3Q 2022

BALANCED FUND

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

Weitz | INVESTMENT MANAGEMENT

The Balanced Fund's Institutional Class returned -3.64% for the third quarter compared to -5.33% for the Morningstar Moderately Conservative Target Risk Index. Year-to-date, the Fund's Institutional Class has returned -14.33% compared to -18.54% for the index.

Over a 10-year period, the Fund's Institutional Class has returned +5.41% annualized compared to +3.81% for the index. These results include the ravaging effects of the current bear market in stocks and the historically extreme drawdowns in bonds. With that longer-term lens, total returns well above inflation (10-year average rate of 2.4%) have helped our investors retain and build wealth.

The third quarter was another adventure for investors. Stocks staged a classic bear market rally for the better part of two months. Then in late August, Fed Chair Jerome Powell quickly changed the mood at the Jackson Hole Economic Symposium. He opened his speech by saying "Today, my remarks will be shorter, my focus narrower, and my message more direct." Direct, it was. Job one would be taming inflation. To that end, the Fed would continue to raise interest rates via "forceful and rapid steps to moderate demand." Chair Powell suggested clearly that the path ahead would "bring some pain to households and businesses." Investors got the message and scrambled for cover, with the broad stock indexes declining to fresh 2022 lows at quarter-end. Bonds also posted negative returns as yields again rose across the maturity spectrum (as yields rise, bond prices fall).

Monetary policy works with a meaningful lag. While we cannot predict the full economic impact of the Fed's actions, it seems clear that there will be both intended and unintended consequences along the way. Near-term earnings are the wildcard with a potential recession looming on the horizon. In our view, the case for owning durable, resilient, and adaptable businesses has never been stronger. We like our collection of companies, and we think their stocks are generally priced at sensible (or better) levels.

Vulcan Materials, Charles Schwab, Martin Marietta Materials, Idex, and Fortive were the Fund's largest quarterly equity contributors. The positive returns were clustered primarily in construction materials and industrials (companies that produce stuff). As the dollar strengthened, Vulcan and Martin also benefited from their 100% domestic revenue profiles. The Fund has no year-to-date positive equity contributors, though companies like AutoZone, Charles Schwab, Aon, Markel, and Berkshire Hathaway notably held up better than the broader market indexes.

Liberty Broadband, Markel, Comcast, Alphabet, and LabCorp were the Fund's largest quarterly equity detractors. The declines represented a mix of investor fears, ranging from higher competitive intensity at Liberty Broadband and Comcast to potential recession impacts at Alphabet (digital advertising) and LabCorp (drug development). Liberty Broadband, Alphabet, Microsoft, LabCorp, and Accenture are the Fund's largest year-to-date equity detractors. While some of the price declines have been harrowing, our team's estimates suggest that underlying business values have been much more resilient.

We take the Fund's capital preservation objective seriously, so we never enjoy reporting negative returns. With few places to hide, losing less (at least for now) has been the more realistic, achievable short-term goal. By this measure, we feel reasonably good about the Fund's showing this quarter and year-to-date. The real workhorse has been the Fund's high-quality, short-maturity bond portfolio, which has provided a meaningful buffer this year.

As interest rates continued to grind higher, we methodically put more money to work in bonds. One clear goal was to capture the higher yields for slightly longer periods. We purchased Treasuries primarily in the 2-year to 4-year range and sprinkled in small individual positions in asset-backed debt, with a heavy focus on sponsor quality and structural protection. We were generally not active in corporate credit markets during the quarter, as we still saw better risk-return profiles elsewhere.

FIXED INCOME INSIGHTS:

High Uncertainty, Great Opportunity

The Fed continues to wage an aggressive fight against inflation, there remains nowhere to hide from stock and bond market decline, and signs point to further economic weakening. And yet, credit yields are on the rise. What does this mean for fixed income investors?

