

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 -2.96% in the second quarter, compared to +3.22% for the Russell 3000. Year-to-date, the Fund's Institutional Class returned +5.01% compared to +13.56% for the Russell 3000.

The largest companies led the way again this quarter, as the six companies valued over \$1 trillion (Microsoft Corp. (MSFT), Apple, Inc. (AAPL), NVIDIA Corp. (NVDA), Alphabet, Inc. (GOOG), Amazon.com, Inc. (AMZN), and Meta Platforms, Inc. (META)) collectively delivered more than 100% of the Russell 3000's modestly positive return. In keeping with our multi-cap approach, we own shares in Microsoft, Alphabet, Amazon and Meta, and our returns have been the better for it. That said, for a strategy that proactively invests in businesses of all sizes, it's instructive to take a wider view of the equity market. Using that broader lens, the market appears less sanguine. Quarterly results for the small-cap Russell 2000 Index (-3.28%) and the Russell Midcap Index (-3.35%) were modestly negative and in-line with the Fund's return. The experience of these two indexes is instructive and a reminder of the dominant influence of these mega-cap stocks on the capitalization-weighted Russell 3000.

Alphabet, Amazon, and Meta were among the top contributors to both quarterly and year-to-date results. These companies are at the forefront of developing and deploying artificial intelligence in consumer and business applications. And while AI initiatives have captivated investors' interest, their "traditional" businesses (internet search, enterprise software, data center and IT infrastructure services, social media, etc.) continue to outperform, generating significant cash flow and healthy business value growth. CoreCard Corp. (CCRD US) and Texas Instruments, Inc. (TXN) also enjoyed strong second-quarter rallies to land spots on the list of top quarterly contributors, while Berkshire Hathaway, Inc. (BRK/B) and Perimeter Solutions SA (PRM) completed the year-to-date contributor roster.

Global Payments, Inc. (GPN) reversed its first-quarter gains, becoming the Fund's top detractor for the quarter and second-leading detractor year-to-date. Investor skepticism remains entrenched despite consistent operational execution. Current results are partially muddled by the moving parts of divestitures and positive synergies from the acquisition of former competitor EVO Payments that have yet to develop, leading many investors to adopt a "wait and see" approach in advance of an expected Investor Day later this year. Liberty Broadband Corp. (LBRDA) (26% owner of Charter Communications) was the Fund's top year-to-date detractor. Shares of Charter Communications remain in the penalty box as investors wait to see how the mid-May expiration of the federal Affordable Connectivity Program (ACP) impacts subscriber results. We anticipate Charter will retain many, if not most, of its five million ACP customers, but we acknowledge this uncertainty has created an added overhang on the stock price. Beyond this one-time event, we believe the long-term picture for Charter remains intact.

Liberty Media Corp.-Liberty SiriusXM (LSXMK) (83% owner of Sirius XM Holdings, Inc. (SIRI)) and CoStar Group, Inc. (CSGP) were also top detractors for the quarterly and year-to-date periods. SiriusXM's operating results have been lackluster, and the current elevated investment cycle has clouded otherwise healthy cash flows. In the near term, however, we look forward to the closing of Liberty SiriusXM and SiriusXM's merger that will eliminate a complicated ownership structure as well as potential technical overhangs related to the transaction being finalized (expected in the coming quarter). At CoStar, the recently launched residential real estate portal (Homes.com) generated strong initial sales results and drove healthy stock price appreciation in the first quarter. Recent reports, however, suggest the pace of real estate agents buying memberships to their site may have slowed, causing shares to give back prior quarter gains and then some. Progress for this new business vertical will likely continue in fits and starts, but importantly, our investment thesis is principally underwritten by CoStar's existing and dominant commercial real estate and multifamily rental marketplace businesses. From current prices, eventual success at Homes.com represents potential upside optionality.

