PARTNERS VALUE FUND

Portfolio Managers: Wally Weitz, CFA and Brad Hinton, CFA
Investment Style: Multi-Cap Value

The Partners Value Fund's Institutional Class returned +7.12% during the fourth quarter compared to +9.10% for the Russell 3000 and +9.07% for the S&P 500. For the year, the Fund's Institutional Class returned +33.61% compared to +31.02% for the Russell 3000 and +31.49% for the S&P 500. It was a very good year for Fund investors in both absolute and relative terms.

A year ago, we opened our commentary with, "We have heard others suggest that the best thing about 2018 for equity investors is that it is over. We have a slightly different take. Despite poor trailing results, we are more constructive about the portfolio and outlook than we have been in several years." We are the first to say that returns don't come on a timetable, so we would *not* have predicted the speed and magnitude of this year's rally. While investing is often a humbling profession, we hope that 2019 can serve as a small step towards rebuilding trust.

Partners Value is a multi-cap strategy that draws from our team's best ideas. One way to think about the portfolio is to split it into two baskets: a "large-cap basket" consisting of companies above $20 billion in market cap, and a "mid-cap basket" consisting of companies below $20 billion in market cap. In 2019, our large-cap basket delivered exceptional results, performing *significantly* better than the broad market. Our mid-cap basket also posted strong returns, though results were more in line with the overall market. Over the course of the year, we effectively rebalanced the portfolio from large-cap stocks to mid-cap stocks. The following points highlight that process, which took place one company at a time:

Value Matters: Looking Ahead to 2020

There is no doubt that the path forward will be complicated, but we welcome the challenge.

- Six of our seven new stocks were in the mid-cap basket. We found more value in smaller and medium-sized companies, which makes sense after the huge run mega-cap stocks have had this decade.
- Three of the four stocks we sold were out of the large-cap basket. These sales reflected both valuation and conviction.
- At year-end the mid-cap basket had more gas left in the tank, with estimated price-to-values in the low-to-mid 80s versus the large-cap basket in the low 90s.

In broad strokes, here is the portfolio's composition at December 31, 2019:

- o Mid-cap basket: 55.0% of net assets, 20 companies, 2.8% average position size
- o Large-cap basket: 42.2% of net assets, 12 companies, 3.5% average position size
- o Residual cash: 2.8% of net assets

For a complete view of fund holdings please see the Fund's Schedule of Investments.

A full rundown of the Fund's top contributors and detractors is shown in the table on the following page. We will focus our commentary on the more important full-year story. Liberty Broadband, Mastercard and Colfax were the strongest contributors for the year. Liberty Broadband's primary asset is 54 million shares of Charter Communications, worth more than $26 billion. Charter delivered solid results and, as planned, ramped free cash flow via lower capital spending. Mastercard continued to grow revenues and profits at a double-digit clip, though its stock price rose much faster. While the payment networks are among the world's best businesses, we have trimmed the position accordingly. Colfax achieved two strategic milestones with the acquisition of orthopedics solutions company DJO Global and the sale of its air and gas handling division for a fair price. Investors grew more comfortable with DJO as they learned more about the medtech business and Colfax's plans for it.

Even in a banner year, not everything goes your way. Detractors for 2019 were Qurate Retail, DXC Technology (sold in the third quarter) and Box. Qurate was a consistent laggard throughout. Investors fear that QVC and HSN are no longer relevant and that their digital offerings are too little, too late. While we agree that Qurate needs a strategic digital pivot, we think the market is overly discounting progress and undervaluing ongoing cash flows. While we have been wrong to give this one extra leash so far, we'll report back with "the rest of the story" in coming quarters. We sold DXC earlier this year when our investment thesis materially changed. Box is a new software holding, whose stock is down modestly from our purchase price. If management executes on its achievable business plan for fiscal 2021, we think the stock price will take care of itself.

We bought Expedia Group and Markel Corporation during the quarter, and we sold Stanley Black & Decker at a nice gain. Expedia is a leading provider of online travel services that we have owned in our Hickory Fund for several years. We were able to buy the stock at roughly 12 times our 2020 free cash flow estimates after the market violently (over)reacted to a soggy near-term outlook and lower-than-expected margins. We think these short-term issues are manageable and applaud Expedia's willingness to invest for the long haul. Subsequent to our purchase, Chairman Barry Diller replaced senior management, and the stock quickly regained some of its lost ground. Markel is a specialty insurance company based in Richmond, Virginia. Markel has a long history of underwriting profitably, investing capably and communicating candidly. We think the stock has the potential to deliver double-digit returns over a very long investment horizon.

