

Balanced Fund

For period ended September 30, 2018

Fund Overview

The Balanced Fund is a no-load stock and bond fund. The goal of the fund is preservation of capital and long-term growth. The Balanced Fund generally invests at least 25% of its assets in common stocks and securities that are convertible to stock. At least 25% of total assets is invested in investment-grade bonds to offer income opportunities. The Fund may also invest up to 20% of its total assets in unrated or non-investment grade fixed income securities.

Investment Strategy

At Weitz we don't focus on broad diversification or manage to a benchmark. Instead, we use a common-sense, fundamental, bottom-up, one security at a time, value-based investing approach. Decisions are backed by thorough research, logical strategies, extensive debate and our personal commitment to long-term results. We search for companies that are in control of their own destiny that have honest, intelligent management. We estimate a company's business value, and then we look to buy shares at a significant discount. This gives us a potential margin of safety, which may limit downside risk and optimize the potential for growth.

We cast a wide net to find fixed income investment opportunities that meet our stringent criteria. Instead of focusing solely on yield, we search for investments that we think will provide a reasonable risk-adjusted return. We examine potential opportunities until we find what we believe is the right investment at the right price.

Characteristics & Volatility Measures¹

Fund vs. Morningstar Mod

| Conservative Target Risk Index | 3-year | 5-year | 7-year | 10-year | | |
|--------------------------------|--------|--------|--------|---------|---|----|
| R-Squared | 75.2 | 75.4 | 73.6 | 78.6 | Number of Companies (Equity) | 30 |
| Beta | 1.02 | 1.04 | 1.03 | 1.32 | Number of Fixed Income Issuers | 33 |
| Alpha | 0.50 | 0.05 | 1.51 | -0.35 | 6-Month Turnover (9/30/18) (%) | 15 |
| Upside Capture Ratio | 99.7 | 102.8 | 108.3 | 120.7 | Annual Turnover (3/31/18) (%) | 40 |
| Downside Capture Ratio | 75.4 | 101.4 | 77.8 | 119.9 | 5-year Avg. Annual Turnover (3/31/18) (%) | 35 |
| Standard Deviation | 4.6 | 4.8 | 5.4 | 9.7 | | |
| Sharpe Ratio | 1.37 | 0.96 | 1.38 | 0.75 | | |

Source: Morningstar Direct

Asset Allocation (% of Net Assets)



| | | | |
|-----------------------------|------|---------------------------------|------|
| Asset-Backed Securities | 1.3 | Mortgage-Backed Securities | 2.2 |
| Common Stocks | 46.6 | U.S. Treasury Notes | 28.7 |
| Corporate Bonds | 19.5 | U.S. Treasury Bills, Cash/Other | 0.9 |
| Corporate Convertible Bonds | 0.8 | | |

FIXED INCOME HOLDINGS (including U.S. Treasury Notes & Bills)

Portfolio Summary

| | |
|----------------------------|-----------|
| Average Maturity | 2.0 years |
| Average Effective Maturity | 2.0 years |
| Average Duration | 1.9 years |
| Average Effective Duration | 1.9 years |
| 30-Day SEC Yield (%) | 1.26 |

Source: Bloomberg Analytics

Duration Distribution

| | Fixed Income Portfolio (%) |
|-----------|----------------------------|
| 0-1 year | 37.0 |
| 1-3 years | 37.8 |
| 3-5 years | 25.2 |
| 5-7 years | 0.0 |

Source: Bloomberg Analytics

Maturity Distribution

| | Fixed Income Portfolio (%) |
|------------------------|----------------------------|
| Cash Equivalents/Other | 1.1 |
| Less than 1 year | 34.8 |
| 1-3 years | 38.2 |
| 3-5 years | 24.7 |
| 5-7 years | 1.2 |
| 7-10 years | 0.0 |

Source: Bloomberg Analytics

Credit Quality^(a)

| | Fixed Income Portfolio (%) |
|---|----------------------------|
| Treasury | 53.9 |
| U.S. Government Agency MBS ^(b) | 1.9 |
| Aaa/AAA | 3.5 |
| Aa/AA | 2.5 |
| A/A | 15.9 |
| Baa/BBB | 17.9 |
| Ba/BB | 0.8 |
| B/B | 0.9 |
| Non-Rated | 1.6 |
| Cash Equivalents | 1.1 |

Source: Bloomberg Analytics

(a) The Fund receives credit quality ratings on underlying securities of the Portfolio when available from credit rating agencies. The Fund will use one rating for an underlying security if that is all that is provided. Ratings and portfolio credit quality may change over time. The Fund itself has not been rated by an independent rating agency.

