BALANCED FUND

Portfolio Manager: Brad Hinton, CFA
Investment Style: Conservative Allocation

The Balanced Fund's Institutional Class returned +3.69% for the first quarter compared to +0.31% for the Morningstar Moderately Conservative Target Risk Index. For the fiscal year ending March 31, 2021, the Fund's Institutional Class returned +21.93% compared to +22.18% for the index.

Total returns well above inflation have helped our investors retain, and steadily build, wealth. Over a 10-year period, the Fund's Institutional Class has returned 6.94% annualized compared to 6.21% for the index.

The "economic reopening" trade continued in the first quarter with some vigor. Smaller companies, cyclical businesses and other value-oriented fare were the strongest beneficiaries. Aggressive growth stocks, which had dominated the return scoreboard for several years, lagged considerably. Against this backdrop, the Fund's stocks delivered strong returns, leading the Fund to outperform its index for the quarter.

Value Matters: Remembering What Counts

Vaccine distributions and a reopening of the global economy create optimism that the world will be returning to a sense of normal. But current stock and bond valuations give us pause, as the recovery may not be as good, or as quick, as markets seem to be anticipating.

Bonds generally declined in value as the 10-year Treasury yield nearly doubled from 0.91% to 1.74% during the quarter. As yields rise, bond prices fall. For example, here is the quarterly performance for three bond ETFs – these markdowns are not for the faint of heart:

- The iShares 20+ Year Treasury Bond ETF (ticker TLT) returned **-13.98%**,
- The iShares iBoxx $ Investment Grade corporate bond ETF (ticker LQD) returned **-5.51%**,
- The iShares Core U.S. Aggregate Bond ETF (ticker AGG) returned **-3.39%**.

In contrast, the Fund's short-maturity collection of high-quality bonds did not lose value in the quarter, fulfilling its role as dull, but effective, portfolio ballast.

Financial stocks enjoyed healthy first-quarter gains. Charles Schwab and JPMorgan Chase were outsized contributors as investors refocused on earning power in "normal" times. Google parent Alphabet provided new disclosures that highlighted the profitability of its services businesses and the upside potential of its Cloud Platform. Companies far removed from the mega-cap glare, such as LabCorp, AutoZone, and Vulcan Materials, also delivered exceptional returns; we can often develop more of a research edge in businesses that are not under the constant attention of the industry and financial media. Charter Communications, Visa and Thermo Fisher Scientific were modest quarterly detractors. All have been significant long-term winners, and all continue to have bright outlooks.

Stocks rebounded from their pandemic lows throughout the Fund's fiscal year, with most soaring higher. LabCorp and Thermo Fisher Scientific experienced revenue growth from helping society deal with the COVID-19 outbreak, and their core businesses showed resilience. Charles Schwab's stock nearly doubled, and the TD Ameritrade acquisition solidified the company's strategic position. Alphabet and Microsoft both posted terrific results and enjoy sustained long-term tailwinds. Not surprisingly given the strength of the overall market, the Fund had no equity detractors for the fiscal year.

Our team is continually working to improve the portfolio as we process new information. Timely additions to AutoZone, Comcast, and Markel enhanced quarterly returns. We trimmed position sizes in Thermo Fisher and Alphabet on stock price strength. This type of limited, periodic rebalancing is disciplined but not mechanical. Decisions are based on stock prices relative to our value estimates, fundamental progress at each business, quality score considerations, and analyst conviction.

We wrote last quarter about the fixed income "winter" caused by extremely low interest rates. As described above, bonds indeed suffered an "arctic blast" to start the year. While modestly higher starting yields are welcome green shoots, investors should not confuse them with a return to full springtime glory. We added some four- to five-year Treasuries as yields increased, but our overall positioning remains quite defensive. If base rates and/or spreads continue to rise, expect us to increase risk exposure prudently and with due caution.

Fixed Income Insights: What a Difference a Year Makes

The old saying "what a difference a year makes," might be a cliché, but it accurately reflects the great disparity from the chaos of 2020 to the optimism of 2021. But with a future still filled with uncertainty, we continue to move our fixed income funds forward on a defensive path.