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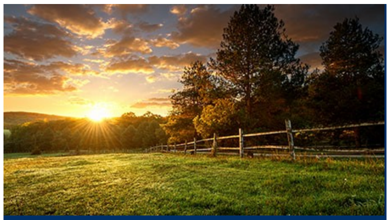

VALUE MATTERS:

Don't Wait for the Robins

In a market being driven by fear, investors must remember that temporary slowdowns do not impair the business value of strong companies. And while bear markets may be painful, history has shown that they can end when you least expect it.

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The Fund's fixed income portfolio now yields nearly 5%, with a modestly longer duration of roughly two years. This profile represents a remarkable improvement from the beginning of the year and, for that matter, an improvement from most of the last decade. These yields are available with high average credit quality (more than 95% investment-grade), offering savers real and welcome alternatives. The Fund's credit exposure remains modest, so we have the option to either stay defensive or flex into higher-yielding securities if economic conditions deteriorate.

The Fund's portfolio continues to evolve with market conditions. We own common equity stakes in 29 companies totaling 40.6% of net assets. High-yielding, hybrid securities represent another 1.9% of the Fund. The fixed income portfolio includes investment-grade corporate bonds (1.2%), securitized debt (14.3%), Treasury securities (39.5%), and cash equivalents/other (2.5%). We have plenty of capacity to lean into new opportunities as our team uncovers them.

While things may seem cloudy now, we think the Fund is increasingly well-positioned to provide long-term capital appreciation. The current income outlook has materially improved with the increase in interest rates. And lower prices for both stocks and bonds provide a healthier cushion for achieving our capital preservation goal. As always, we encourage investors to evaluate the strategy on a total-return basis over longer time horizons.

Top Relative Contributors and Detractors

TOP CONTRIBUTORS (%)

	Return	Average Weight	Contribution	% of Net Assets
Vulcan Materials Co.	11.25	1.88	0.17	2.0
The Charles Schwab Corp.	14.10	1.23	0.14	1.4
IDEX Corp.	10.35	1.22	0.10	1.3
Martin Marietta Materials, Inc.	7.86	1.62	0.10	1.6
Fortive Corp.	7.34	1.10	0.06	1.1

TOP DETRACTORS (%)

	Return	Average Weight	Contribution	% of Net Assets
Liberty Broadband Corp.	-36.18	1.20	-0.45	0.9
Markel Corp.	-16.16	1.77	-0.30	1.7
Comcast Corp.	-24.79	1.05	-0.26	0.8
Alphabet, Inc.	-12.09	1.94	-0.23	1.8
Laboratory Corp. of America Holdings	-12.40	1.86	-0.22	1.7

Data is for the quarter ending 09/30/2022. 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 09/30/2022: Accenture plc 1.1%, Aon plc 2.0%, AutoZone, Inc. 0.0%, Berkshire Hathaway, Inc. 2.1%, Comcast Corp. 0.8%, Microsoft Corp. 2.2%.

RETURNS (%)

	TOTAL RETURNS		AVERAGE ANNUAL TOTAL RETURNS					Since Inception		
	QTR	YTD	1-YR	3-YR	5-YR	10-YR	15-YR	(10/1/2003)	Net Expense	Gross Expense
WBAIX Institutional Class	-3.64	-14.33	-11.10	2.72	4.40	5.41	4.67	5.24	0.70	0.82
WBALX Investor Class	-3.65	-14.43	-11.25	2.56	4.30	5.36	4.64	5.22	0.85	1.01
Morningstar Mod Conservative Target Risk Index	-5.33	-18.54	-16.66	0.15	2.17	3.81	3.98	5.07	-	-

Data is for the quarter ending 09/30/2022. 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 10/20/2022, 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 07/31/2023.

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.

As of 09/30/2022, the Fund's fixed income portfolio had an aggregate yield-to-maturity of 4.9% and an overall average effective duration of 1.9 years.

CREDIT QUALITY (% of fixed income portfolio)	
U.S. Treasury	65.9
U.S. Government Agency MBS	1.7
AAA	17.1
AA	4.7
A	1.4
BBB	2.0
BB	0.0
B	1.4
CCC	0.0
Not Rated	1.7
Cash Equivalents/Other	4.0

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.

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