

VALUE FUND

Portfolio Managers: Brad Hinton, CFA
Investment Style: Large-Cap Equity

The Value Fund's Institutional Class returned -16.03% for the second quarter compared to -16.10% for the S&P 500 and -16.67% for the Russell 1000. Year-to-date, the Fund's Institutional Class has returned -22.72% compared to -19.96% for the S&P 500 and -20.94% for the Russell 1000.

It has been a rough six months for stock investors. Stubbornly persistent inflation at 40-year highs is a serious issue. The Federal Reserve has taken increasingly aggressive monetary policy steps to try to tamp it down. To date, the Fed has raised short-term interest rates three times, in larger increments than they have used in over 20 years. More rate hikes are on the horizon, and investors are concerned that the Fed won't stop until we have a recession. With this backdrop, prices for stocks and other risk assets continued to decline.

Bear markets are painful, but they are a normal and inevitable part of investing. Lower stock prices, of course, are also the silver lining. From these price levels, things don't have to go perfectly for our companies, and one certainty is that they won't. Our long-term confidence stems from the resiliency, adaptability, and durability of our portfolio companies. The Fund's businesses are geared to survive and eventually thrive through tougher times. We look forward to reporting on their continued progress.

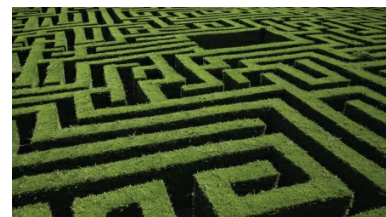
Alphabet, Meta Platforms, Berkshire Hathaway, Amazon.com, and Vulcan Materials were the Fund's largest quarterly detractors. The price declines largely reflected growing recession fears. Investors worried about the outlook for digital advertising (Alphabet and Meta), economically sensitive construction aggregates (Vulcan), and potential overinvestment in capacity (Amazon). The story was similar at a raft of other companies whose stocks declined more than 10% during the quarter. While we may see some earnings resets, stocks are forward-looking and no longer reflect "blue sky" outlooks at these prices. The Fund had no positive contributors for the quarter.

Not surprisingly, the year-to-date detractors list looks very similar. Meta Platforms faces well-documented headwinds, but we think these are more than reflected in a depressed stock price. Alphabet, Vulcan Materials, and Amazon were material year-to-date detractors after second-quarter price markdowns. Finally, we think Liberty Broadband is one of the most discounted stocks we own, despite fears about rising broadband competitive intensity. The Fund's previously-exited JPMorgan Chase position was the only positive contributor year-to-date.

During the quarter, we sold the Fund's AutoZone holdings at a substantial profit as the stock traded above our value estimate. Research Analyst Jon Baker made an outstanding buy recommendation back in late 2020, and the stock has nearly doubled since then. AutoZone's management team has done a terrific job, the business is humming, and the stock has clear momentum in this economic and market environment. While selling a winner with positive trends is not especially comfortable, our discipline combined with the wider opportunity set drove the decision. To echo AutoZone's famous jingle, we would gladly "Get in the Zone" again at the right price.

We added a new position in Adobe as software stocks continued their fall from grace. Adobe is a leading provider of software in three large segments with nice tailwinds. Creative Cloud, a collection of Adobe's software and applications, serves professionals, communicators, and consumers in the rapidly growing creator economy. Document Cloud includes the ubiquitous PDF technology, Acrobat and Adobe Sign applications, and other tools to power digital documents. Experience Cloud is a customer experience platform that is a marketing tech leader alongside Salesforce.com. Adobe is a "meat and potatoes" software investment with deeply entrenched competitive positions, exceptional margins and free cash flows, and long runways for sustainable, above-average growth. Most importantly, we think this well-managed business trades at a very fair price to a long-term owner.

We added to several Fund positions during the quarter, including Amazon, Analog Devices, CarMax, Fidelity National Information Services, and Meta Platforms. We also trimmed several holdings, including Aon, Berkshire Hathaway, LabCorp, Linde, and Mastercard. This activity reflected our typical price discipline. Sales were weighted to stocks with narrower discounts to estimated value, often early in the quarter at higher prices, while buys were weighted to stocks with wider discounts to estimated value. These trades are designed to help seed future potential returns rather than drive immediate results.



VALUE MATTERS: Certain Uncertainty

After a rough first half of the year for stocks and bonds, the world continues to face questions related to inflation, interest rates, and earnings — wars, pandemics, and politics. And while uncertainty is a permanent condition for investors, the important thing is to own quality businesses with competent management teams that can cope with change and adversity.

[Read More →](#)

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 48% 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 high 60's. We believe that most holdings 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.

Top Relative Contributors and Detractors

TOP CONTRIBUTORS (%)				
	Return	Average Weight	Contribution	% of Net Assets
There were no securities that provided a positive contribution for this period.				

TOP DETRACTORS (%)				
	Return	Average Weight	Contribution	% of Net Assets
Alphabet, Inc.	-21.68	7.41	-1.65	7.5
Meta Platforms, Inc.	-27.78	4.20	-1.26	4.1
Berkshire Hathaway, Inc.	-22.54	4.34	-1.05	4.0
Amazon.com, Inc.	-34.82	2.71	-1.00	2.7
Vulcan Materials Co.	-22.45	3.88	-0.95	3.6

Data is for the quarter ending 06/30/2022. 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 06/30/2022: Adobe, Inc. 2.8%, Analog Devices, Inc. 4.2%, Aon plc 2.8%, AutoZone, Inc. 0.0%, CarMax, Inc. 3.5%, Fidelity National Information Services, Inc. 3.9%, JPMorgan Chase & Co. 0.0%, Laboratory Corp. of America Holdings 3.4%, Liberty Broadband Corp. 4.4%, Linde plc 2.6%, Mastercard, Inc. 4.3%, and Salesforce, Inc. 2.7%.

RETURNS (%)												
	TOTAL RETURNS		AVERAGE ANNUAL TOTAL RETURNS							Since Inception	Net Expense	Gross Expense
	QTR	YTD	1-YR	3-YR	5-YR	10-YR	20-YR	30-YR	35-YR	(5/9/1986)		
WVAIX Institutional Class	-16.03	-22.72	-16.35	8.04	9.72	9.93	7.22	10.05	10.24	10.13	0.89	0.90
WVALX Investor Class	-16.05	-22.76	-16.48	7.85	9.50	9.75	7.13	9.99	10.19	10.08	1.04	1.04
Russell 1000 Index	-16.67	-20.94	-13.04	10.16	11.00	12.81	9.20	9.93	9.90	10.18	-	-
S&P 500 Index	-16.10	-19.96	-10.62	10.59	11.30	12.95	9.07	9.85	9.82	10.36	-	-

Data is for the quarter ending 06/30/2022. 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 07/20/2022, 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 07/31/2023.

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 **Russell 1000** measures the performance of the largecap 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.

Weitz Securities, Inc. is the distributor of the Weitz Funds.