

The Partners III Opportunity Fund's Institutional Class returned +8.03% in the second quarter, compared to +8.39% for the Russell 3000. Year-to-date, the Fund's Institutional Class has returned +11.33% compared to +16.17% for the Russell 3000.

Stocks again posted healthy gains during the second quarter, and a strong first half of 2023 continued the market's recovery from the October 2022 lows. Although broad swaths of the market are higher, major indices have disproportionately benefited from holdings of larger companies, particularly large technology firms. Early in the tech rally, the sector benefited from a renewed focus on cost discipline and profitability (or a "Year of Efficiency," as coined by Facebook parent Meta Platforms, Inc. (META)). Compounding that strength has been investors' latest fascination, Artificial Intelligence (AI), super-charging returns for firms deemed to be "AI winners."

The year-to-date's top contributors Microsoft Corp. (MSFT) and Google parent Alphabet, Inc. (GOOG) (also a top quarterly contributor) have generated an enormous volume of AI-centric headlines. Both are at the vanguard of introducing AI-powered technologies into consumer-facing products, most notably their respective search engines. Amazon.com, Inc. (AMZN) was another top performer for the quarter and year-to-date, also with an AI role to play. AI systems require massive computational resources, meaning that as these technologies become more pervasive for businesses of all sizes, customers will increasingly lean on cloud computing platforms like Amazon Web Services to harness the benefits. Meta shares more than doubled this year (and tripled off their November 2021 low) as management's austerity measures bolstered profitability, and operating results demonstrated that Meta's advertising business is regaining momentum. CarMax, Inc. (KMX) shares entered 2023 trading at a steep discount, reflecting investors' very low expectations and anticipation of another difficult year for the used car market. Although the market is far from healed, sales results have been better than feared, and management's heightened cost discipline has helped shares rebound.

Among the Fund's long holdings, Perimeter Solutions SA (PRM), CoreCard Corp. (CCRD US), and Liberty Global plc (LBTYK US) were our top quarterly detractors. Shares of Perimeter have slumped as a new entrant has won approval from the U.S. Forest Service for its competitive wildfire retardant product, though its initial contract wins have been modest. As we move through the wildfire season, we believe Perimeter's operating results will remind investors why they are the dominant provider in the space. CoreCard continues to benefit from growing payment volumes from existing customers and is winning new business from smaller issuers. However, management's characteristically frank commentary downplaying the potential of larger new business wins in 2023 has weighed on the stock. Lackluster operating results and a complicated ownership structure continue to pressure shares of Liberty Global. We acknowledge this investment has required a great deal of patience in recent years, but we believe management will ultimately unlock value as shares continue to trade below our estimated "sum of the parts" valuation. Finally, given the quarter's broad equity market strength, our modest SPDR S&P 500 ETF Trust (SPY) short position was a top quarterly detractor.

The Fund's year-to-date detractor list includes both our S&P 500 ETF short and Perimeter Solutions, but the list is otherwise populated by first-quarter poor performers. Fidelity National Information Services (FIS) delivered a modestly positive return in the second quarter, while Liberty Media Corp.-Liberty SiriusXM (LSXMA) rebounded sharply, likely due to its upcoming recapitalization. In August, Liberty SiriusXM will move its 30% stake in concert promotion and ticketing firm Live Nation Entertainment, Inc. (LYV) to a new tracking stock (Liberty Live Group), leaving Liberty SiriusXM shares as a "pure play" tracker of its 82% ownership of satellite radio provider SiriusXM Holdings, Inc. (SIRI). We intend to own both trackers upon receipt, and we believe the clearer structure may lead investors to reduce the current, large mark-to-market discount between Liberty SiriusXM and its underlying SiriusXM shares. Lastly, we elected to sell our shares of Charles Schwab Corporation (SCHW) as the regional bank crisis unfolded during the first quarter. That sale crystallized underperformance that will likely linger on our top detractor list as we move through the year, despite no longer impacting our forward-looking performance.