Valuation remains our North Star, and in our team's view, our stocks are reasonably priced even after sizeable 2019 gains. The estimated price-to-value of the portfolio is in the mid-to-upper 80s. From these levels, we have a chance to earn solid long-term returns from business value growth and by closing the gap between price and value.

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Top Relative Contributors and Detractors

For the **QUARTER** ended 12/31/2019

TOP CONTRIBUTORS	Return	Average Weight	Contribution	% of Net Assets
Liberty Broadband Corp.-Series A & C (LBRDA/K)	19.66%	5.99	1.14%	6.1%
Colfax Corp. (CFX)	25.19%	3.24	0.75%	3.3%
Liberty SiriusXM Group-Series A & C (LSXMA/K)	15.51%	4.55	0.67%	4.8%
Berkshire Hathaway Inc.-Class B (BRK.B)	8.88%	6.07	0.53%	6.3%
Alphabet, Inc.-Class C (GOOG)	9.68%	5.19	0.51%	4.9%

TOP DETRACTORS	Return	Average Weight	Contribution	% of Net Assets
Qurate Retail, Inc.-Series A (QRTEA)	-18.27%	2.12	-0.45%	2.0%
Liberty Global plc-Class C (LBTYK)	-8.39%	3.17	-0.30%	2.9%
Vulcan Materials Co. (VMC)	-4.58%	2.28	-0.12%	2.3%
Oracle Corp. (ORCL)	-3.30%	2.53	-0.07%	2.4%
Texas Instruments, Inc. (TXN)	0.02%	3.23	-0.02%	3.2%

Source: FactSet Portfolio Analytics

For the **YEAR** ended 12/31/2019

TOP CONTRIBUTORS	Return	Average Weight	Contribution	% of Net Assets
Liberty Broadband Corp.-Series A & C (LBRDA/K)	74.02%	5.84	3.86%	6.1%
Mastercard Inc.-Class A (MA)	59.16%	4.21	2.41%	3.0%
Colfax Corp. (CFX)	74.07%	2.99	2.05%	3.3%
Summit Materials, Inc.-Class A (SUM)	92.74%	2.65	1.97%	2.7%
Visa Inc.-Class A (V)	43.32%	4.29	1.86%	3.3%

TOP DETRACTORS	Return	Average Weight	Contribution	% of Net Assets
Qurate Retail, Inc.-Series A (QRTEA)	-56.81%	2.25	-1.93%	2.0%
DXC Technology Co. (DXC)	-27.91%	1.70	-0.84%	0.0%
Box, Inc.-Class A (BOX)	-0.59%	1.45	-0.37%	1.6%

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 12/31/2019: Expedia Group, Inc. (EXPE) 2.3%; Markel Corp. (MKL) 2.1%; Charter Communications, Inc. (CHTR) 0.0%; Stanley Black & Decker, Inc. (SWK) 0.0%.

Average Annual Total Returns

AS OF 12/31/2019	1-year	3-year	5-year	10-year	Net Expense	Gross Expense
Partners Value Fund Institutional Class	33.61%	9.84%	5.11%	10.78%	0.89%	1.07%
Russell 3000®	31.02%	14.57%	11.24%	13.42%	-	-
S&P 500®	31.49%	15.27%	11.70%	13.56%	-	-

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 assume all distributions are reinvested and reflect applicable fees and expenses. 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 07/31/2020.

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 (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 **Russell 3000 Index** measures the performance of the largest 3,000 U.S. companies representing approximately 98% of the investable U.S. equity market. The **S&P 500** is an unmanaged index consisting of 500 companies generally representative of the market for the stocks of large-size U.S. companies.

The views and opinions expressed here are those of the portfolio managers as of 01/10/2020, are subject to change with market conditions, and are not meant as investment advice. For informational purposes only. Not an investment recommendation.

Consider these risks before investing: All investments involve risks, including possible loss of principal. 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. 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.