1Q 2022

BALANCED FUND

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

The Balanced Fund's Institutional Class returned -3.75% for the first quarter compared to -5.35% for the Morningstar Moderately Conservative Target Risk Index. For the fiscal year ended March 31, 2022, the Fund's Institutional Class returned +5.15% compared to +0.36% 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 +6.83% annualized compared to +5.66% for the index.

The crosswinds we discussed in recent quarters gathered intensity, to put it mildly, in the first quarter of 2022. Investors are facing a ground war in Europe, broad-based and persistent inflation, a prominent shift in domestic monetary policy from easing to tightening, continued dysfunctional fiscal policy debates in Washington, and so on. Uncertainty is high. Given this set of conditions, the stock market has been reasonably resilient. Our companies are largely reporting solid financial results, at least so far, and they are adapting fluidly to rapidly evolving conditions.

Bond markets endured a challenging quarter as yields rose materially across the maturity spectrum (as yields rise, bond prices fall). For example, the 3-year Treasury yield more than doubled from 0.97% to 2.45% during the quarter. Here is the quarterly performance for three bond indexes – these markdowns are not for the faint of heart:

- The Bloomberg U.S. Investment Grade Corporate Bond Index returned **-7.69%**
- The Bloomberg U.S. Treasury: 20+ Year Index returned **-11.01%**
- The Bloomberg U.S. Aggregate Bond Index returned **-5.93%**

The Fund's short-maturity collection of bonds fared much better, posting only modest negative returns. We stayed out of trouble through a combination of conservative duration positioning and targeted security selection. We are pleased that our bond ballast held firm and helped drive the Fund's relative outperformance for the quarter and fiscal year. Most encouragingly, we are (finally!) able to reinvest principal and interest cash flows at higher yields.

WEITZ INVESTMENT INSIGHTS

VALUE MATTERS:

Eyes on the Prize

The Russian invasion of Ukraine, ongoing supply chain disruptions, and skyrocketing inflation all made for an eventful quarter and interesting investing landscape. And while 2022 is already proving to be the "adventure" we expected, we believe it will ultimately create opportunities that can benefit our investors over the long run.

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Financial stocks dominated the quarterly contributors' list, paced by double-digit gains at Berkshire Hathaway and Markel. Aon plc, Charles Schwab, and Visa rounded out the top five contributors. Quarterly detractors included a trio of strong, multi-year winners (LabCorp, Thermo Fisher, and Accenture plc). While their stock prices may have gotten a little ahead of themselves late last year, the businesses are doing just fine. Liberty Broadband and Fortive were other notable detractors, and we added to both stocks at discounts to our value estimates.

WEITZ INVESTMENT INSIGHTS

FIXED INCOME INSIGHTS:

Navigating Turbulent Times

Fixed income investors are navigating skyrocketing inflation, a surge in volatility, and the start of what could be the fastest rate-hiking cycle in decades. With multiple rate increases already priced into the market, we break down how we are reinvesting cash flows at higher base rates while continuing to move forward with patience and flexibility to take advantage of new credit opportunities.

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The Fund's equities delivered strong, mid-teens returns for the fiscal year ended March 31, 2022. Ten stocks generated returns above 25%, with broad sector representation across financials, health care, communication services, technology, consumer discretionary, and consumer staples. Aon plc, Berkshire Hathaway, and Charles Schwab were the Fund's top contributors for the period. They were joined by familiar faces Alphabet and Microsoft, who have continued to grow earnings at scale and in all kinds of market weather.

Fidelity National Information Services (FIS) was the largest fiscal-year detractor. FIS has been our most disappointing investment in the Covid era, with the stock trading well below our average cost. The business itself has been relatively durable, but the stock certainly has not. While the core elements of our bullish thesis remain firmly intact, hindsight tells us that we could have waited for a better entry point. From today's price, which is what matters now, we think the risk/reward balance is favorable. Other fiscal year detractors included broadband giant Comcast as well as industrial companies Fortive, Honeywell, and IDEX.

