

PARTNERS VALUE FUND

Portfolio Managers: Wally Weitz, CFA, Brad Hinton, CFA & Drew Weitz

Investment Style: Multi-Cap Value

The Partners Value Fund's Institutional Class returned +8.37% for the first quarter compared to +6.17% for the S&P 500 and +6.35% for the Russell 3000. For the fiscal year ending March 31, 2021, the Fund's Institutional Class returned +58.43% compared to +56.35% for the S&P 500 and +62.53% for the Russell 3000.

The long-awaited resurgence of our mid- and small-cap stocks continued in the first quarter, driving improved Fund returns. The "economic reopening" trade persisted with some vigor. Cyclical businesses and other value-oriented fare were the strongest beneficiaries. Aggressive growth stocks, which had dominated the return scoreboard for several years, lagged considerably.

The Fund's mid-cap basket (generally, companies with market capitalization less than \$30 billion) made up 55.5% of net assets and delivered double-digit returns in the quarter, paced by outsized gains at CarMax, Summit Materials and LabCorp. CarMax is accelerating its customer-friendly omnichannel rollout, Summit Materials is poised for infrastructure spending tailwinds, and LabCorp's board is reviewing the company's structure and capital-allocation strategy to unlock value. As software stocks fell out of favor, Guidewire and Black Knight gave back a portion of their substantial unrealized gains. We think these hiccups will prove temporary as our business value estimates have remained sturdy (and, in fact, have grown).

The Fund's large-cap basket (generally, companies with market capitalization greater than \$30 billion) made up 41.3% of the Fund's net assets and generated satisfactory mid-single-digit returns in the quarter. Notable contributors included Alphabet and Charles Schwab. Google parent Alphabet provided new disclosures that highlighted the profitability of its services businesses and the upside potential of its Cloud Platform. Charles Schwab rose as investors refocused on earning power in more "normal" times. CoStar Group, Liberty Broadband, and Visa were the three primary (and modest) large-cap quarterly detractors. All have been long-term winners for the Fund, and all continue to have bright outlooks.

Stocks rebounded from their pandemic lows throughout the Fund's fiscal year, with most soaring higher. LabCorp, CarMax and LKQ more than doubled in price. Charles Schwab nearly joined them in the triple-digit return club, while Alphabet returned more than 75%. We could go on, and the rest of the list would sound equally impressive. Not surprisingly given the strength of the overall market, the Fund had no detractors for the fiscal year.

We added AutoZone to the portfolio during the quarter. We first owned this leading specialty auto parts retailer more than a decade ago, so analyst Jon Baker, CFA, and our team know the company and industry well. AutoZone has been a per-share value creation machine. We think the company still has room to grow stores at healthy rates for years to come, and the outlook for its do-it-for-me business looks especially bright. Jon describes our investment thesis for AutoZone in this quarter's Analyst Corner.

We sold Oracle after nearly a decade of ownership. The stock delivered double-digit annualized returns but fell short of many tech peers. The bar is set high for the concentrated large-cap basket, and at current prices, Oracle is no longer among our top ideas.

Our team is continually working to improve the portfolio as we process new information. We reduced the Fund's ACI Worldwide position as the stock responded to takeover chatter and the growing influence of an activist investor. We also trimmed positions in Summit Materials and Vulcan Materials on stock price strength. We added modestly to positions in Aon and Liberty Broadband at discounts to our value estimates. This type of limited, periodic rebalancing is disciplined but not mechanical. Decisions are based on stock prices relative to our value estimates, fundamental progress at each business, quality score considerations, and analyst conviction.

We believe that investing in businesses of all sizes, using our Quality at a Discount approach, will be an enduring advantage of a multi-cap strategy. Drew Weitz hit the ground running with the portfolio management team in July. He has focused primarily on our mid-cap basket and holdings with more of a traditional value tilt, which suits his investing style well. Mid-cap additions such as AutoZone, First Republic Bank, HEICO and IDEX are well aligned with our collective vision for a successful "go anywhere" equity portfolio. We look forward to building on recent momentum to see what the next few years bring.

