3Q 2021

BALANCED FUND

Portfolio Managers: Brad Hinton, CFA and Nolan Anderson
Investment Style: Conservative Allocation

The Balanced Fund's Institutional Class returned +1.18% for the third quarter compared to -0.42% for the Morningstar Moderately Conservative Target Risk Index. Year-to-date, the Fund's Institutional Class has returned +9.15% compared to +3.97% 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 +8.50% annualized compared to +7.03% for the index.

It has been a strong year for stock investors, less so for bond investors. Subdued third-quarter results across asset classes reflected growing crosscurrents. The U.S. economy has been growing nicely, albeit at a slowing pace due to supply chain disruptions, wage pressures, raw material inflation, and so on. Monetary and fiscal stimulus continues to course through the system, though the Federal Reserve expects to start siphoning from the punch bowl later this year, recently indicating intentions to start tapering its quantitative easing program. Policymakers in Washington remain an important wildcard with more government spending and taxes in the pipeline.

WEITZ INVESTMENT INSIGHTS
VALUE MATTERS:
Bring It On

The bull market that began after the initial shock of the pandemic has been good for most investors. But sooner or later, all good things must come to an end. And whenever the tide eventually turns, we'll be ready to take advantage.

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In our view, the backdrop remains broadly constructive but far from placid. We see less margin for error in the markets and the economy. Most bonds face a math problem and are priced for paltry returns. High-quality companies priced at a discount to our estimate of intrinsic value are harder to unearth in the U.S. stock market. And while some macro bumps seem plausible, we aim to partner with management teams that can ably steer their businesses through choppier waters. Through it all, our companies are still finding ways to grow business value.

Aon plc paced the Fund's quarterly contributors with a near 20% return. Best known as a leading global insurance broker, Aon provides advice and solutions to clients in risk, retirement, and health. The business enjoys strong, sustainable organic revenue growth, bolstered by margin expansion and effective capital deployment to drive free cash flow per share. Aon management showed discipline in terminating the Willis Towers Watson deal when demands from the Department of Justice proved onerous. Life science and diagnostics leaders Danaher and Thermo Fisher also posted strong returns. Both companies continued to build and collect durable strategic assets with long, robust growth runways. Current results and fundamentals have been terrific, and virtual investor events in September helped alleviate some concerns about the near-to-medium-term outlooks.

Payment-related companies Fidelity National Information Services (FIS), Visa, and Mastercard were the largest quarterly detractors. FIS's stock declined as merchant segment revenue growth fell short of peers and the company tempered near-term margin expectations. Mix played a role, as FIS is more weighted to the U.K. market and cross-border travel. Quarterly blips aside, FIS is winning new business in both the merchant and the banking spaces, which increases our confidence in the longer-term growth story. Management has also been buying back stock at what we think are discounted prices. Visa and Mastercard declined less than 5% as the global reopening experienced fits and starts. Our investment theses for these world-class businesses remain firmly intact.

WEITZ INVESTMENT INSIGHTS
FIXED INCOME INSIGHTS:
Managing Risks vs. Managing Returns

In a fixed income environment where opportunities are hard to come by, inflation concerns are rampant, and the economy faces hurdles on its path to recovery, successful management of risks will play a critical role in achieving returns.

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Year-to-date, Alphabet – parent company of Google – has been the Fund's largest contributor with a gain of more than 50%. Digital advertising is a tremendous business with room to run, and the Google Cloud Platform provides another open-ended growth avenue. Charles Schwab has also been a contributor year-to-date as the company continued to grow client assets while integrating the TD Ameritrade acquisition. The stock rebounded along with other rate-sensitive financials, yet we own it for its robust earning potential a few years out. Other top year-to-date contributors include Aon, Labcorp, Danaher, and AutoZone which have all posted returns of more than 35%. The breadth of the Fund's winners has been the real story for 2021 so far.

FIS has been the Fund's only material year-to-date detractor, for the reasons outlined above. Liberty Broadband and Mastercard also declined. The short detractor list is partly due to favorable market conditions, but it also reflects strong security selection from our experienced equity team.

