LARGE-CAP VALUE

3Q 2015 Quarterly Commentary

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The Large-Cap Value Strategy returned -6.8% (gross of fees), -7.1% (net of fees) during the third quarter, compared to -6.4% for the S&P 500® and -6.8% for the Russell 1000®. Year-to-Date, the Strategy returned -4.5% (gross of fees), -5.3% (net of fees) compared to -5.3% for the S&P 500® and -5.2% for the Russell 1000®.

Calendar Year-to-Date Contributors

Valeant Pharmaceuticals International is a multinational, specialty pharmaceutical and medical device company that develops, manufactures and markets a broad range of brand name, generic, branded generic and over-the-counter (OTC) products in over 100 countries. Despite a significant pullback in Valeant's stock during September, its shares remain among our top contributors through the first nine months of calendar year 2015. We took advantage of this strength over the course of the spring and summer to pare back Valeant's position size at levels that approached and briefly reached our base case estimate of intrinsic value. While drug price regulation has dominated headlines over the past several weeks, the likelihood of "price controls" becoming a legislative reality appears low at present. The multi-year outlook for Valeant's core business remains attractive.

Catamaran Corporation is a provider of pharmacy benefit management services and healthcare IT solutions to the healthcare benefit management industry. UnitedHealth Group completed its acquisition of Catamaran during the third quarter. The Strategy received $61.50 per share in cash in exchange for our remaining shares, which was slightly above our base case estimate of intrinsic value of approximately $60 at the time the deal was announced. While it is gratifying to have a well-regarded industry participant confirm our notion of Catamaran's quality and undervaluation, it is also somewhat bittersweet parting with a potential compounder in an industry that we believe has an attractive future.

Martin Marietta Materials is a producer of sand, gravel, aggregates and cement for the construction industry. During the year Martin's aggregates volumes, pricing and incremental margins exceeded investor expectations as non-residential and public construction showed broad-based strength. The outlook for public volumes over the next several years improved as state Department of Transportation budgets expanded. Martin also increased its synergy target for the Texas Industries acquisition for the third time from the original $70 million to $120 million and sold their California Oro Grande cement operation for $420 million. The proceeds will be used toward their 20 million share repurchase program. A culmination of these positive events pushed Martin Marietta's stock price above our estimate of intrinsic value and we exited our position in the third quarter.

Calendar Year-to-Date Detractors

Twenty-First Century Fox is a diversified media and entertainment company. Investors have been grappling with declines in reported US ratings across the media ecosystem as consumers increasingly consume content on currently unmeasured platforms (e.g. Apple TV, tablets, etc.) or through non-traditional distributors (e.g. Netflix). Although improvements in measurement are on the horizon, Fox is able to evolve its monetization strategy among broader changes in media distribution by owning their own content. In contrast to ratings challenges for general entertainment, sports content has remained a notable exception, and we remain attracted to Fox's enviable position in sports across its broadcast and regional sports networks. Lastly, despite the well-publicized headwinds created by a stronger US Dollar, we continue to like Fox's highly desirable portfolio of international assets that can continue to deliver both affiliate and advertising growth. These elements continue to generate healthy free cash flows that we believe management will allocate wisely to grow per share value.

Range Resources Corporation is an independent producer of natural gas and natural gas liquids (NGLs) based in Fort Worth, Texas. The likelihood of continued supply-driven commodity price pressures has weighed on Range's shares throughout much of 2015. While the company continues to execute well on those variables under its control, Range finds itself among a growing crowd of ultra-efficient Northeast natural gas and NGL producers that have fallen victim to their collective production success. Weak natural gas and NGL prices have dampened near-term profits and cash flows, slowing Range's ability to grow. The company's balance sheet has more recently become the subject of increased investor focus, though long-dated debt maturities and the potential for meaningful asset sales should give Range room to navigate the downturn without the need to issue additional equity. We continue to believe Range offers an attractive risk-reward at present prices.

