Whether or not the Fed will raise short-term rates again is anyone's guess. But the third quarter's lackluster returns, particularly in bond markets, suggest investors are coming to terms with the Fed's "higher for longer" message.

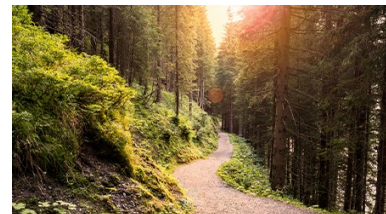
Monetary policy is famously said to operate with "long and variable lags," meaning the impact on consumers and the economy will only be fully known in hindsight. Some portions of the economy, like the labor market, have remained resilient thus far while more rate-sensitive corners already feel pain. Surging mortgage rates, for example, have significantly pressured consumers' ability to purchase a new home. In their own words, the Fed is "navigating by the stars under cloudy skies" and investors are similarly looking out over a cloudy horizon. In our estimation, such conditions reinforce our desire to own a collection of high-quality, durable businesses led by talented management teams capable of navigating uncertain times and potentially coming out the other side even stronger.

Liberty Broadband Corp. (LBRDA) was a top contributor this quarter. Concerns regarding fiber overbuilding and wireless substitution from Charter's core broadband offering have lessened, while the company's footprint expansion has increased its addressable market. Liberty SiriusXM (LSXMK) successfully separated its holdings of satellite radio provider SiriusXM Holdings, Inc. (SIRI) and live entertainment / ticketing leader Live Nation Entertainment, Inc., (LYV) into distinct tracking stocks. Liberty management later proposed an outright combination with SiriusXM, whereby all shareholders would own shares directly in the newly combined entity. If such a deal is made, it would collapse the tracking stock structure which historically traded below its mark-to-market value. Shares of Black Knight, Inc. (BKI) rallied when the Federal Trade Commission withdrew its opposition to the company's business combination with Intercontinental Exchange, Inc., (ICE). We sold our remaining shares as the price approached the proposed deal value.

On a year-to-date basis, Meta Platforms, Inc., (META) remains the Fund's standout contributor on the back of a nearly 150% return. Meta's "year of efficiency" (an initiative to cut costs and create a leaner organization) has bolstered profitability while operating results show renewed momentum. Liberty Broadband was also a top year-to-date contributor, and continued recoveries from prior year drawdowns landed Google parent Alphabet, Inc., (GOOG) and Guidewire Software, Inc., (GWRE) top spots as well. Martin Marietta Materials, Inc., (MLM) shares have taken "three steps forward, one step back" so far this year. Favorable pricing dynamics and healthy pipelines of infrastructure projects powered healthy gains for the material supplier through the first half of the year, before giving back some stock price appreciation in the third quarter. Despite the step back, Martin Marietta remains a top contributor for the year.

Like Martin Marietta, Costar Group, Inc., (CSGP) and CarMax, Inc., (KMX) generated negative returns in the third quarter but are positive contributors to year-to-date performance. Perimeter Solutions SA (PRM), the leading provider of fire retardants and firefighting foam, experienced weakened quarterly results due to a decline in wildfire activity, particularly in its largest market, California. Acres burned this year have been significantly below average, diminishing cash flow and obscuring the company's potential earnings power in a more typical year. Finally, investors appear to be taking a "wait and see" approach to LKQ Corp.'s (LKQ) acquisition of Canadian operation, Uni-Select, particularly as LKQ will pause its stock buyback program to reduce debt taken on to finance the deal. We remain constructive on the combined company's prospects and ability to resume repurchases over the long term. Lastly, as we wrote last quarter, we realized losses early this year upon exiting our positions in First Republic Bank (FRCB) and Charles Schwab Corporation (SCHW) in the wake of regional bank stress. These companies no longer impact our forward-looking performance but are likely to remain on the top detractors list for the remainder of the year.

During the third quarter, we initiated a new position in Equifax, Inc., (EFX). Many will be familiar with Equifax as one of three consumer credit reporting bureaus and an indispensable partner for lenders in the extension and pricing of loans. Right now, surging borrowing costs are pressuring demand for mortgages and, therefore, banks' demand for credit reports. Mortgages remain an important end market for Equifax, but we believe the current environment has overshadowed the opportunity within the faster-growing, higher-margin Equifax Workforce Services (EWS) business. EWS extends Equifax's traditional credit reporting business with additional sources, most notably income and employment data sourced directly from employers' payrolls or third-party payroll providers. This additional data increases the potential use cases for Equifax's verification services into faster growth end-markets, for example employment background screening or qualification for government benefits programs.