(b) Mortgage related securities issued and guaranteed by government-sponsored entities such as Fannie Mae and Freddie Mac are generally not rated by ratings agencies. Securities which are not rated do not necessarily indicate low quality. Fannie Mae's and Freddie Mac's senior long-term debt are currently rated Aaa and AAA by Moody's and Fitch, respectively.

Fund Facts

| | |
|-------------------------|--------------------------------------|
| Ticker | WBALX |
| Investment Minimum | \$2,500 |
| CUSIP | 94904P104 |
| Fund Expense Ratio (%) | 1.01 0.92 |
| 6 mos. ended 9/30/18 | Gross Net |
| Portfolio Managers | Brad Hinton, CFA |
| Investment Style | Conservative Allocation |
| Inception Date | October 1, 2003 |
| Net Assets | \$122.6 Million |
| Dividends/Capital Gains | Paid Semi-Annually (June & December) |

COMMON STOCK HOLDINGS

Top 10 Stock Holdings

| | Net Assets (%) |
|--------------------------------------|----------------|
| Berkshire Hathaway Inc.-Class B | 2.4 |
| Liberty Broadband Corp.-Series C | 2.2 |
| Alphabet, Inc.-Class C | 2.1 |
| Laboratory Corp. of America Holdings | 2.1 |
| Thermo Fisher Scientific Inc. | 2.1 |
| Visa Inc.-Class A | 2.1 |
| Allergan plc | 2.0 |
| Oracle Corp. | 2.0 |
| Mastercard Inc.-Class A | 2.0 |
| Praxair, Inc. | 2.0 |
| Net Assets in Top 10 (%) | 21.0 |

Industry Breakdown

| | Common Stock (%) |
|------------------------|------------------|
| Communication Services | 13.4 |
| Consumer Discretionary | 4.2 |
| Consumer Staples | 8.6 |
| Financials | 16.8 |
| Health Care | 16.3 |
| Information Technology | 26.5 |
| Materials | 14.2 |

Capitalization

| | Common Stock (%) |
|--|------------------|
| >\$50 Billion | 59.9 |
| \$10-\$50 Billion | 28.6 |
| \$2.5-\$10 Billion | 5.7 |
| <\$2.5 Billion | 5.8 |
| Weighted Average Market Cap (B) | \$172.3 |

For more information

Returns (%)

ANNUALIZED

| | Since Inception | 10-year | 7-year | 5-year | 3-year | 1-year | YTD | Quarter |
|--|-----------------|---------|--------|--------|--------|--------|------|---------|
| WBALX | 5.57 | 7.35 | 8.03 | 5.15 | 7.32 | 5.99 | 4.09 | 2.63 |
| Morningstar Mod Conservative Target Risk Index | 5.98 | 6.04 | 6.31 | 4.96 | 6.69 | 3.91 | 1.28 | 1.82 |
| Blended Index | 7.27 | 8.67 | 8.94 | 8.94 | 10.59 | 10.10 | 6.00 | 4.67 |

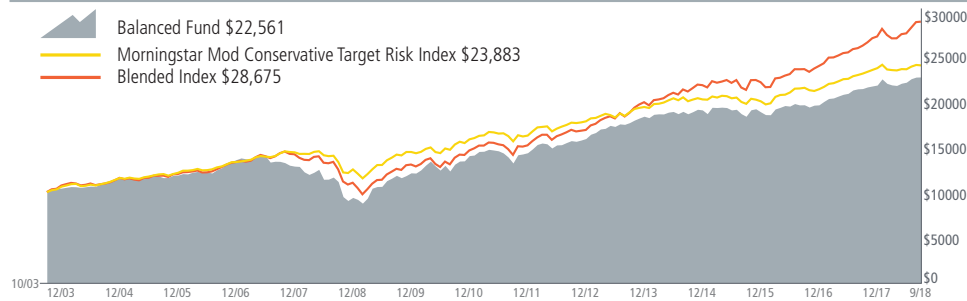
Fund inception: 10/1/2003

Performance data represents past performance, which does not guarantee future results. The investment return and the principal value of an investment in the Fund will fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost. Current performance may be higher or lower than the performance data quoted. Performance data current to the most recent month end may be obtained at weitzinvestments.com.

