

**ITEM 1: COVER PAGE**

Wallace R. Weitz & Company

Form ADV, Part 2A  
(the “Brochure”)

March 31, 2012

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This Brochure provides information about the qualifications and business practices of Wallace R. Weitz & Company (“Weitz”). If you have any questions about the contents of this brochure, please contact us at (402) 391-1980 or info@weitzfunds.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Weitz also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Weitz may refer to itself as a “registered investment adviser” or “RIA”. You should be aware that registration with the SEC does not imply a certain level of skill or training.

**ITEM 2: MATERIAL CHANGES**

Not Applicable

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#### **ITEM 4: ADVISORY BUSINESS**

Weitz, which was founded in 1983 and is primarily owned by Wallace R. Weitz, provides investment management services on a fully discretionary basis to registered investment companies (“*Funds*”), a privately placed pooled investment vehicle (the “*Private Fund*”) and individually managed accounts (“*private clients*” and, together with the Funds and the Private Fund, “*clients*” or “*accounts*”). In each case, accounts are managed in accordance with the client’s investment objectives as set forth in the relevant Fund prospectus and SAI (“*registration statement*”), Private Fund governing documents and private placement memorandum (“*PPM*”), or the private client investment agreement, and in all cases investments are selected on the basis of the client’s investment needs and objectives.

With respect to private clients, the client’s circumstances, including other investments, income level, tax status and needs, outstanding obligations and various other factors are reviewed periodically with the client; however, Weitz is generally not expected to consider and diversify a private client’s account based on other assets that might be held by the private client and Weitz’s only responsibility with respect to diversification is to diversify the assets held in the account managed by Weitz in accordance with the client’s stated guidelines. Weitz may accept reasonable, client-imposed restrictions upon investment in certain securities or types of securities.

Each Fund or Private Fund is managed only in accordance with its own characteristics and is not tailored to any particular shareholder or limited partner (each an “*investor*”). Since Weitz does not provide individualized advice to the investors (and an investment in a Fund or Private Fund does not, in and of itself, create an advisory relationship between the investor and Weitz), investors must consider whether a particular Fund or Private Fund meets their investment objectives and risk tolerance prior to investing. While this Brochure may be provided to investors, and may include information about the Funds and the Private Fund, this Brochure is intended solely to provide information about Weitz and should not be considered to be an offer of interests in any Fund or Private Fund. Information about a Fund can be found in its registration statement. Information about a Private Fund can be found in its PPM and other offering documents, which will be available to current and eligible prospective investors only through Weitz or another authorized party.

As of December 31, 2011, Weitz managed \$4,233,158,920.00 in assets on a discretionary basis. Weitz also provides investment advice on a non-discretionary basis to one private client from time to time, with respect to approximately \$41,500,00.00 of that client’s assets.

#### **ITEM 5: FEES AND COMPENSATION**

Fees paid to Weitz for investment advisory services (“*management fees*”) are generally dependent on the nature of the services being provided and the type of client. In addition to management fees, which cover only Weitz’s advisory services, clients bear other costs that are necessary or incidental to the advisory service (“*incidental expenses*”).

The particular incidental expenses may vary from client to client, although all clients will be subject to certain types of incidental expenses, including particularly, costs associated with buying, selling or holding investments such as custody fees and charges and expenses associated with transactions such as taxes, duties and, most particularly, commissions, commission equivalents and other brokerage expenses. *Please see Item 12 of this Brochure for a further discussion of Weitz's brokerage practices.*

Weitz's fees and any incidental expenses will reduce the assets held in, and the return experienced by, client accounts. Management fees and incidental expenses associated with accounts managed by Weitz are described below by client-type (*i.e.*, Funds, Private Fund and private clients).

## Funds

Each Fund is a series of The Weitz Funds (the "Trust"), a Delaware statutory trust. The terms and conditions of Weitz's relationship with each Fund, including fees, services and termination provisions, are individually negotiated with the Trust's Board of Trustees (the "Board"). From time to time, Weitz may voluntarily or contractually agree to limit the total annual fund operating expenses of a Fund. Each Fund's fees and expenses (including, as applicable, expense waivers or limitations) are described in greater detail in that Fund's registration statement. While fees and services are negotiable with the Board at the Fund level, investors in the Fund are each subject to a *pro rata* portion of the fees and expenses applicable to the class(es) of the Fund in which such investor owns interests.