The Fund's portfolio continues to evolve with market conditions. We own common equity stakes in 29 companies totaling 44.6% of net assets. High-yielding, hybrid securities represent another 2.7% of the Fund. Fixed income holdings include investment-grade corporate bonds (3.9%), securitized debt (10.9%), Treasury securities (26.3%), and cash equivalents (11.6%). We have plenty of capacity to lean into new opportunities as our team uncovers them.

We think the Fund remains well-positioned to provide long-term capital appreciation and capital preservation. Meaningful current income will be more challenging for the time being. As always, we encourage investors to evaluate the strategy on a total-return basis over longer time horizons. Thank you for your investment and continued confidence in the Fund and our firm.

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Top Relative Contributors and Detractors

For the **QUARTER** ending 03/31/2021

TOP CONTRIBUTORS	Return	Average Weight	Contribution	% of Net Assets
The Charles Schwab Corp. (SCHW)	23.28%	2.12	0.46%	2.2%
Laboratory Corp. of America Holdings (LH)	25.29%	1.97	0.45%	2.1%
Alphabet Inc. – Class C (GOOG)	18.08%	1.93	0.34%	1.9%
AutoZone, Inc. (AZO)	18.46%	1.28	0.28%	1.7%
JPMorgan Chase & Co. (JPM)	20.66%	1.43	0.27%	1.5%

Source: FactSet Portfolio Analytics

TOP DETRACTORS	Return	Average Weight	Contribution	% of Net Assets
Charter Communications, Inc. – Class A (CHTR)	-6.73	1.56	-0.12%	1.5%
Visa Inc. – Class A (V)	-3.05	1.58	-0.05%	1.5%
Thermo Fisher Scientific Inc. (TMO)	-1.96	1.93	-0.02%	1.8%
Mastercard Inc. – Class A (MA)	-0.12	1.61	-0.00%	1.6%
Fidelity National Information Services, Inc. (FIS)	-0.33	1.49	-0.00%	1.5%

Source: FactSet Portfolio Analytics

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 03/31/2021: Comcast Corp. – Class A (CMCSA) 1.6%; iShares 20+ Year Treasury Bond ETF (TLT) 0.0%; iShares Core U.S. Aggregate Bond ETF (AGG) 0.0%; iShares iBoxx $ Investment Grade Corporate Bond ETF (LQD) 0.0%; Markel Corp. (MKL) 1.8%; Microsoft Corp. (MSFT) 2.0%; Vulcan Materials Co. (VMC) 1.8%.

Average Annual Total Returns

AS OF 03/31/2021	YTD	1-year	3-year	5-year	10-year	Since Inception*	Inception Date	Net Expense	Gross Expense
Balanced Fund - Investor (WBALX)	3.62%	21.74%	9.06%	8.11%	6.91%	6.08%	10/01/2003*	0.85%	1.14%
Balanced Fund - Institutional (WBAIX)	3.69%	21.93%	9.16%	8.16%	6.94%	6.10%	03/29/2019	0.70%	0.95%
Morningstar Moderately Conservative Target Risk	0.31%	22.18%	8.23%	7.71%	6.21%	6.40%	-	-	-

*Denotes the Fund's inception date and the date from which Since Inception performance is calculated.

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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. 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 07/31/2021.

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, if any; total returns would have been lower had there been no waivers or reimbursements.

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 **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.

Credit ratings are assigned to underlying securities utilizing ratings from a Nationally Recognized Statistical Rating Organization (NRSRO) such as Moody's and Fitch, or other rating agencies and applying the following hierarchy: security is determined to be Investment Grade if it has been rated at least BBB- by one credit rating agency; once determined to be Investment Grade (BBB- and above) or Non-Investment Grade (BB+ and below) where multiple ratings are available, the lowest rating is assigned. Mortgage-related securities issued and guaranteed by government-sponsored agencies such as Fannie Mae and Freddie Mac are generally not rated by rating agencies. Securities that are not rated do not necessarily indicate low quality. Ratings are shown in the Fitch scale (e.g., AAA). Ratings and portfolio credit quality may change over time. The Fund itself has not been rated by a credit rating agency.

Definitions: Investment Grade Bonds are those securities rated at least BBB-.

Consider these risks before investing: All investments involve risks, including possible loss of principal. Market risk includes political, regulatory, economic, social and health risks (including the risks presented by the spread of infectious diseases). 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.

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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