Valuation remains our North Star, and we think our stocks remain reasonably priced despite strong recent returns. Business value growth has been solid and encouraging. Our current estimation is that the portfolio trades at a price-to-value in the low-to-mid-90s. These valuation levels suggest adequate long-term return potential from both our mid- and large-cap holdings.

Value Matters: Remembering What Counts

Vaccine distributions and a reopening of the global economy create optimism that the world will be returning to a sense of normal. But current stock and bond valuations give us pause, as the recovery may not be as good, or as quick, as markets seem to be anticipating.

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Top Relative Contributors and Detractors

For the **QUARTER** ending 03/31/2021

TOP CONTRIBUTORS				
	Return	Average Weight	Contribution	% of Net Assets
CarMax, Inc. (KMX)	40.44%	3.69	1.31%	3.8%
Summit Materials, Inc. – Class A (SUM)	39.54%	2.61	1.06%	1.9%
Alphabet, Inc. – Class C (GOOG)	18.08%	5.76	1.01%	5.9%
Laboratory Corp. of America Holdings (LH)	25.29%	4.00	0.97%	4.2%
The Charles Schwab Corp. (SCHW)	23.28%	3.97	0.86%	4.2%

Source: FactSet Portfolio Analytics

TOP DETRACTORS				
	Return	Average Weight	Contribution	% of Net Assets
Guidewire Software, Inc. (GWRE)	-21.05%	2.84	-0.69%	2.4%
Black Knight, Inc. (BKI)	-16.25%	2.61	-0.46%	2.3%
CoStar Group, Inc. (CSGP)	-11.08%	3.84	-0.46%	3.6%
Liberty Broadband Corp. – Series A & C (LBRDA/K)	-6.54%	4.61	-0.34%	4.7%
Visa Inc. – Class A (V)	-3.05%	3.92	-0.14%	3.9%

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 03/31/2021: ACI Worldwide, Inc. (ACIW) 2.6%; Aon plc – Class A (AON) 4.1%; AutoZone, Inc. (AZO) 2.3%; First Republic Bank (FRC) 2.1%; HEICO Corp – Class A (HEI) 2.7%; IDEX Corp. (IDEX) 1.6%; LKQ Corp. (LKQ) 3.5%; Oracle Corp. (ORCL) 0.0%; Vulcan Materials Co. (VMC) 3.7%.

Average Annual Total Returns

AS OF 03/31/2021										
	YTD	1-year	3-year	5-year	10-year	Since Inception*	Inception Date	Net Expense	Gross Expense	
Partners Value Fund - Investor (WPVLX)	8.34%	58.17%	11.36%	9.85%	8.90%	11.69%	06/01/1983*	1.09%	1.13%	
Partners Value Fund - Institutional (WPVIX)	8.37%	58.43%	11.62%	10.12%	9.07%	11.73%	07/31/2014	0.89%	0.93%	
Russell 3000®	6.35%	62.53%	17.12%	16.64%	13.79%	11.27%	-	-	-	
S&P 500®	6.17%	56.35%	16.78%	16.29%	13.91%	11.44%	-	-	-	

*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 04/22/2021, 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 07/31/2021.

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.

On 12/31/1993, Partners Value Fund succeeded to substantially all of the assets of Weitz Partners II Limited Partnership. The investment objectives, policies and restrictions of the Fund is materially equivalent to those of the Partnership, and the Partnership was managed at all times with full investment authority by the Investment Advisor. The performance information includes performance for the Partnership. The Partnership was not registered under the Investment Company Act of 1940 and, therefore, were not subject to certain investment or other restrictions or requirements imposed by the 1940 Act or the Internal Revenue Code. If the Partnership had been registered under the 1940 Act, the Partnership's performance might have been adversely affected.

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 **Russell 3000** 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.

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). 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.

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