1Q 2022

VALUE FUND

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

The Value Fund's Institutional Class returned -7.96% for the first quarter compared to -4.60% for the S&P 500 and -5.13% for the Russell 1000. For the fiscal year ended March 31, 2022, the Fund's Institutional Class returned +8.80% compared to +15.63% for the S&P 500 and +13.27% for the Russell 1000.

The crosswinds we discussed in recent quarters gathered intensity, to put it mildly, in the first quarter of 2022. Investors are facing a ground war in Europe, broad-based and persistent inflation, a prominent shift in domestic monetary policy from easing to tightening, continued dysfunctional fiscal policy debates in Washington, and so on. Uncertainty is high. Given this set of conditions, the stock market has been reasonably resilient. Our companies are generally reporting solid financial results, at least so far, and they are adapting fluidly to rapidly evolving conditions.

Zooming out, the Fund enjoyed three exceptional years (09/2018 to 09/2021) of absolute and relative returns, which were followed by two sub-par quarters. Some of the recent shortfall has been due to sector allocation, as we owned no energy and had too much exposure to communication services. Some has been due to untimely security selection, as we owned a few pockets of the "wrong" stocks.

Quarterly trends come and go, and we'll see how durable some of them prove to be. For example, the energy sector posted gains of nearly 50% since last fall, after several years of awful returns. Energy stocks are heavily influenced by commodity prices – the businesses often do not earn acceptable returns on capital through cycles – and we simply do not have a research edge in that area. We don't lose sleep over missing out on those short-term windfalls.

WEITZ INVESTMENT INSIGHTS
VALUE MATTERS:
Eyes on the Prize

The Russian invasion of Ukraine, ongoing supply chain disruptions, and skyrocketing inflation all made for an eventful quarter and interesting investing landscape. And while 2022 is already proving to be the "adventure" we expected, we believe it will ultimately create opportunities that can benefit our investors over the long run.

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Our steadfast focus is on business analysis and stock picking. Here the news has remained mostly favorable, with a few exceptions. Return gaps between winners and losers have been wide of late. We welcome the dispersion, which should play to the strengths of our Quality at a Discount investing approach. If we are right more often than we are wrong, and the good quarters outnumber the bad, higher differentiation should benefit Fund investors over time.

Berkshire Hathaway, Aon plc, Charles Schwab, and Visa were the Fund's largest quarterly contributors. We trimmed positions in three of the four stocks near our value estimates. Meta Platforms, CarMax, Liberty Broadband, and CoStar Group were the Fund's largest quarterly detractors. We bought more shares of each at wide discounts to our value estimates. Our trading behavior followed our price discipline, which rarely results in instant gratification. Instead, as the old saying goes, our methodical approach is to "sell the dear and buy the cheap" to help set the table for future returns.

The Fund's financial stocks also delivered exceptional fiscal year gains, rewarding patience and discipline. Alphabet, Aon plc, Berkshire Hathaway, Charles Schwab, and Danaher were the largest fiscal year contributors. Each posted returns of more than 30% on hefty position sizes, driving strong "slugging percentages" for the portfolio. With a concentrated strategy, one key to long-term success is being right – over the long haul – on our largest positions.

Meta Platforms, formerly Facebook, did not meet this standard over the past 12 months. The severe drawdown in Meta's stock was frustrating, and we could have managed position size more adeptly. Research analyst Jon Baker provided a fresh look at the company and our investment thesis in the latest **Analyst Corner** feature. While the stock is likely to remain volatile, we think it is now priced to deliver what may be exceptional returns over time.

Other fiscal-year detractors included Fidelity National Information Services (FIS), CarMax, CoStar Group, and Liberty Broadband. FIS has been our most disappointing investment in the Covid era. Unlike Meta, the stock trades well below our average cost. The business itself has been relatively durable, but the stock certainly has not. While the core elements of our bullish thesis remain firmly intact, hindsight tells us that we could have waited for a better entry point. From today's stock price, which is what matters now, we think the risk/reward balance is favorable. Likewise, we estimate that CarMax, CoStar Group, and Liberty Broadband are among the Fund's most heavily discounted holdings, and we added to our positions in each.

As bank stocks rallied early in the first quarter, we sold the Fund's JPMorgan Chase holdings at a substantial profit. We also added a new position in Gartner as tech-adjacent stocks continued their fall from grace. Gartner is the leading provider of subscription-based research services to IT and business professionals (think C-suite executives, among others). The company has an attractive "create once, sell many times" business model that should sound familiar to long-time Fund investors. While Gartner does not scream "cheap" on current earnings, we are drawn to the company's durability, business momentum, and extended glide path of capital-light, double-digit revenue, and cash flow growth potential.

The portfolio is focused and well-aligned with our vision for successful large-cap investing. We have concentrated ownership stakes in 27 companies, with the top ten representing 47% of the portfolio. Each position is significant enough to matter, yet none can individually make or break our results. Our current estimate is that the portfolio trades at a price-to-value in the mid-80s. We believe that more core holdings now have a chance for healthy gains over a multi-year period. Others are priced for adequate return potential primarily from expected growth in per-share business value.

VALUE FUND

Top Relative Contributors and Detractors

For the **QUARTER** ending 03/31/2022

TOP CONTRIBUTORS

	Return (%)	Average Weight (%)	Contribution (%)	% of Net Assets
Berkshire Hathaway Inc. Class B (BRK.B)	18.05	4.47	0.77	4.6
Aon PLC (AON)	8.47	3.50	0.29	3.1
The Charles Schwab Corp. (SCHW)	0.03	3.24	0.17	2.9
Visa, Inc. (V)	2.52	4.19	0.10	4.3
Gartner, Inc. (IT)	1.52	2.36	0.06	2.8

TOP DETRACTORS

	Return (%)	Average Weight (%)	Contribution (%)	% of Net Assets
Meta Platforms, Inc. (FB)	-34.17	4.43	-1.73	4.3
CarMax,Inc. (KMX)	-26.06	2.96	-0.84	2.7
Liberty Broadband Corp. – Class C (LBDRK)	-16.07	4.74	-0.80	4.6
CoStar Group, Inc. (CSGP)	-16.10	4.26	-0.65	4.5
Laboratory Corp. of America Holdings (LH)	-16.09	3.60	-0.58	3.5

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 03/31/2022: Alphabet Inc. – Class C (GOOG) 8.0%, Danaher Corporation (DHR) 4.3%, Fidelity National Information Services, Inc. (FIS) 3.4%, JPMorgan Chase & Co. (JPM) 0.0%.

Average Annual Total Returns (%)

AS OF 03/31/2022

	YTD	1-year	3-year	5-year	10-year	Since Inception*	Inception Date	Net Expense	Gross Expense
Value Fund - Investor (WVALX)	-8.00	8.63	17.13	13.86	11.56	10.69	05/09/1986*	1.04%	1.04%
Value Fund - Institutional (WVAIX)	-7.96	8.80	17.35	14.10	11.74	10.74	07/31/2014	0.88%	0.88%
Russell 1000®	-5.13	13.27	18.69	15.81	14.52	10.96	-	-	-
S&P 500®	-4.60	15.65	18.91	15.98	14.62	10.98	-	-	-

*Denotes the Funds 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 04/21/2022, 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 07/31/2022.

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. 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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