We retooled the Fund's exposure to broadband provider Charter Communications during the quarter. We sold our Charter position at significant gains as the stock approached our estimate of full value, and we purchased a smaller position in Liberty Broadband. Liberty Broadband's primary asset is 55.5 million shares of Charter, and as Charter's stock continued to rise, the embedded discount at Liberty Broadband became harder to ignore. We think Liberty Broadband offers our classic "two ways to win." First, we think the underlying assets will keep growing value at a healthy rate. Second, we see a clear path for the gap between price and value to close over time, which we believe will be worth the wait.

In fixed income, we added another layer of 4- to 6-year Treasuries as yields rose in the "belly" of the curve. We also sprinkled in small individual positions in AAA-rated securitized debt from a half-dozen sponsors. Our overall fixed income positioning remained quite defensive, with high average credit quality (94% investment-grade) and a duration of less than 2 years. If base rates and/or spreads rise, expect us to increase risk exposure prudently and with due caution.

BALANCED FUND

We are pleased to welcome Nolan Anderson as a co-portfolio manager on the Balanced Fund. Nolan will help manage the debt securities portion of the Fund's portfolio, with a specific emphasis on securitized products. Nolan is a highly accomplished fixed income manager at Weitz and has helped source bond ideas for the Fund for nearly a decade. He has played a key role in expanding our toolkit in areas such as asset-backed securities and commercial mortgage-backed securities. We think investors will benefit from Nolan's dedicated bond focus and expertise, and I look forward to collaborating with him on strategy and security selection in today's challenging fixed-income markets.

The Fund's portfolio continues to evolve with market conditions. We own common equity stakes in 30 companies totaling 45.8% of net assets. High-yielding, hybrid securities represent another 2.7% of the Fund. Fixed income holdings include investment-grade corporate bonds (2.6%), securitized debt (10.3%), Treasury securities (26.7%), and cash equivalents (11.9%). 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.

Top Relative Contributors and Detractors

For the **QUARTER** ending 09/30/2021

TOP CONTRIBUTORS

	Return	Average Weight	Contribution	% of Net Assets
Aon PLC (AON)	19.92%	2.40	0.44%	2.3%
Danaher Corporation (DHR)	13.52%	2.10	0.25%	2.1%
Thermo Fisher Scientific, Inc. (TMO)	13.31%	2.00	0.24%	2.1%
AutoZone, Inc. (AZO)	13.79%	1.77	0.22%	1.4%
Oracle Corporation (ORCL)	12.34%	1.51	0.17%	1.5%

TOP DETRACTORS

	Return	Average Weight	Contribution	% of Net Assets
Fidelity National Information Services, Inc. (FIS)	-13.85%	1.35	-0.19%	1.2%
Visa, Inc. (V)	-4.60%	1.66	-0.07%	1.7%
Mastercard, Inc. (MA)	-4.66%	1.56	-0.07%	1.6%
Roper Technologies, Inc. (ROP)	-5.01%	1.31	-0.06%	1.2%
IDEX Corporation (IEX)	-5.73%	1.12	-0.06%	1.0%

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 09/30/2021: Alphabet Inc. - Class C (GOOG) 2.3%, Charter Communications, Inc. – Class A (CHTR) 0.0%, Laboratory Corp. of America Holdings (LH) 2.2%, Liberty Broadband Corp. – Series A & C (LBRDA/K) 1.0%, The Charles Schwab Corp. (SCHW) 2.1%, Willis Towers Watson PLC (WLTW) 0.0%.

Average Annual Total Returns

AS OF 09/30/2021

	YTD	1-year	3-year	5-year	10-year	Since Inception*	Inception Date	Net Expense	Gross Expense
Balanced Fund - Investor (WBALX)	9.05%	14.12%	9.48%	8.70%	8.47%	6.22%	10/01/2003*	0.85%	0.99%
Balanced Fund - Institutional (WBAIX)	9.15%	14.24%	9.59%	8.76%	8.50%	6.23%	03/29/2019	0.70%	0.79%
Morningstar Moderately Conservative Target Risk	3.97%	11.38%	8.72%	7.46%	7.03%	6.43%	-	-	-

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

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 10/19/2021, 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 07/31/2022.

BALANCED FUND

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.

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.