3Q 2026

Conservative Allocation Fund

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

Weitz | INVESTMENT MANAGEMENT

The Conservative Allocation Fund's Institutional Class returned 0.61% for the third quarter versus -2.39% for the Morningstar Moderately Conservative Target Risk Index. We would best characterize the quarter as “winning by not losing,” which has always been a key tenet of the Fund’s approach. While not glamorous, preserving capital in choppy markets is a critical element of long-term wealth building.

It was an interesting summer in the financial markets. Despite the popular stock indices hovering near all-time highs, the investing backdrop was anything but placid. The conflict in the Middle East continued with no clear resolution in sight, oil prices surged and remained elevated, and interest rates rose materially across the yield curve. All bond sectors lost money in the quarter, due primarily to higher base rates. Red ink also was common in equities, as stocks of smaller and mid-sized companies were especially hard hit.

For the quarter, the Fund’s equity portfolio delivered positive absolute and relative returns. On balance, our collection of durable, prosaic stocks performed well as return dispersion increased. The Fund’s bond portfolio posted fractionally negative returns as prices declined, offsetting coupon income. We were pleased with the resilience of the Fund’s high-quality, short-maturity structure, which by design held up quite well in a very challenging market.

Notable 3Q Contributors

Thermo Fisher Scientific, Danaher, and LabCorp finished among the top quarterly contributors, as the Fund’s health care stocks delivered very strong returns. The three companies posted solid operating results, with outlooks that suggest building fundamental momentum. While investor sentiment has improved, we do not yet think valuations are stretched. Microsoft’s stock soared as Azure growth accelerated, and Accenture’s stock rebounded from oversold levels as the company’s results and outlook were “good enough” versus muted expectations.

Notable 3Q Detractors

Vulcan Materials and Martin Marietta Materials were the Fund’s top quarterly detractors as mixed demand drivers and price-cost pressures softened the 2026 earnings outlook. While there is a timing lag, pricing continues to be strong, and we expect margin improvement to resume next year. The favorable outlook for long-term owners remains fully intact. Insurance broker Aon’s stock declined as commercial market pricing softened and investors balked at the USI Insurance Services acquisition, while credit bureau Equifax’s stock fell as higher mortgage rates hindered growth and regulatory noise accelerated. Industrial gas producer Linde rounded out the top detractors list as the stock gave back a portion of its solid year-to-date gains.

Trading Activity 3Q

We bought a new position in Honeywell Aerospace, which is largely a self-help investment after its recent spin-off from parent Honeywell. Our thesis is underpinned by management’s plans for improving the supply chain issues that have plagued the company in recent quarters. Think of it as traditional value fare in a higher-quality neighborhood (aerospace systems). The current price reflects deep investor skepticism, and we will be following progress closely with a short leash on this heavily discounted stock.

We also continued to build the Fund's relatively new positions in HEICO and Ferguson Enterprises at a measured pace. We sold most of the Fund's Bio-Techne stock as it traded near the $73 takeout price offered by Merck KGaA, and we trimmed a handful of other stock positions to balance sizing, valuation, and conviction. Finally, we quickly sold the Mobility Global shares that S&P Global spun off to its owners at the beginning of the quarter.

Turning to bonds, higher interest rates offered increasingly attractive reinvestment options, especially in the Fund's short- and intermediate-maturity sweet spots. The U.S. fiscal house is a mess, and spreads remain tight for higher-quality credits and collateral. It is not time for a shopping spree. Still, starting yields matter—a lot—in fixed income investing. As yields rose above 5% for high-quality, shorter-maturity bonds, we gradually and opportunistically deployed incremental capital to lock in higher rates.

The vanilla playbook will not surprise longtime investors. We layered in more agency and jumbo mortgage-backed securities at spreads we think adequately compensate investors for the risks involved. We bought short-dated corporate bonds issued by Charter Communications and Constellation Software, two companies we also know well from the equity research side. We modestly stretched out the maturity profile of the Treasury portfolio, adding notes with maturities of 4 to 6 years. The fixed income portfolio's duration sits a bit above 2 ½ years, up from the recent past but nothing racy.

Looking Forward

The Fund's portfolio positioning is relatively balanced, with an intentional, deliberate conservative tilt. We own common equity stakes in 27 companies totaling 42.7% of net assets. The fixed income portfolio includes securitized debt (15.8%), Treasury securities (39.6%), corporate bonds (0.9%), and cash equivalents/other (1.0%). We have ample resources to invest heavily in new opportunities as our team uncovers them.

We think the investment landscape is well balanced for allocation investors with tempered expectations. In our view, the Fund's securities offer adequate long-term capital appreciation potential. High-quality bonds now yielding well above 5% provide attractive current income. And sizeable holdings of short-maturity Treasury securities provide healthy ballast with respectable yields. As always, we encourage investors to evaluate the strategy on a total-return basis over longer time horizons.

Top Contributors and Detractors

Top Contributors (%)

	Return	Average Weight	Contribution	% of Net Assets
Thermo Fisher Scientific Inc.	34.74	2.69	0.83	2.8
Microsoft Corporation	37.76	2.18	0.69	2.3
Accenture plc	49.08	1.11	0.56	0.7
Danaher Corporation	16.52	2.65	0.42	2.7
Labcorp Holdings Inc.	10.28	2.17	0.25	2.0

Top Detractors (%)

	Return	Average Weight	Contribution	% of Net Assets
Linde plc	-8.23	1.82	-0.16	1.8
Equifax Inc.	-13.28	1.45	-0.19	1.2
Aon plc	-16.37	2.39	-0.38	2.0
Martin Marietta Materials Inc.	-16.66	2.27	-0.41	2.1
Vulcan Materials Company	-16.92	2.36	-0.43	2.2

Data is for the quarter ending 9/30/2026. 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 9/30/2026: HEICO Corp., 1.3%; Ferguson Enterprises Inc., 0.9%; Bio-Techne Corp., 0.5%; Mobility Global Inc., 0.0%.

Returns (%) AS OF 9/30/2026

	TOTAL RETURNS		AVERAGE ANNUAL TOTAL RETURNS				Since Inception		
	QTR	YTD	1 YR	3 YR	5 YR	10 YR	(10/01/2003)	Net Expense	Gross Expense
WBAIX Institutional Class	0.61	0.78	2.14	5.51	2.99	5.84	5.52	0.70	0.76
WBALX Investor Class	0.55	0.70	1.97	5.35	2.83	5.72	5.47	0.85	1.03
Morningstar Moderately Conservative Target Risk	-2.39	3.09	4.84	10.29	3.89	5.66	5.84	-	-
Morningstar US Fund Moderately Conservative Allocation	-1.69	3.39	5.11	10.16	4.09	5.23	4.82	-	-

IMPORTANT DISCLOSURES

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 10/12/2026, 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 07/31/2027.

The **Gross Expense Ratio** reflects the total annual operating expenses of the fund before any fee waivers or reimbursements. 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. The net expense ratio represents what investors are ultimately charged to be invested in a mutual fund.

Performance quoted for Institutional Class shares before their inception (07/31/2014) 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 Fund has also selected a broad-based index for regulatory requirements, the **Bloomberg U.S. Aggregate Bond Index**. This index is a broad-based index that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market. See the Fund's Prospectus for additional information.

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). Changing interest rates may have sudden and unpredictable effects in the markets and on the Fund's investments. 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.

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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