The second quarter saw an elevated level of portfolio activity, including three new holdings. We re-initiated a position in global insurance broker and benefits provider Aon plc (AON), as dissatisfaction over a recent, highly valued acquisition and the announced retirement of its well-regarded CFO pressured shares. Despite these near-term headwinds, we remain confident in Aon's ongoing leadership team and demonstrated track record of execution. Extended downturns across several of multi-industrial IDEX Corp.'s (IEX) businesses have pressured shares in recent months. At current prices, we believe these earnings headwinds overshadow IDEX's potential, as well as management's demonstrated track record of opportunistic acquisitions. Lastly, we purchased a new position in Old Dominion Freight Line (ODFL), one of the largest providers of "less than truckload" (LTL) trucking services. ODFL has long been regarded as the highest-quality LTL operator by customers, employees/drivers, and owners alike, with the profit margins and balance sheet strength to prove it. Similar to IDEX, we are not attempting to "call the bottom" of the recent downturn in industry freight volumes. Instead, we note ODFL's long track record of successful investing through cycles to better position and grow their logistics network, resulting in better service for customers and market share growth.



VALUE MATTERS: Investing in a Tech-Driven Market

As an AI-driven feeding frenzy of tech stocks combine with ongoing uncertainty over Fed policy and inflation, we look to lessons from the past and assumptions about the future to help inform our investments.

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In other activity, we reduced our overall exposure to Liberty Media Corp.-Liberty Live (LLYVA), maintaining a small “pair trade” position with our modest short of the underlying Live Nation Entertainment, Inc. (LYV) shares (effectively monetizing the discount between our Liberty shares and their underlying Live Nation holdings). We also executed a second round of “tax-loss harvesting” trading, selling our shares of Charter Communications and repurchasing shares of Liberty Broadband. We shifted exposures within the payments space, trimming shares of Fidelity National Information Services, Inc. (FIS) on strength, while adding to Global Payments on weakness, and we trimmed both Alphabet and Amazon on strength. At quarter-end, our gross long exposure was 94% and our gross short exposure was roughly 5% of gross assets, resulting in a net long position of approximately 89%.

Top Contributors and Detractors

TOP CONTRIBUTORS (%)				
	Return	Average Weight	Contribution	% of Net Assets
Alphabet, Inc.	20.54	5.99	1.12	5.6
CoreCard Corp.	32.04	1.65	0.46	1.8
Texas Instruments, Inc.	12.39	3.17	0.36	3.3
Amazon.com, Inc.	7.00	4.69	0.31	4.3
Meta Platforms, Inc.	3.97	3.42	0.21	3.7

TOP DETRACTORS (%)				
	Return	Average Weight	Contribution	% of Net Assets
Global Payments, Inc.	-27.87	3.92	-1.24	4.0
Liberty Media Corp.-Liberty SiriusXM	-25.41	3.63	-1.12	3.4
CoStar Group, Inc.	-23.25	2.93	-0.78	2.5
CarMax, Inc.	-15.81	4.17	-0.69	4.3
Mastercard, Inc.	-8.26	5.05	-0.44	4.9

Data is for the quarter ending 06/30/2024. 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 06/30/2024: Aon plc, 3.6%; Apple, Inc., 0.0%; Berkshire Hathaway, Inc., 10.8%; Fidelity National Information Services, Inc., 2.2%; IDEX Corp., 2.0%; Liberty Broadband Corp., 4.9%; Liberty Media Corp.-Liberty Live, 0.7%; Live Nation Entertainment, Inc., -0.6%[†]; Microsoft Corp., 3.3%; NVIDIA Corp., 0.0%; Old Dominion Freight Line, 0.8%; and Perimeter Solutions SA, 3.0%.

[†]Denotes short position

	TOTAL RETURNS		AVERAGE ANNUAL TOTAL RETURNS							Since 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	-2.96	5.01	10.66	-1.23	4.95	4.60	6.86	10.38	11.37	11.31	1.19
WPOIX Investor Class	-3.09	4.59	9.77	-1.83	4.31	4.04	6.53	10.15	11.20	11.14	1.92	1.92
Russell 3000 Index	3.22	13.56	23.13	8.04	14.13	12.14	10.16	10.66	11.63	11.18	-	-
S&P 500 Index	4.28	15.29	24.56	10.00	15.03	12.85	10.28	10.79	11.84	11.49	-	-

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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.

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 or from a financial advisor. Please read the prospectus carefully before investing.

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