## 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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Additionally, two portfolio companies spun-off subsidiaries to shareholders during the third quarter. We sold our shares of Laboratory Corp. of America Holdings (LH) clinical trial management business, Fortrea Holdings, Inc., (FTRE), shortly upon receipt as it initially traded above our base-case estimate of business value. LICT Corp. (LICT) also spun off a small Michigan broadband business, Machten, Inc. (MACT), though its small size makes it somewhat immaterial to overall Fund results. Other portfolio activity included trims of Costar Group, Inc., (CSGP), Liberty Latin America Ltd. (LILAK), Meta Platforms, and Martin Marietta Materials; and additions to ACI Worldwide, Inc., (ACIW) and Perimeter Solutions.

We believe that investing in businesses of all sizes, using our Quality at a Discount framework, is an enduring advantage of a multi-cap investing strategy. Valuation remains our North Star, and we think our stocks are priced at reasonable, attractive discounts to business value. Collectively, the portfolio trades at an estimated price-to-value ratio in the upper 70s, a level that suggests we can earn healthy, risk-adjusted returns.

## Top Relative Contributors and Detractors

TOP CONTRIBUTORS (%)				
	Return	Average Weight	Contribution	% of Net Assets
Liberty Broadband Corp.	13.99	4.83	0.59	5.1
BLACK KNIGHT ORD	24.80	1.12	0.59	0.0
Guidewire Software, Inc.	18.30	3.19	0.52	3.6
Alphabet, Inc.	8.99	6.48	0.51	6.9
Liberty Media Corp.-Liberty SiriusXM	6.42	3.75	0.39	3.7

TOP DETRACTORS (%)				
	Return	Average Weight	Contribution	% of Net Assets
CoStar Group, Inc.	-13.59	5.16	-0.66	4.7
CarMax, Inc.	-15.50	3.86	-0.63	3.5
LKQ Corp.	-14.59	3.94	-0.60	3.8
Perimeter Solutions SA	-26.32	1.94	-0.55	1.7
Martin Marietta Materials, Inc.	-10.92	4.11	-0.45	3.9

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: ACI Worldwide, Inc., 1.1%; Costar Group, Inc., 4.7%; Equifax, Inc., 1.9%; First Republic Bank, 0.0%; Fortrea Holdings, Inc., 0.0%; Intercontinental Exchange, Inc., 0.0%; Laboratory Corp. of America Holdings, 3.3%; Liberty Latin America Ltd., 1.9%; LICT Corp., 1.4%; Live Nation Entertainment, Inc., 0.9%; Machten, Inc., 0.1%; Meta Platforms, Inc., 3.9%; Perimeter Solutions SA, 1.7%; SiriusXM Holdings, Inc., 0.0%; The Charles Schwab Corporation, 0.0%, and Uni-Select, Inc., 0.0%.

	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	(6/1/1983)		
	<b>WPVIX</b> Institutional Class	-2.06	9.13	18.36	7.16	5.26	5.55	6.65	9.26	10.01		
<b>WPVLX</b> Investor Class	-2.08	9.03	18.18	6.97	5.04	5.34	6.54	9.18	9.95	10.87	1.07	1.07
Russell 3000 Index	-3.25	12.39	20.46	9.38	9.14	11.27	9.68	9.68	10.41	10.73	-	-
S&P 500 Index	-3.27	13.07	21.62	10.15	9.91	11.91	9.71	9.82	10.50	11.01	-	-

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](http://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.

On 12/31/1993, Partners Value Fund succeeded to substantially all of the assets of Weitz Partners II Limited Partnership. The investment objectives, policies and restrictions of the Fund is materially equivalent to those of the Partnership, and the Partnership was managed at all times with full investment authority by the Investment Advisor. The performance information includes performance for the Partnership. The Partnership was not registered under the Investment Company Act of 1940 and, therefore, were not subject to certain investment or other restrictions or requirements imposed by the 1940 Act or the Internal Revenue Code. If the Partnership had been registered under the 1940 Act, the Partnership's performance might have been adversely affected.

Performance quoted for Institutional Class shares before their inception 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 3000** measures the performance of the largest 3,000 U.S. companies representing approximately 98% of the investable U.S. equity market. 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](http://weitzinvestments.com) or from a financial advisor. Please read the prospectus carefully before investing.**

Weitz Securities, Inc. is the distributor of the Weitz Funds.