

VALUE FUND

Portfolio Manager: Brad Hinton, CFA

Investment Style: Large-Cap Value

The Value Fund's Institutional Class returned +5.63% for the fourth quarter compared to +11.03% for the S&P 500 and +9.78% for the Russell 1000. For the calendar year, the Fund's Institutional Class returned +26.99% compared to +28.71% for the S&P 500 and +26.45% for the Russell 1000.

It was a very solid year for the Fund (and certainly a memorable one). Absolute returns were terrific, and relative results were acceptable despite the mildly unsatisfying closing months. We'll get into specifics shortly, but you know it is a strange market when a +5.6% quarter feels like a letdown. On a relative basis, the Fund lagged during the final stretch of the year as stocks we don't own such as Apple, Microsoft, and Tesla turbo-charged the capitalization-weighted indexes to record highs. Market results were choppy beneath that feel-good, mega-cap veneer. A large swath of stocks of all sizes fell to levels well below their 2021 peaks, setting 2022 up to be another interesting year.

Accenture plc was the Fund's largest quarterly contributor. While the consulting services leader is a clear beneficiary of the digital transformation sweeping the corporate world, the stock has quietly been one of our best performers for more than a decade. Vulcan Materials contributed to returns due to solid results and a bright outlook for the company's prosaic, essential products. Aggregate volumes and backlogs are strong across end markets, pricing momentum is robust, and the federal infrastructure bill adds visibility into the amount of money that will be allocated to infrastructure projects. Other notable quarterly contributors included Charles Schwab, Thermo Fisher Scientific, and AutoZone.

WEITZ INVESTMENT INSIGHTS
VALUE MATTERS:
Get Ready for an Adventurous Year

2021 was an unusual year and a tricky environment for investors, but we're pleased with how we navigated it. As 2022 begins with so many crosscurrents and transitions on the horizon, we expect an adventure for investors.

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Liberty Broadband (26% owner of Charter Communications) and Comcast detracted from quarterly results. Their stocks fell as recent slowdowns in broadband customer additions fueled fears about rising competitive intensity. Our long-term outlook remains more sanguine, and both Charter and Comcast continue to generate free cash flow and buy back stock at attractive valuations. Other quarterly detractors included CoStar Group, Fidelity National Information Services (FIS), and Salesforce. While single-digit percentage declines are not concerning, the markdowns did dampen the Fund's near-term returns in a very strong market.

Alphabet – Google's parent company – was **the** standout contributor for the year as the stock rose 65% while earnings appeared to be on track to double. Remarkably, we think the company remains discounted despite its nearly \$2 trillion market value. Credit to research analyst Jon Baker's stellar analytical work for helping us own and hold the stock with confidence. Financial companies Charles Schwab and Aon plc were also strong contributors. Schwab integrated the transformational TD Ameritrade acquisition, while Aon prudently walked away from one (Willis Towers Watson) when regulatory concessions became too onerous. Our trio of health care holdings (LabCorp, Danaher, and Thermo Fisher) delivered exceptional returns while growing business value at healthy rates.

FIS and CoStar Group were the Fund's only detractors for the year. Both are "Class of 2020" investments, and both have been featured in recent Analyst Corner write-ups on our website. It is not unusual for newer holdings to take time to blossom, and our core investment thesis for each remains intact. As founder Wally Weitz often says, "Returns don't come on a schedule." FIS is more traditional value fare, and if the company successfully executes on its business plan, the stock may move higher in the next few years. CoStar is one of our favorite companies with a lengthy runway in commercial real estate information and services. The stock is a longer-duration asset that we think can compound value and returns for the next decade-plus. In different ways, these investments may prove to be well worth the wait, and we have added to both positions.

After several years of strong returns, the investing backdrop is more challenging but still constructive. Our companies are finding ways to grow business value. The recent "stealth correction" (many stocks have been declining for months and selling for deep discounts, while a relatively small number of mega-cap stocks support soaring index levels) as described in *Value Matters* has improved the menu of options for valuation-sensitive investors. We own and have added to many of the "sleepers" described in *Value Matters*, so there is potential fuel left in the return tank. While it is certainly prudent to temper expectations, we take comfort in the durability of our collection of high-quality businesses. We look forward to the "adventure" that 2022 may bring for investors.

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-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.

Top Relative Contributors and Detractors

For the QUARTER ending 12/31/2021

TOP CONTRIBUTORS					TOP DETRACTORS				
	Return	Average Weight	Contribution	% of Net Assets		Return	Average Weight	Contribution	% of Net Assets
Accenture plc (ACN)	29.96%	2.94	0.80%	3.2%	Liberty Broadband Corp. – Class C (LBDRK)	-6.72%	4.56	-0.32%	4.6%
Vulcan Materials Company (VMC)	22.94%	3.75	0.77%	3.9%	CoStar Group, Inc. (CSGP)	-8.17%	3.95	-0.31%	4.0%
The Charles Schwab Corp. (SCHW)	15.72%	4.53	0.69%	4.6%	Fidelity National Information Services (FIS)	-9.96%	3.05	-0.30%	3.3%
Thermo Fisher Scientific, Inc. (TMO)	16.84%	4.46	0.68%	4.5%	Comcast Corporation (CMCSA)	-9.62%	2.50	-0.26%	2.4%
AutoZone, Inc. (AZO)	23.46%	3.12	0.68%	3.5%	salesforce.com, inc. (CRM)	-6.30%	3.23	-0.21%	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 12/31/2021: Alphabet Inc. – Class C (GOOG) 7.5%, Aon PLC (AON) 3.6%, Apple, Inc. (AAPL) 0.0%, Danaher Corporation (DHR) 4.4%, Charter Communications, Inc. – Class A (CHTR) 0.0%, Laboratory Corp. of America Holdings (LH) 3.7%, Microsoft Corporation (MSFT) 0.0%, Tesla, Inc. (TSLA) 0.0%, Willis Towers Watson PLC (WLTW) 0.0%.

Average Annual Total Returns

AS OF 12/31/2021									
	YTD	1-year	3-year	5-year	10-year	Since Inception*	Inception Date	Net Expense	Gross Expense
Value Fund - Investor (WVALX)	26.78%	26.78%	26.29%	17.23%	13.52%	11.03%	05/09/1986*	1.04%	1.04%
Value Fund - Institutional (WVAIX)	26.99%	26.99%	26.55%	17.48%	13.70%	11.08%	07/31/2014	0.88%	0.88%
Russell 1000®	26.45%	26.45%	26.18%	18.41%	16.53%	11.20%	-	-	-
S&P 500®	28.71%	28.71%	26.04%	18.46%	16.53%	11.20%	-	-	-

*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 01/19/2022, 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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