Discovery Communications is a leading provider of Pay-TV programming with an emphasis on lower cost, fully owned, non-fiction content that appeals to passionate global audiences. The company's shares have declined due to earnings headwinds from moderating international growth, negative currency impacts on reported results and the well-chronicled challenges for domestic television advertising. More importantly, multiples for media content companies have compressed significantly due to longer-term concerns about the health of the ad-supported, Pay-TV ecosystem. Discovery has several unique advantages, starting with its robust and growing content library and its unmatched international footprint. Strong capital allocation also has been a Discovery hallmark and will be increasingly important over the next several years. The company recently laid out a three-year roadmap that we think is realistic and reflects the challenges ahead. From today's price the stock has above average return potential, as the company executes on its achievable stated plans.

Quarterly Contributors

Motorola Solutions is a global leader in public safety communication infrastructure products and services as well as commercial radio systems. Motorola Solutions' stock price increased as investors gained comfort that the Silver Lake investment would be beneficial to Motorola's long-term strategy. Although the stock price has been appreciating, we still believe that Motorola remains a misunderstood business. Investors are focused on the prospect that Motorola's core Public Safety radio business will be disrupted by Public Safety LTE technology. We, on the other hand, are confident that Public Safety LTE will be additive to MSI's sales and earnings. In addition, we believe Motorola Solutions will continue to repurchase shares as long as the stock price remains at attractive levels.

Precision Castparts Corp is a manufacturer of complex metal components and products that provides investment castings, forgings and fasteners/ fastener systems for critical aerospace and power applications. On August 10th, Berkshire Hathaway announced an agreement to purchase Precision Castparts (PCP) for $235/share, or roughly $37.2 billion including debt (Berkshire's largest ever acquisition). While the transaction provides a boost to the Strategy's near-term performance, Berkshire is buying Precision at a modest discount to our base estimate of intrinsic value. Losing a long-term compounder early on in our investment horizon is disappointing, but the silver lining in this transaction is that we will continue to own PCP indirectly through our position in Berkshire.

Martin Marietta Materials – Please refer to the Year-to-Date synopsis for quarterly contributor details.

Quarterly Detractors

Liberty Global is the largest international cable company with operations in 14 countries providing video, broadband Internet, fixed-line telephone and mobile services to its customers. In the second quarter, investors cheered as Liberty Global and Vodafone entered into formal talks over potential business combinations within their European operations. Although no formal details were released, Wall Street analysts began speculating on the potential for very large cost savings, and shares of both companies appreciated nicely. By the end of the third quarter, however, talks between the two broke down without any deals announced. Such a transaction had not been part of our investment thesis. We remain attracted to the organic growth story for Liberty Global as their leading position in broadband should continue to help them win market share across Europe, along with their shareholder-friendly capital allocation philosophy.

Range Resources Corporation – Please refer to the Year-to-Date synopsis for quarterly detractor details.

Valeant Pharmaceuticals International – Following a strong calendar second quarter, Valeant shares came under pressure during September as a high-profile presidential hopeful and portions of the popular press called drug industry pricing practices into question. While stocks across the pharmaceutical industry have given back recent gains, Valeant has been hit particularly hard after being mentioned alongside a couple of unscrupulous actors. While Valeant has significantly raised the list prices of several of the drugs it has recently acquired, large price increases have not been the primary driver of the company's earnings growth. Perhaps more importantly, neither we nor the company believe they are necessary to fuel the company's future growth. After significantly trimming our position during the third quarter, we began selectively adding to the position in October for the first time in several years below $170/share.

New Holdings

Allergan is a global specialty pharmaceutical company focusing on the development, manufacturing, marketing and distribution of generic, brand name, biosimilar and over-the-counter (OTC) pharmaceutical products. Formerly Actavis, the "new" Allergan is a collection of significant acquisitions over the past 4-5 years, including Watson Pharmaceuticals, Warner Chilcott, Forest Laboratories and legacy Allergan. In late July, Allergan announced the divestiture of its global generics business to Teva for $40.5B, which we believe is a terrific sale price for AGN. Assuming the transaction closes as expected, Allergan should begin calendar 2016 as a pure-play branded pharmaceutical manufacturer with high single digit annual growth prospects and a reloaded balance sheet. We believe the stock is compelling at current prices.

