4Q 2022

VALUE FUND

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

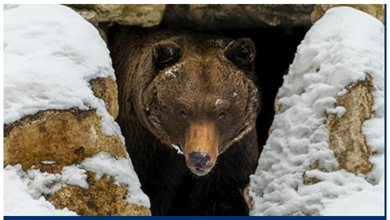
Weitz | INVESTMENT MANAGEMENT

The Value Fund's Institutional Class returned +7.73% for the fourth quarter compared to +7.24% for the Russell 1000. For the calendar year, the Fund's Institutional Class returned -22.65% compared to -19.13% for the Russell 1000.

The fourth quarter provided a welcome respite from an otherwise dreary year for investors. While the Federal Reserve stayed the course in raising short-term interest rates to tame inflation, it slowed the pace of increases in December. The Fed is likely to raise rates a few more notches and then hold them there for most or all of 2023. The economy has absorbed the initial shock to the system, and companies are adapting to the new reality. Most of our businesses are managing well through this more difficult environment.

Please see this quarter's "Value Matters" for additional discussion of the macro picture. As we wrote last quarter, monetary policy works with a meaningful lag. While we cannot predict the full economic impact of the Fed's actions, it seems clear that there will be both intended ***and*** unintended consequences along the way. Earnings are the wildcard with a potential recession looming on the horizon. In our view, the case for owning durable, resilient, and adaptable businesses has never been stronger. We like our collection of companies, and we think their stocks are generally priced at sensible (or better) levels.

Oracle, Mastercard, Analog Devices, and Gartner were the Fund's largest quarterly contributors. All reported business results that ranged from "better than expected" to "quite good," fueling strong stock returns. Amazon, Alphabet, Fidelity National Information Services (FIS), and Meta Platforms were the Fund's largest quarterly detractors. Despite well-documented concerns and repeat appearances on this list, we think these stocks and several others highlighted below have excellent 3-to-5-year prospects.



VALUE MATTERS:

What to Do When Others are Fearful

As we enter into a new year, fears over economic weakness and a potential recession continue to fuel the bear market. But bear markets tend to end when least expected, and we stand ready to take advantage of opportunities to buy high-quality stocks at discounted prices.

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Gartner, CoStar Group, Charles Schwab, Berkshire Hathaway, and Oracle were the Fund's largest contributors for the calendar year, as the strong fourth quarter tide lifted more boats. Of course, the story for 2022 was on the other side of the ledger. The Fund's most significant detractors included Meta Platforms, Alphabet, Liberty Broadband, CarMax, and Amazon. Together with FIS and Salesforce, these seven companies posted an average decline of nearly 50%, while accounting for nearly 16 full percentage points of negative contribution.

The seven large detractors mentioned above represent roughly a quarter of the portfolio, and our research team spent countless hours re-underwriting and debating these companies as part of our disciplined process. Some have new or perceived dents in their competitive position armor, while others are primarily dealing with cyclical swings or stiff industry headwinds. Several have rock-solid balance sheets, while a few carry some debt (responsibly, in our view). While our business value estimates have generally drifted lower alongside more conservative assumptions, we don't think the declines are permanent.

We still own them all, which might be surprising since we've been reasonably efficient "editors" of past poor performers. The reasons are simple. First, we think the core quality elements of these businesses have not been seriously impaired, despite often being unfairly maligned. Second, the stocks trade at substantial discounts to what we think the companies are worth. In our view, both elements of our Quality at a Discount framework (high-quality business and discounted price) remain intact for long-term owners.

Frankly, these are not obvious "picks to click" for the coming year. Heavily battered shares seldom are. It seems plausible that one or more won't turn out as we've expected. We understand the urge to "not be there" until the clouds dissipate. Yes, a lot can still go wrong, but controversy is often the wellspring of outsized returns. And from these depressed price levels, we simply don't have to be right about everything.

Squeaky wheels often get the most grease, but rest assured, we haven't ignored the other three-fourths of the portfolio. Like clockwork, the equity research team consistently updated our valuation work and qualitative analysis for the Fund's companies. We estimate that most have grown value at healthy rates over the past two years. Along the way, a steady stream of evolving recommendations helped inform portfolio activity. We also continued to discuss new, and newly resurfaced, ideas throughout the year.

During the quarter, we added to the Fund's holdings in Oracle, Meta Platforms, and Salesforce. Purchases of Oracle and Meta have been especially timely thus far. We trimmed the Fund's holdings in CoStar Group, Roper, Linde, and a handful of others to help rebalance the portfolio. Finally, our decision to stick with Adobe was rewarded as investors got more comfortable with the pending Figma acquisition. Credit to director of equity research Barton Hooper for making the tough recommendation with imperfect information back in September.

The portfolio is focused and well-aligned with our vision for successful large-cap investing. We have concentrated ownership stakes in 26 companies, with the top ten representing 49% 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 70s, though these estimates are more fluid than usual. 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
Oracle Corp.	35.58	3.92	1.16	4.4
Mastercard, Inc.	22.48	4.50	0.91	4.7
Analog Devices, Inc.	18.17	4.57	0.79	4.6
Gartner, Inc.	21.49	3.84	0.72	4.1
Visa, Inc.	17.19	4.54	0.70	4.8

TOP DETRACTORS (%)

	Return	Average Weight	Contribution	% of Net Assets
Amazon.com, Inc.	-25.66	2.64	-0.76	2.3
Alphabet, Inc.	-7.72	6.79	-0.51	6.4
Fidelity National Information Services, Inc.	-9.59	3.26	-0.42	3.1
Meta Platforms, Inc.	-11.19	3.43	-0.33	3.8
CarMax, Inc.	-7.77	2.39	-0.19	2.3

Data is for the quarter ending 12/31/2022. 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 12/31/2022: Adobe, Inc., 2.9%; Berkshire Hathaway, Inc., 4.8%; CoStar Group, Inc., 5.2%; Liberty Broadband Corp., 3.7%; Linde plc, 2.2%; Roper Technologies, Inc., 3.2%; Salesforce, Inc., 2.5%; The Charles Schwab Corp., 3.4%.

RETURNS (%)

	TOTAL RETURNS		AVERAGE ANNUAL TOTAL RETURNS							Since Inception		
	QTR	YTD	1-YR	3-YR	5-YR	10-YR	20-YR	30-YR	35-YR	(5/9/1986)	Net Expense	Gross Expense
WVAIX Institutional Class	7.73	-22.65	-22.65	5.24	8.37	9.45	7.51	9.75	10.39	9.99	0.89	0.90
WVALX Investor Class	7.72	-22.76	-22.76	5.06	8.15	9.26	7.41	9.68	10.34	9.94	1.04	1.04
Russell 1000 Index	7.24	-19.13	-19.13	7.34	9.13	12.37	9.91	9.67	10.58	10.24	-	-
S&P 500 Index	7.56	-18.11	-18.11	7.65	9.42	12.55	9.79	9.64	10.50	10.28	-	-

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 01/20/2023, 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.

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