

# MULTI CAP EQUITY FUND

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Investment Style: Multi-Cap Equity

The Multi Cap Equity Fund's Institutional Class returned -3.24% for the second quarter compared to +3.22% for the Russell 3000 Index. Year-to-date, the Fund's Institutional Class returned +5.44% compared to +13.56% for the Russell 3000.

The largest companies led the way again during the second 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)) delivered more than 100% of the Russell 3000's positive return. Befitting our multi-cap strategy, we own shares of both Alphabet and Meta, and our performance has been the better for it. Unfortunately, large-cap strength did not flow through to smaller businesses. 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. These indices are not benchmarks for the Fund, but their experience provides helpful relative performance context for our strategy of proactively owning businesses of all sizes, as well as reinforcing the dominant influence of a handful of mega-cap stocks on the capitalization-weighted Russell 3000.

Alphabet, HEICO Corp. (HEI), Guidewire Software, Inc. (GWRE), ACI Worldwide, Inc. (ACIW US), and Texas Instruments, Inc. (TXN) were the Fund's largest quarterly contributors, each generating returns in excess of 10%. Alphabet and Heico were also top year-to-date contributors, joined by Meta Platforms, Perimeter Solutions SA (PRM), and Berkshire Hathaway, Inc. (BRK/B). While Meta Platforms and Alphabet have garnered favor given their position at the vanguard of artificial intelligence development, their "traditional" ad-supported businesses (primarily social media and search) continue to demonstrate strength and drive healthy business value growth. Berkshire Hathaway was another year-to-date mega-cap winner, despite giving back a portion of its first quarter's gain. Investors cheered as Heico reported strong fundamentals and management outlined potential positive synergies from last year's Wencor acquisition. Lastly, Perimeter Solutions' 70% gain remains the Fund's top performing stock for the year. Last quarter, Perimeter's sole material competitor for wildfire retardants was forced to withdraw its product after causing corrosive damage to the airtankers used to deploy it.

CoStar Group, Inc. (CSGP) was the Fund's top detractor for the second quarter and a top-five detractor year-to-date. The company's recently launched residential real estate portal (Homes.com) generated strong initial sales results and drove strong 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, leading 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. Liberty Broadband Corp. (LBRDA) (26% owner of Charter Communications, Inc. (CHTR)) was the Fund's top year-to-date detractor. Shares of Charter 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 that this uncertainty has created an additional overhang on the stock price. Beyond this one-time event, we believe the long-term picture for Charter remains intact.

Both Liberty Media Corp.-Liberty SiriusXM (LSXMK) (83% owner of Sirius XM Holdings, Inc. (SIRI)) and LKQ Corp. (LKQ) saw poor second-quarter returns, landing both companies the list of top detractors for the quarter 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 closing (expected in the coming quarter). LKQ shares fell after reporting softer-than-expected sales for the first quarter, as unseasonably warm weather resulted in fewer auto accidents and softer demand for LKQ repair parts. Despite these challenges, LKQ maintained its full-year outlook and remains on track to right-size its post-acquisition debt load and return additional capital to shareholders.

During the second quarter, we made valuation-related trims to Guidewire Software and Heico, along with a more modest trim of Alphabet to manage its large position size. We also exited our positions in both Live Nation Entertainment, Inc. (LYV) and the related Liberty Media Corp.-Liberty Live (LLYVA) shares. We continue to believe in the power of live experiences and would gladly return to Live Nation at a more attractive entry level. On the buy side, we continued building our initial position in VeriSign, Inc. (VRSN) and made opportunistic additions to Aon plc (AON), IDEX Corp. (IEX), and LKQ Corp.



## 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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The Fund initiated one new position in the quarter, Old Dominion Freight Line, Inc. (ODFL), one of the largest providers of “less than truckload” (LTL) trucking services in North America. ODFL has long been regarded as the highest-quality LTL operator by customers, drivers/employees, and investors alike, and it has the profit margins and balance sheet strength to prove it. Lately, diminished volumes have been a headache for all LTL operators, yet these episodes are when the company's long-term orientation shines. ODFL has a demonstrated track record of investing through downturns to enhance the density and reach of their physical delivery network. In the short run, this creates excess capacity, but as industry volumes return, ODFL is able to serve additional customers with a more efficient network and capture market share. The timing of a freight volume rebound is uncertain, but we believe ODFL (and its owners) will benefit from the continued execution of its well-established playbook, and we were pleased to acquire shares at an attractive entry price.

To reiterate, 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 while price appreciation may have outstripped business value growth of late, we think our stocks are priced at reasonably attractive discounts to business value and capable of earning reasonable, risk-adjusted returns.

## Top Contributors and Detractors

TOP CONTRIBUTORS (%)				
	Return	Average Weight	Contribution	% of Net Assets
Alphabet, Inc.	20.56	7.57	1.41	7.9
HEICO Corp.	15.28	5.40	0.79	5.2
Guidewire Software, Inc.	18.07	2.53	0.45	2.5
ACI Worldwide, Inc.	19.21	2.30	0.44	2.6
Texas Instruments, Inc.	12.39	2.85	0.33	3.0

TOP DETRACTORS (%)				
	Return	Average Weight	Contribution	% of Net Assets
CoStar Group, Inc.	-23.25	4.64	-1.23	4.0
Liberty Media Corp.-Liberty SiriusXM	-25.41	3.31	-1.01	3.1
LKQ Corp.	-21.75	3.57	-0.86	3.4
CarMax, Inc.	-15.91	3.60	-0.62	3.5
IDEX Corp.	-17.36	2.33	-0.42	2.9

Data is for the quarter ending 6/30/2024. 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 6/30/2024: Amazon.com, Inc., 0.0%; Aon plc, 3.6%; Apple, Inc., 0.0%; Berkshire Hathaway, Inc., 6.7%; Charter Communications, Inc., 1.3%; Liberty Broadband Corp., 3.0%; Liberty Media Corp.-Liberty Live, 0.0%; Live Nation Entertainment, Inc., 0.0%; Meta Platforms, Inc., 6.4%; Microsoft Corp., 0.0%; NVIDIA Corp., 0.0%; Old Dominion Freight Line, Inc., 2.1%; Perimeter Solutions SA, 2.9%; Sirius XM Holdings, Inc., 0.0%; and VeriSign, Inc., 2.8%.

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	40-YR	(6/1/1983)		
WPVIX Institutional Class	-3.24	5.44	11.68	1.42	7.43	5.70	6.63	9.82	11.08	11.07	0.87	0.87
WPVLX Investor Class	-3.31	5.37	11.48	1.23	7.22	5.47	6.51	9.74	11.02	11.01	1.07	1.07
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	-	-

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 07/20/2024, 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 07/31/2025.

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, Multi Cap Equity Fund (formerly 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 1000** measures the performance of the large-cap segment of the U.S. equity universe. It is a subset of the Russell 3000 and includes approximately 1,000 of the largest securities based on a combination of their market cap and current index membership. The **Russell 2000** measures the performance of the small-cap segment of the US equity universe. It is a subset of the Russell 3000 representing approximately 7% of the total market capitalization of that 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 **Russell Midcap** measures the performance of the mid-cap segment of the US equity universe. It is a subset of the Russell 1000 Index and includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership. 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.