EOG Resources is primarily a domestic producer of oil and natural gas with operations focused in most of the productive basins in the United States (the Eagle Ford, Permian and Bakken, among others). EOG is widely regarded as one of the best operators in the oil and gas business. Part of the company's "secret sauce" is a devout commitment to return on invested capital. Not surprisingly, EOG has outperformed its larger peers in this all important category over time and we expect more of the same in the years to come. With oil and gas prices well below our view of the marginal cost of supply and exploration and production (E&P) stocks generally out of favor, we were able to establish a position in EOG in the low-to-mid-$70s at a healthy discount to intrinsic value.

Eliminated Holdings

Catamaran Corporation – We eliminated Catamaran as the company was acquired by UnitedHealth Group in July at a price slightly above our value estimate.

Martin Marietta Materials – Following a reasonably successful seven-and-a-half year holding period, the Strategy closed its position as Martin Marietta's stock price rose above our base case estimate of intrinsic value. We would happily own the business again at a wider discount.

Baker Hughes – Our purchase of Baker Hughes shares during the second quarter was a means of a gaining exposure to Halliburton at a discount (Halliburton and Baker Hughes agreed to merge last November). During the third quarter, we elected to realize a short-term tax loss on our Baker shares and redeployed the proceeds directly into Halliburton.

Quarterly Top Performers

	Return	Average Weight	Contribution
Motorola Solutions, Inc.	19.86%	2.88%	0.49%
Martin Marietta Materials, Inc.	7.64	1.73	0.42
Precision Castparts Corp.	14.94	2.92	0.35
Google Inc. Class C	16.89	2.21	0.28
Google Inc. Class A	18.21	1.15	0.21

Quarterly Bottom Performers

	Return	Average Weight	Contribution
Range Resources Corporation	-34.88%	3.47%	-1.22%
Valeant Pharmaceuticals International, Inc.	-19.70	5.72	-0.98
Liberty Global plc Class C	-13.03	6.73	-0.91
Discovery Communications, Inc. Class C	-21.85	1.85	-0.55
Twenty-First Century Fox, Inc. Class B	-15.52	3.64	-0.44

Contributions to performance are based on actual daily holdings. Securities may have been bought or sold during the quarter. Return shown is the actual quarterly return of the security. Source for return shown is FactSet Portfolio Analytics. It should not be assumed that recommendations made in the future will be profitable or will equal the performance of the securities in this list. The holdings identified do not represent all of the securities purchased, sold or recommended for Weitz Inc.'s advisory clients. Contact Weitz Inc. to obtain the methodology for the calculations above. You may reach Weitz Inc. at 1125 S 103rd Street, Suite 200, Omaha NE 68124, at 1-800-304-9745 or at weitzinvestments.com.

Investors should consider carefully the investment objectives, risks and charges and expenses of the Strategy before investing. **Past performance does not guarantee future results**. Portfolio composition is subject to change at any time and references to specific securities, industries and sectors in this letter are not recommendations to purchase or sell any particular security. Current and future portfolio holdings are subject to risk. Performance information in this letter is the weighted-average performance of accounts managed by Weitz Investment, Inc. ("Weitz Inc.") under its Large-Cap Value Strategy (the "Strategy"). Performance of particular securities in this letter is shown for an entire time period. All other portfolio holdings information is for a particular "Representative Account" in the Strategy.

Index performance is hypothetical and is shown for illustrative purposes only. The returns above also include fee waivers and/or expense reimbursements, if any; total returns would have been lower had there been no waivers or reimbursements. Contributions to performance are based on actual daily holdings. Comparative returns are the average returns for the applicable period of the S&P 500 and the Russell 1000 Indexes. 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. The Russell 1000 Index measures the performance of the large-cap segment of the U.S. equity universe. It is a subset of the Russell 3000® Index and includes approximately 1000 of the largest securities based on a combination of their market cap and current index membership.