VALUE FUND

Portfolio Manager: Brad Hinton, CFA
Investment Style: Large-Cap Value

The Value Fund's Institutional Class returned +11.50% for the third quarter compared to +9.47% for the Russell 1000 and +8.93% for the S&P 500 (the Fund's primary benchmark). Year to date, the Fund's Institutional Class returned +7.70% compared to +6.40% for the Russell 1000 and +5.57% for the S&P 500. So far, so good, in a turbulent year.

> *"Market commentators and investment managers who glibly refer to "growth" and "value" styles as contrasting approaches to investment are displaying their ignorance, not their sophistication. Growth is simply a component – usually a plus, sometimes a minus – in the value equation."*
>
> -Warren Buffett, 2000 Berkshire Hathaway letter to shareholders

Mr. Buffett certainly has a way with words. We understand the intense interest in the growth versus value discussion. The return differences have been stark. Growth stocks have been like the Harlem Globetrotters, brimming with assured attitude and trick shots. Value stocks have played the part of the hapless Washington Generals. It is great theater. We can speak the value and growth dialect, partly out of professional necessity. At a fundamental level, though, the great debate does not resonate.

Our investment philosophy is to buy high-quality businesses at a discount to what we think they are worth. This Quality at a Discount (QuaD) investing approach is timeless, and it transcends traditional growth and value labels. We own some companies that others label as value (Comcast, Oracle, JPMorgan), and we own some companies that others label as growth (Alphabet, Salesforce.com, Visa). We also own ***many*** companies that fall somewhere in between (Analog Devices, Aon, Diageo, LabCorp).

The common thread is that we own a collection of what we think are very good businesses with enduring competitive advantages and durable cash flows. We apply a valuation-focused process to buy their stocks when the odds are stacked in our favor. We do not need market trends to continue or change to earn acceptable returns. We are not waiting on a value stock renaissance that may or may not come. Nor are we overly reliant on mega-cap, aggressive growth companies staying in favor. Our goal is to build a resilient large-cap portfolio. And while we like what we own, we are continuously looking for ways to improve our process and holdings.

Berkshire Hathaway led the Fund's quarterly contributors. After lagging in the first half, Berkshire's stock rebounded strongly from overly depressed levels. Salesforce.com posted the highest percentage gain, reporting exceptional quarterly results as customers accelerate rather than delay digital transformations. Thermo Fisher Scientific and Danaher experienced revenue tailwinds from helping society deal with the COVID-19 pandemic, and their core businesses showed resilience. Analog Devices and Liberty SiriusXM were the only detractors for the quarter, with single-digit price declines that were not noteworthy.

Year to date, Amazon.com, Danaher, Salesforce.com and Thermo Fisher Scientific were the strongest contributors. All are so-called COVID "beneficiaries" with strong business tailwinds. Detractors included Liberty Sirius XM which trades at a healthy discount to the current market value of its SIRI stock and other assets. After a fresh underwriting, we think SIRI itself also trades at a discount to underlying value. With John Malone involved, this kind of "double discount" tends to eventually get resolved to our benefit. Also among the year's detractors were a trio of financials – JPMorgan Chase, Charles Schwab and Berkshire Hathaway. We remain resolute on the multi-year outlooks at Charles Schwab and JPMorgan Chase. While both face current headwinds, they offer contrarian exposure to a potentially steeper yield curve (someday).

We added one "meat and potatoes" stock during the quarter, Fidelity National Information Services (FIS). We owned this leading core bank and payment processor in the mid-2010s, so our team knows the company and industry well. FIS acquired Worldpay last year, adding to the company's capabilities, strengthening its moat, and enhancing its profit growth story. FIS is riding several industry tailwinds, and for the next few years has the chance to power through any broader economic turbulence. While the risk/reward skew is favorable, the stock is more likely to be a role-playing grinder than a superstar.

Even with most of our team working remotely, research productivity remained high. Our equity team analyzed and debated another half dozen companies that are potentially actionable for the large-cap strategy. The eclectic group spans industries and sectors. The bar for portfolio entry is tougher than ever to clear, and competition for capital is increasingly robust. Credit again to our talented and experienced analyst team for their hard work on behalf of our investors.

The portfolio is focused and well-aligned with our vision for successful large-cap investing. We have ownership stakes in 26 companies, with the top ten representing roughly 45% of the portfolio. Each position is significant enough to matter, yet none can individually make or break our results. Valuation appraisals are more fluid than usual given the extreme nature of the COVID-19 disruption. Our current estimation is that the portfolio trades at a price-to-value in the mid to upper 90s. Several core holdings still have a chance for outsized gains over a multi-year period. Most, however, are priced for adequate return potential primarily from expected growth in per-share business value.

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Top Relative Contributors and Detractors

For the **QUARTER** ended 09/30/2020

TOP CONTRIBUTORS	Return	Average Weight	Contribution	% of Net Assets
Berkshire Hathaway Inc. - Class B (BRK.B)	19.29%	6.20	1.21%	5.6%
salesforce.com, inc. (CRM)	34.16%	3.60	1.12%	3.7%
Thermo Fisher Scientific Inc. (TMO)	21.91%	4.62	1.00%	4.6%
Danaher Corp. (DHR)	21.88%	4.49	0.95%	4.6%
Liberty Broadband Corp. - Series C (LBRDK)	15.25%	5.55	0.89%	4.9%

Source: FactSet Portfolio Analytics

TOP DETRACTORS	Return	Average Weight	Contribution	% of Net Assets
Analog Devices, Inc. (ADI)	-4.32%	3.66	-0.18%	3.6%
Liberty SiriusXM Group - Series C (LSXMK)	-3.98%	2.63	-0.11%	2.9%

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 09/30/2020: Alphabet, Inc. – Class C (GOOG) 5.4%; Amazon.com, Inc. (AMZN) 3.3%; Aon plc-Class A (AON) 4.1%; Comcast Corp. – Class A (CMCSA) 3.1%; Diageo plc – Sponsored ADR (DEO) 2.4%; Fidelity National Information Services, Inc. (FIS) 3.6%; JPMorgan Chase & Co. (JPM) 2.8%; Laboratory Corp. of America Holdings (LH) 3.8%; Oracle Corp. (ORCL) 3.7%; SiriusXM Holdings Inc. (SIRI) 0.0%; The Charles Schwab Corp. (SCHW) 3.8%; Visa Inc. – Class A (V) 4.2%.

Average Annual Total Returns

AS OF 09/30/2020	YTD	1-year	3-year	5-year	10-year	Since Inception*	Inception Date	Net Expense	Gross Expense
Value Fund - Investor (WVALX)	7.55%	14.77%	12.23%	10.48%	11.47%	10.37%	05/09/1986*	1.08%	1.08%
Value Fund - Institutional (WVAIX)	7.70%	15.00%	12.47%	10.72%	11.62%	10.41%	07/31/2014	0.89%	0.94%
Russell 1000®	6.40%	16.01%	12.38%	14.09%	13.76%	10.46%	-	-	-
S&P 500®	5.57%	15.15%	12.28%	14.15%	13.74%	10.44%	-	-	-

*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 10/20/2020, 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.

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 1000** measures the performance of the large-cap segment of the U.S. equity universe. It is a subset of the Russell 3000 and includes approximately 1,000 of the largest securities based on a combination of their market cap and current index membership. 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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