Portfolio activity this quarter included opportunistically initiating a position in life sciences tool and equipment maker Thermo Fisher Scientific, Inc. (TMO), a long-time holding of other Weitz portfolios, at an attractive valuation. Other material purchases included adding to our holdings of Danaher Corp. (DHR) and Roper Technologies, Inc. (ROP), alongside more modest additions to FIS, Liberty Broadband Corp. (LBRDA), and Perimeter Solutions. We trimmed several of the year's winners on strength, including Meta, Microsoft, Alphabet, CoStar Group, Inc. (CSGP), and CarMax. At quarter-end, our gross long position was 93%, mostly unchanged from 92% at the end of March. Our short position remained unchanged at roughly 4% of gross assets, resulting in a net long position of roughly 89%.



#### VALUE MATTERS: Patience Counts

*While news headlines, Fed policy, and economic worries continue to create challenges in the stock and bond markets, we remain focused on patiently shaping our portfolios with the best companies available at reasonable prices. We believe buying the right businesses at the right price and holding patiently will always be a prescription for investing success.*

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## Top Relative Contributors and Detractors

TOP CONTRIBUTORS (%)				
	Return	Average Weight	Contribution	% of Net Assets
Meta Platforms, Inc.	35.75	4.71	1.62	3.3
Amazon.com, Inc.	26.18	5.30	1.35	5.6
Alphabet, Inc.	16.21	7.01	1.19	6.0
CarMax, Inc.	29.78	4.12	1.14	4.4
Berkshire Hathaway, Inc.	10.44	10.44	1.07	10.4

TOP DETRACTORS (%)				
	Return	Average Weight	Contribution	% of Net Assets
Perimeter Solutions	-23.97	2.46	-0.76	0.0
CoreCard Corp.	-15.83	3.10	-0.64	2.9
LIBERTY GLOBAL CL C ORD	-12.82	3.50	-0.54	0.0
SPDR S&P 500 ETF Trust	8.28	-3.99	-0.33	-4.0
Liberty Broadband Corp.	-2.26	5.07	-0.14	5.2

Data is for the quarter ending 6/30/2023. 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 6/30/2023: CoStar Group, Inc., 3.0%; Danaher Corp., 4.4%; Fidelity National Information Services, Inc., 3.7%; Liberty Media Corp.-Liberty SiriusXM, 4.6%; Live Nation Entertainment, Inc., 0.0%; Microsoft Corp., 3.1%; Roper Technologies, Inc., 4.3%; SiriusXM Holdings, Inc., 0.0%; The Charles Schwab Corporation, 0.0%; and Thermo Fisher Scientific, Inc., 3.5%.

†Denotes short position

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	(6/1/1983)		
WPOPX Institutional Class	8.03	11.33	5.57	4.39	5.64	5.11	7.50	10.43	10.74	11.33	1.19	1.19
WPOIX Investor Class	7.96	11.01	4.85	3.81	5.05	4.60	7.21	10.24	10.57	11.18	1.75	1.75
Russell 3000 Index	8.39	16.17	18.95	13.89	11.38	12.33	10.04	9.93	10.52	10.90	-	-
S&P 500 Index	8.74	16.89	19.59	14.60	12.30	12.85	10.03	10.04	10.61	11.18	-	-

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**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.

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 12/30/2005, Partners III Opportunity Fund succeeded to substantially all of the assets of Weitz Partners III 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 Adviser. 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 Investor Class shares before their inception (08/01/2011) is derived from the historical performance of the Institutional Class shares and has not been adjusted for the expenses of the Investor 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.

**Definitions: Effective net** is the **effective long** (the sum of the portfolio's long positions, such as common stocks, or derivatives where the price increases when an index or position rises) minus the **effective short** (the sum of the portfolio's short positions, such as derivatives where the price increases when an index or position falls).

**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.