

PARTNERS III OPPORTUNITY FUND

Portfolio Managers: Wally Weitz, CFA® & Drew Weitz
Investment Style: Long-Short Equity

The Partners III Opportunity Fund's Institutional Class returned +8.21% in the first quarter of 2024 compared to +10.02% for the Russell 3000 Index. For the 12-month period ended March 31, 2024, the Fund's Institutional Class returned +23.19% compared to +29.29% for the index.

Equities continued to rally in the first quarter, generating strong absolute returns for Fund shareholders and pushing many market indices to all-time highs. The Fund's 12-month returns were similarly positive, and we were pleased to report strong, absolute returns, despite falling short of the Russell 3000 in both periods.

As multi-cap investors, we believe owning businesses of all sizes provides the greatest potential opportunity set for long-term outperformance. However, in recent years, large- and mega-cap companies have consistently outperformed the rest of the market cap spectrum. Befitting our strategy, we hold many investments in the large-cap space, including four of the market's Magnificent Seven (Alphabet, Inc. (GOOG), Amazon.com, Inc. (AMZN), Meta Platforms, Inc. (META) and Microsoft Corp. (MSFT)) and indirectly a fifth, (Apple, Inc. (AAPL), via Berkshire Hathaway, Inc.'s (BRK/B) sizeable position), and the Fund benefited accordingly. Our small and medium-sized businesses also performed well, but simply did not keep pace with the large market leaders. As a result, we are not surprised by having lagged the capitalization-weighted Russell 3000, as it is dominated by the same mega-cap stocks that have fueled the large-cap Russell 1000 Index. Of course, while we aspire for long-term outperformance in any environment, periods of small- and/or mid-cap companies could provide a relative performance tailwind for our portfolio compared to the "top-heavy" Russell 3000.

Berkshire Hathaway, Meta Platforms and Amazon were mega-cap winners and top contributors in the first quarter, although small-cap Perimeter Solutions SA's (PR) 61% gain made it the Fund's strongest performing stock on an absolute basis. Perimeter's sole material competitor for wildfire retardants was forced to withdraw their product due to corrosive damage to the airtankers used to deploy it. Fidelity National Information Services, Inc. (FIS) also earned top marks in the quarter. FIS completed the sale of its majority stake in Worldpay Merchant Solutions in January, and the company is paying down debt and repurchasing stock with the proceeds.

Liberty Broadband Corp. (LBRDA) (a holding company that owns 32% of broadband provider Charter Communications, Inc. (CHTR)) was the Fund's primary detractor. Charter has been a multi-quarter laggard as increased competition from wireless broadband alternatives has dampened subscriber growth, while elevated network upgrade and expansion spending have depressed current cash flows in favor of future returns. Adding to these woes, management disclosed that roughly five million of its broadband customers receive a federal subsidy that will expire in April. We anticipate that Charter will retain many, if not most, of these subscribers and that the financial impact will be manageable. Despite yet another near-term challenge, we continue to believe Charter is an example of a good idea that has not worked yet. We added to our exposure by initiating a position directly in Charter shares, partially offset by modest tax-loss harvesting at Liberty Broadband. Joining Liberty Broadband and Charter in the penalty box were CoreCard Corp. (CCRD US), Liberty Global, Ltd. (LBTYK), and our short position against the SPDR S&P 500 ETF Trust (SPY) which tracks the S&P 500 Index.

Performance was broadly strong across the portfolio during the fiscal year, led by Meta Platforms which saw its stock price more than double. Our top four performers for the fiscal year — Meta Platforms, Berkshire Hathaway, Amazon and Alphabet — each contributed in excess of 2% to the Fund's overall return, with our fifth-highest contributor missing that same distinction by mere basis points. On the other side of the ledger, Corecard was a top detractor for the quarter and fiscal year. After months of rumors, it was confirmed that the company's largest customer, Goldman Sachs Group, Inc. (GS), would exit the consumer credit card business. Corecard processes payments for Goldman's large card clients, including Apple Card, and will continue to do so until Goldman transitions its clients to a new operator. The transition will take time (quarters, maybe years), giving management (and us) time to assess the company's next steps. Liberty Broadband's dismal first quarter earned it a spot as a top detractor for the fiscal year along with our S&P 500 ETF Index short position. Fellow detractor Liberty Global has announced plans to separately list its Swiss business and is examining other steps to unlock the latent value in its shares. Finally, despite the strong first quarter showing, Perimeter Solutions was a modest detractor for the fiscal year.



VALUE MATTERS: Getting Around the Bases

In a landscape fraught with dramatic headlines, uncertainty, and high-flying tech stocks driven by quickly evolving AI technology, many investors have become uneasy. In spite of the noise, we remain focused on delivering robust risk-adjusted returns while safely getting around the bases.

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Portfolio activity tilted toward valuation-driven trims during the first quarter, including Meta Platforms, Microsoft and Amazon, as well as exiting our multi-year, profitable investment in Markel Group, Inc. (MKL). As mentioned previously, we trimmed some Liberty Broadband to harvest tax losses while increasing our overall economic exposure by initiating a position directly in Charter shares (our only new holding this quarter). At quarter-end, our gross long position was 93%, down modestly from 95% at the end of December 2023. Our short position increased from 4% to roughly 5% of gross assets, resulting in a net long position of approximately 87%.

Top Relative Contributors and Detractors

TOP CONTRIBUTORS (%)				
	Return	Average Weight	Contribution	% of Net Assets
Berkshire Hathaway, Inc.	17.88	10.85	1.89	10.7
Meta Platforms, Inc.	37.41	3.95	1.51	3.5
Perimeter Solutions SA	61.30	2.05	1.10	2.8
Amazon.com, Inc.	18.81	5.05	0.92	4.9
Fidelity National Information Services, Inc.	23.97	3.01	0.67	2.8

TOP DETRACTORS (%)				
	Return	Average Weight	Contribution	% of Net Assets
Liberty Broadband Corp.	-29.01	4.34	-1.62	3.3
SPDR S&P 500 ETF Trust	9.95	-4.81	-0.47	-4.3
CoreCard Corp.	-20.11	1.50	-0.37	1.3
Charter Communications, Inc.	-11.82	0.86	-0.20	1.4
Liberty Global, Ltd.	-8.95	3.27	-0.14	2.9

Data is for the quarter ending 03/31/2024. 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 03/31/2024: Alphabet, Inc., 6.1%; Apple, Inc., 0%; Goldman Sachs Group, Inc., 0%; Markel Group, Inc., 0%; and Microsoft Corp., 3.2%.

RETURNS (%)												
	TOTAL RETURNS		AVERAGE ANNUAL TOTAL RETURNS							Since Fund Inception (6/1/1983)	Net Expense	Gross Expense
	QTR	YTD	1-YR	3-YR	5-YR	10-YR	20-YR	30-YR	40-YR			
WPOPX Institutional Class	8.21	8.21	23.19	1.04	6.36	5.17	7.01	10.60	11.46	11.46	1.19	1.19
WPOIX Investor Class	7.93	7.93	22.29	0.43	5.71	4.60	6.69	10.37	11.29	11.30	1.75	1.75
Russell 3000 Index	10.02	10.02	29.29	9.77	14.32	12.32	10.06	10.52	11.47	11.16	-	-
S&P 500 Index	10.56	10.56	29.88	11.48	15.03	12.95	10.14	10.65	11.65	11.45	-	-

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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 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.