

MULTI CAP EQUITY FUND

Portfolio Managers: Wally Weitz, CFA & Brad Hinton, CFA & Drew Weitz
(formerly Partners Value Fund)

The Multi Cap Equity Fund's Institutional Class returned +9.20% for the second quarter compared to +8.39% for the Russell 3000. Year-to-date, the Fund's Institutional Class has returned +11.42% compared to +16.17% for the Russell 3000.

Following a good first quarter result, stocks again generated strong returns during the second quarter. Market indices are broadly higher year-to-date, with the strongest gains generated by larger companies — particularly large technology firms. The Fund's second-quarter results broadly align with these trends, and we were pleased to deliver modest outperformance despite not owning several of the index's more speculative, top performers.

Tech's "Year of Efficiency" (as coined by Facebook parent Meta Platforms, Inc. (META)) has already driven significant stock price gains. Compounding that strength, technologies like OpenAI's ChatGPT and Google's Bard have ignited massive interest in the artificial intelligence (AI) ecosystem, sparking another wave of investor demand for technology shares deemed "AI winners." Meanwhile, a resilient economy and continued healthy corporate earnings have buoyed risk assets, generally.

CoStar Group, Inc. (CSGP), Meta Platforms, Martin Marietta Materials, Inc. (MLM), Vulcan Materials Co. (VMC), and CarMax, Inc. (KMX) were the Fund's largest quarterly contributors, each generating returns of roughly 29% or more. Year-to-date, Google parent Alphabet, Inc. (GOOG) joins Meta, Martin Marietta, CarMax, and CoStar as the Fund's top contributors. After steep declines in 2022, Meta shares have more than doubled this year as management's austerity measures bolstered profitability, and operating results demonstrated that Meta's advertising business is regaining momentum. Alphabet's poorly executed initial AI demonstration was an "unforced error," but its Bard generative AI system has since garnered positive reviews and rekindled investor enthusiasm. Favorable pricing dynamics and healthy pipelines of infrastructure projects have driven solid gains for materials suppliers Martin Marietta and Vulcan Materials. Lastly, after a difficult 2022, CarMax entered the year trading at a significant discount reflecting very low investor expectations. Today, the used car market is far from healed, but sales results have been better than feared, and a more disciplined cost posture helped shares rebound.

Lackluster operating results and a complicated ownership structure continue to weigh on shares of Liberty Global plc (LBTYK US), the Fund's top quarterly detractor. We acknowledge this investment has required a great deal of patience, but we believe management will ultimately unlock value, as shares continue to trade below our estimated "sum of the parts" value. Shares of Perimeter Solutions SA (PRM) have slumped as a new entrant has won approval from the U.S. Forest Service for its wildfire retardant product, though its initial contract wins have been modest. As we move through wildfire season, we believe Perimeter's operating results will remind investors why they are the dominant provider in the space. Finally, modest declines of Danaher Corp. (DHR), IDEX Corp. (IEX), and Guidewire Software, Inc. (GWRE) round out the quarterly detractor list.

Danaher and Liberty Global join Liberty Media Corp-Liberty SiriusXM (LSXMA), First Republic Bank (FRCB), and Charles Schwab Corporation (SCHW) as top detractors year-to-date. Liberty SiriusXM shares were strong during the second quarter, likely in anticipation of the 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. Finally, we realized losses in the first quarter when we exited our positions in First Republic and Schwab in the wake of regional bank stresses. 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 quarter, we sold our remaining holdings of Ingersoll Rand, Inc. (IR), Dolby Laboratories, Inc. (DLB), and Axalta Coating Systems Ltd (AXTA) as they traded at, or above, our base-case valuations. At the right prices, we would gladly own each again. Elsewhere in the portfolio, we trimmed Meta Platforms on strength, while opportunistically adding to Danaher, ACI Worldwide, Inc. (ACIW US), 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 reasonably attractive discounts to business value. Collectively, the portfolio trades at an estimated price-to-value ratio in the low 80s, a level that suggests we can earn healthy, risk-adjusted returns.



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.

[Read More →](#)

Top Relative Contributors and Detractors

TOP CONTRIBUTORS (%)				
	Return	Average Weight	Contribution	% of Net Assets
CoStar Group, Inc.	29.27	5.89	1.67	6.5
Meta Platforms, Inc.	35.41	3.85	1.29	4.0
Martin Marietta Materials, Inc.	30.22	4.01	1.16	4.5
Vulcan Materials Co.	31.68	3.79	1.14	4.3
CarMax, Inc.	30.21	3.59	1.02	3.9

TOP DETRACTORS (%)				
	Return	Average Weight	Contribution	% of Net Assets
LIBERTY GLOBAL CL C ORD	-12.81	2.47	-0.37	0.0
Guidewire Software, Inc.	-7.28	3.08	-0.27	2.9
Perimeter Solutions	-24.86	1.07	-0.21	0.0
IDEX Corp.	-6.53	2.06	-0.18	2.0
Danaher Corp.	-4.79	2.80	-0.14	2.8

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: ACI Worldwide, Inc., 0.9%; Alphabet, Inc., 6.0%; Axalta Coating Systems Ltd, 0.0%; Dolby Laboratories, Inc., 0.0%; First Republic Bank, 0.0%; Ingersoll Rand, Inc., 0.0%; Liberty Media Corp.- Liberty SiriusXM, 4.5%; Live Nation Entertainment, Inc., 1.0%; SiriusXM Holdings, Inc., 0.0%; and The Charles Schwab Corporation, 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)		
	WPVIX Institutional Class	9.20	11.42	13.22	10.41	6.83	6.25	6.77	9.59	10.16		
WPVLX Investor Class	9.15	11.34	12.98	10.21	6.60	6.04	6.67	9.52	10.10	11.00	1.07	1.07
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	-	-

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 07/20/2023, 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.

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

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