

Large Cap Equity Fund

Portfolio Managers: Brad Hinton, CFA® & Nathan Ritz, CFA®
Investment Style: Large-Cap Equity

The Large Cap Equity Fund's Institutional Class returned -12.04% in the first quarter, compared to -4.22% for the Bloomberg U.S. 1000 Index. While the calendar flipped from 2025 to 2026, the Fund's recent performance challenges continued. We believe our companies are doing just fine, on balance, and we think they are collectively growing their business values at acceptable rates. Their stock prices simply do not reflect the business progress that we see.

“
You don't need a weatherman to know which way the wind blows.

- Bob Dylan

Long-term investing often means returns do not come on a schedule. The recent period of poor results has been as frustrating for us as we know it has been for you. The upside for our investors is that the portfolio is much cheaper today than it was 3 (or 18) months ago. Starting valuations do matter, and the latest round of multiple compression may serve as a coiled spring for forward return potential. The Fund remained concentrated in our best ideas, and we still have strong conviction in the core of the portfolio.

Yet, we also need to invest in the “real-world” market that we face every day, rather than the market that we would like to have. Due to a confluence of factors, the stock market is increasingly thematic, temperamental, and subject to violent short-term swings. We are long-term investors, and we often talk about the value and challenges associated with “looking across a valley” to generate returns. Well, in today's world, we might encounter a dozen different peaks and valleys across our investment horizon, and both sides can be steep and deep.

As a result, we must be increasingly nimble and decisive to make sure the market is serving us, rather than the other way around. Using data-driven insights, we continued to adapt and tweak the tactics required to “take what the market gives us.” Specifically, we have been more active on both sides of the buy and sell ledger, consistent with our valuation discipline. We expect to reshape the portfolio more frequently and assertively in response to evolving market conditions, and it is likely that cash levels will fluctuate a bit more than they have in recent years.

Notable 1Q Contributors

Analog Devices was the Fund's top contributor in the quarter as the company delivered strong results and optimistic commentary about future growth across its business lines. Old Dominion Freight Line and IDEX Corp. also contributed to Fund returns for the quarter as the industrial economy showed improved trends. New positions Taiwan Semiconductor and HEICO rounded out the quarterly top contributors list.

Notable 1Q Detractors

Microsoft and Salesforce were among the Fund's top detractors as investors questioned the durability of software companies' cash flows in the face of rapidly improving AI model capabilities. Every software situation is different, but we think the price decline at Microsoft was especially overdone. Danaher and Thermo Fisher Scientific gave back their fourth quarter gains despite healthy business trends. While we expected the stocks to be more defensive in a choppy market, our core life science and bioprocessing thesis remained intact.

CoStar Group's stock continued to slide as activists and long-time investors grew even more restless with the heavy investment in the Homes.com platform. We sold over 40% of the Fund's shares earlier in the quarter and continue to closely monitor the outlook.

Trading Activity 1Q

One takeaway from our ongoing portfolio analysis was that we did not have enough exposure to “what could go right?” stocks. Over the years, our team has done extensive work on companies with exceptional or plainly improving business trends. Along the way, we have tried to follow Mr. Buffett's advice not to “pay a very high price for a cheery consensus” for their stocks. And, in many cases, we have been left in the dust. The “March Madness” market turmoil gave us a chance to own five new “on deck” companies at **reasonable-to-good** prices across a range of scenarios.

Over time, our investment team has built a deep knowledge base within the semiconductor industry. Three of our five new portfolio additions reside in the semiconductor value chain. The AI data center infrastructure buildout has been “the” theme of the past few years, and it is no stretch to say that ASML, Taiwan Semiconductor, and NVIDIA have been three of the best companies in the world. ASML is the dominant manufacturer of lithography equipment used in semiconductor production. Taiwan Semi is the foremost integrated circuit production foundry for leading edge logic chips. NVIDIA has a linchpin position in the accelerated computing revolution, with a complete ecosystem fueled by an integrated hardware and software platform.

We took a basket approach and bought moderate amounts of all three stocks during the quarter. While NVIDIA's stock has flatlined for 2–3 quarters, and ASML and Taiwan Semi pulled back a bit in March, we were not bottom ticking any price charts. We considered the timing with eyes wide open and a healthy degree of skepticism. These are cyclical businesses, and the Fund's sizing reflects a range of valuation scenarios. While our team thinks the duration and magnitude of the up cycle may continue to surprise investors, we hold that view with deep humility.