As stocks declined steeply mid-quarter, we rebalanced into equities by adding to a dozen existing positions at attractive prices. Examples included Liberty Broadband, Analog Devices, Roper Technologies, Fortive, and Vulcan Materials. We also trimmed a few stocks that traded above our business value estimates, most notably Charles Schwab and Diageo plc. While we did not add any new companies, our team has crafted and refined a robust actionable list over the past several years. The benefit to investors is that we have more, and better, choices as ideas compete for spots in the portfolio.

In fixed income, we added small layers of 2.5-year to 5.5-year Treasuries as yields rose. We also sprinkled in small individual positions in securitized auto debt from several different sponsors. Our overall fixed income positioning remained quite defensive, with high average credit quality (about 95% investment-grade) and a duration of less than 2 years. As base rates and/or spreads rise, expect us to continue increasing risk exposure prudently and with due caution.

1Q 2022

BALANCED FUND

The Fund's portfolio continues to evolve with market conditions. We own common equity stakes in 30 companies totaling 44.8% of net assets. High-yielding, hybrid securities represent another 2.4% of the Fund. Fixed income holdings include investment-grade corporate bonds (2.2%), securitized debt (11.9%), Treasury securities (30.0%), and cash equivalents (8.7%). 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. The current income outlook also improved with the significant increase in interest rates. 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 03/31/2022

TOP CONTRIBUTORS

	Return (%)	Average Weight (%)	Contribution (%)	% of Net Assets
Berkshire Hathaway Inc. Class B (BRK.B)	18.06	2.31	0.39	2.5
Markel Corporation (MKL)	19.55	1.80	0.35	2.1
Aon PLC (AON)	8.52	1.97	0.18	2.2
The Charles Schwab Corp. (SCHW)	0.08	1.56	0.09	1.4
Visa Inc. – Class A (V)	2.47	1.66	0.06	1.8

TOP DETRACTORS

	Return (%)	Average Weight (%)	Contribution (%)	% of Net Assets
Laboratory Corp. of America Holdings (LH)	-16.09	2.01	-0.35	1.9
Thermo Fisher Scientific Inc. (TMO)	-11.43	1.99	-0.25	2.0
Accenture Plc - Class A (CAN)	-18.23	1.23	-0.25	1.3
Liberty Broadband Corp. – Class C (LBDRK)	-16.07	1.44	-0.22	1.4
Fortive Corp. (FTV)	-19.81	0.96	-0.21	0.9

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 03/31/2022: Alphabet Inc. - Class C (GOOG) 2.3%, Analog Devices, Inc. (ADI) 1.6%, Comcast Corporation – Class A (CMCSA) 1.2%, Diageo plc (DEO) 1.0%, Fidelity National Information Services, Inc. (FIS) 1.1%, Honeywell International, Inc. (HON) 0.9%, IDEX Corporation (IEX) 1.0%, Laboratory Corp. of America Holdings (LH) 1.9%, Microsoft Corporation (MSFT) 2.3%, Roper Technologies, Inc. (ROP) 1.4%, Thermo Fisher Scientific Inc. (TMO) 2.0%, Vulcan Materials Company (VMC) 1.9%.

Average Annual Total Returns (%)

AS OF 03/31/2022

	YTD	1-year	3-year	5-year	10-year	Since Inception*	Inception Date	Net Expense	Gross Expense
Balanced Fund - Investor (WBALX)	-3.81	4.98	8.65	7.83	6.78	6.03	10/01/2003*	0.85%	0.99%
Balanced Fund - Institutional (WBAIX)	-3.75	5.15	8.80	7.92	6.83	6.05	03/29/2019	0.70%	0.79%
Morningstar Moderately Conservative Target Risk	-5.35	0.36	6.74	6.27	5.66	6.06	-	-	-

*Denotes the Funds 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 04/21/2022, 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. The **Bloomberg U.S. Investment Grade Corporate Bond Index** measures the investment-grade, fixed-rate, taxable corporate bond market. The **Bloomberg U.S. Treasury: 20+ Year Index** measures U.S. dollar-denominated, fixed-rate, nominal debt issued by the U.S. Treasury with 20+ years to maturity. The **Bloomberg U.S. Aggregate Bond Index** is a broad-based benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market.

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.