Returns assume reinvestment of dividends and redemption at the end of each period, and reflect the deduction of annual operating expenses, which as stated in the most recent Prospectus are 1.00% (gross) of the Fund's net assets. Returns also include fee waivers and/or expense reimbursements, if any; total returns would have been lower had there been no waivers or reimbursements. The Investment Adviser has agreed in writing to waive its fees 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 to 0.85% of average daily net assets through July 31, 2019.

Index performance is hypothetical and is shown for illustrative purposes only. Comparative returns are the average returns for the applicable period of the reflected indices. The Morningstar Moderately Conservative Target Risk Index is an asset allocation index comprised of constituent Morningstar indices and reflects global equity market exposure of 40% based on an asset allocation methodology derived by Ibbotson Associates, a Morningstar company. The Blended Index blends the S&P 500® with the Bloomberg Barclays Intermediate U.S. Government/Credit Index by weighting their total returns at 60% and 40%, respectively. The portfolio is rebalanced monthly.

Growth of \$10,000



Summary of Returns (%)

| | 2003 (10/1/03) | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|--|-------------------|-------|-------|-------|--------|--------|-------|-------|-------|-------|
| WBALX | 3.78 | 11.84 | 1.73 | 14.33 | -5.26 | -26.82 | 28.77 | 15.66 | 2.27 | 10.91 |
| Morningstar Mod Conservative Target Risk Index | 5.94 | 8.95 | 4.93 | 9.72 | 8.01 | -13.06 | 15.31 | 9.65 | 2.60 | 9.66 |
| Blended Index | 7.23 | 7.75 | 3.66 | 11.00 | 6.39 | -22.07 | 18.11 | 11.85 | 3.85 | 11.15 |
| Relative Results | -2.16 | 2.89 | -3.20 | 4.61 | -13.27 | -13.76 | 13.46 | 6.01 | -0.33 | 1.25 |

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 (9/30/18) |
|--|-------|-------|-------|-------|-------|-------------------|
| WBALX | 15.46 | 3.79 | -1.11 | 4.07 | 11.15 | 4.09 |
| Morningstar Mod Conservative Target Risk Index | 8.83 | 4.30 | -1.03 | 6.66 | 10.86 | 1.28 |
| Blended Index | 18.09 | 9.42 | 1.49 | 8.06 | 13.59 | 6.00 |
| Relative Results | 6.63 | -0.51 | -0.08 | -2.59 | 0.29 | 2.81 |

Relative Results: the difference between the Fund's performance and the performance of the Morningstar Moderately Conservative Target Risk Index.

Investment Risks

An investment in the Fund involves certain risks, such as: the Fund may invest in undervalued securities, which by definition are out of favor with investors, and there is no way to predict when, if ever, such securities may return to favor. 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. When interest rates rise, bond prices generally fall, and the Fund's share price can fall. The Fund may purchase lower-rated and unrated fixed-income securities, which involve an increased possibility that the issuers of these may not be able to make payments of interest and principal. See the Fund's Prospectus for a further discussion of risks related to the Fund.

Portfolio composition is subject to change at any time. Current and future portfolio holdings are subject to risk.

Included is a reference to the term margin of safety. This term refers to purchasing securities at a price that is less than our estimate of intrinsic value. A potential margin of safety may limit downside risk and optimize the potential for growth.

Definitions: **R-Squared:** portfolio's movements that can be explained by movements in its benchmark. **Beta:** measure of systematic risk with respect to a benchmark. **Alpha:** difference between a portfolio's actual returns and its expected performance, given its level of risk measured by beta. **Upside Capture Ratio:** manager's performance in up markets relative to the benchmark. **Downside Capture Ratio:** manager's performance in down markets relative to the benchmark. **Standard Deviation:** measure of how widely the returns varied over a certain period of time from the average. **Sharpe Ratio:** measure to determine reward per unit of risk.

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Investors should consider carefully the investment objectives, risks, and charges and expenses of the Fund before investing. The Fund's Prospectus contains this and other information about the Fund and should be read carefully before investing. The Prospectus is available from Weitz Investment Management, Inc. Weitz Securities, Inc. is the distributor of the Weitz Funds.