We also added new positions in Ingersoll Rand and HEICO late in the quarter. We have followed both businesses closely for years. Ingersoll is a multi-industrial company led by a top-tier management team, with diversified exposure to an array of attractive end markets. We liked the earnings setup with their short cycle industrial segments improving, and their longer cycle backlog remaining resilient. HEICO's Flight Support Group is best known for designing and manufacturing aftermarket replacement parts for commercial aircraft, while the Electronic Technologies Group makes highly engineered, mission-critical subcomponents for the aircraft, spacecraft, and defense markets. We think HEICO's stock offers double-digit return potential from the late quarter stock price lows.

We further reshaped the portfolio through material trims of positions including CoStar Group, Global Payments, Old Dominion Freight Line, IDEX, Constellation Software, Salesforce, Oracle, and Bio-Techne, among others. These trims reflected a broad mix of considerations such as changes in relative value, trends in conviction levels, adjustments to industry exposures, and capital gains awareness.

Top Contributors and Detractors

Top Contributors (%)				
	Return	Average Weight	Contribution	% of Net Assets
Analog Devices, Inc.	17.60	4.78	0.68	4.7
Old Dominion Freight Line, Inc.	24.06	2.31	0.53	2.0
IDEX Corp.	6.52	4.65	0.29	3.6
Taiwan Semiconductor Manufacturing Co., Ltd.	-0.60	0.04	0.03	1.1
HEICO Corp.	3.46	0.01	0.02	0.6

Top Detractors (%)				
	Return	Average Weight	Contribution	% of Net Assets
Microsoft Corp.	-23.25	5.98	-1.48	5.6
Danaher Corp.	-17.00	8.50	-1.46	8.2
CoStar Group, Inc.	-40.05	2.63	-1.20	1.7
Thermo Fisher Scientific, Inc.	-15.15	6.54	-0.99	6.0
Salesforce, Inc.	-29.49	2.55	-0.82	2.0

Data is for the quarter ending 3/31/2026. 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 3/31/2026: Global Payments, Inc., 2.3%; Bio-Techne Corp., 2.0%; Constellation Software, Inc., 1.6%; Oracle Corp., 1.3%; ASML Holdings, 1.2%; NVIDIA Corp., 1.0%; Ingersoll Rand, Inc., 1.0%.

Returns (%)										
	TOTAL RETURNS		AVERAGE ANNUAL TOTAL RETURNS				Since Inception	Net Expense		Gross Expense
	QTR	YTD	1 YR	3 YR	5 YR	10 YR	(5/9/1986)			
WVAIX Institutional Class	-12.04	-12.04	-8.78	6.63	3.29	8.68	9.83	0.86	0.86	
WVALX Investor Class	-12.08	-12.08	-8.94	6.45	3.12	8.48	9.77	1.03	1.03	
Russell 1000 Index	-4.18	-4.18	17.74	18.12	11.33	13.96	10.95	-	-	
Bloomberg U.S. 1000 Index	-4.22	-4.22	18.00	18.10	11.20	13.93	-	-	-	

Looking Forward

We have ownership stakes in 29 companies, with the top 10 accounting for well over half of the portfolio. Our estimate of the portfolio's price-to-value is back down into the mid-70s, which we believe offers adequate return potential over a multi-year horizon. Importantly, most companies are growing profitably with decent operating momentum. Improving stories often attract new fans, which can provide extra fuel for outsized returns.

IMPORTANT DISCLOSURES

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 1/12/2026, 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 07/31/2026.

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 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. **Bloomberg U.S. 1000** Total Return Index is a float market-cap-weighted benchmark of the 1000 most highly capitalized US companies.

Effective July 31, 2025, the Fund selected the Bloomberg 1000 Index as its broad-based index for regulatory requirements. See the Fund's Prospectus for additional information. Note that certain information, as noted herein, was measured against the Russell 1000, the Fund's previous broad-based index.

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). Changing interest rates may have sudden and unpredictable effects in the markets and on the Fund's investments. The Fund may purchase lower-rated and unrated fixed-income securities, which involve an increased possibility that the issuers of these may not be able to make payments of interest and principal. See the Fund's prospectus for a further discussion of risks.

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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