*Management Fees.* Generally, Weitz's management fee is determined independently for each Fund, and is approved by the Board through the regular contract review process. Under agreement with the Trust, each Fund's NAV is determined once each business day and fees are payable monthly, in arrears, based on the following schedule:

<u>Fund(s)</u>	<u>Asset Level</u>	<u>Rate (as a percentage of average daily NAV)</u>
Value, Partners Value, Research and Hickory	First \$2.5 Billion	1.00%
	Next \$2.5 Billion	0.90%
	Over \$5 Billion	0.80%
Partners III Opportunity	First \$1 Billion	1.00%
	Next \$1 Billion	0.95%
	Next \$1 Billion	0.90%
	Next \$2 Billion	0.85%
	Over \$5 Billion	0.80%
Balanced	All Assets	0.80%
Short-Intermediate Income, Nebraska Tax-Free Income, and Government Money Market	All Assets	0.40%

*Other Fees and Expenses.* The management fee covers only Weitz's investment advisory services. The Funds also pay (and investors thus bear) incidental expenses including: (i) direct expenses such as legal, accounting, and printing as incurred; (ii) fees paid to service providers for non-advisory services, such as administrative fees paid to Weitz to compensate Weitz for administrative services provided to the Fund under an Administration Agreement that is approved annually by the Board; and (iii) other expenses associated with the Fund's operations and investment program such as custodial fees, trading costs, taxes and other governmental charges and fees and expenses associated with investments. In addition, Investor Class shares of the Partners III Opportunity Fund and the Short-Intermediate Income Fund pay to Weitz Securities, Inc. a 0.25% service and distribution fee (the "12b-1 Fee"). These other fees and expenses are described in further detail in each Fund's registration statement as well as in periodic reports to investors.

*Termination of Advisory Agreements.* Each Fund's investment advisory agreement can be terminated, without penalty, (i) by the Board or by a vote of a the holders of a majority of the Fund's outstanding voting securities upon not less than 60 days written notice to Weitz or (ii) by Weitz upon 60 days written notice to the Funds. Fund investment advisory agreements also terminate automatically in the event of their assignment.

## **Private Fund**

The Private Fund's general partner is Wallace R. Weitz (the "General Partner"). The Private Fund's fees and expenses (including, as applicable, expense waivers or limitations) are described in greater detail in the Private Fund's governing documents.

*Management Fees.* The Private Fund pays Weitz assessed management fees, quarterly in arrears, based on an annual rate of 1.00% of the Private Fund's net asset value. Termination and liquidity provisions with respect to the Private Fund are discussed below. Management fees will be assessed *pro rata* in the event of a liquidation or redemption on a date other than a permitted redemption date.

*Other Fees and Expenses.* Incidental expenses for the Private Fund will include custodial charges; brokerage fees, commissions and related costs and expenses; governmental charges, taxes and duties; transfer fees, registration fees and other expenses associated with buying, selling or holding investments; and withholding taxes payable and required to be withheld by issuers or their agents. The Private Fund also bears expenses such as legal, accounting, offering and printing, regulatory or tax compliance expenses, operational expenses, audit expenses and administrative expenses. Certain Private Fund incidental expenses relate to services that are provided by Weitz or the General Partner, such as: organizing and managing the Private Fund's business affairs; executing and reconciling trades; preparing financial statements and providing audit support; preparing tax related schedules; and investor or sales support such as drafting, printing and distributing correspondence to investors and prospective investors. The Private Fund may pay fees or reimbursements to Weitz or third parties for all these services. Additionally, a *pro rata* portion of overhead expenses such as general clerical,

office and other expenses are charged to the Private Fund, as determined by Weitz and/or the General Partner.

From time to time, Weitz may agree to limit the total expenses of the Private Fund, including Weitz's management fee. Generally, to the extent that direct expenses and overhead expenses (excluding brokerage commissions and taxes), in the aggregate, exceed 0.50% of the Private Fund's net assets at any fiscal year end, Weitz or the General Partner will reimburse the Private Fund for excess expenses. Each investor bears a *pro rata* share of all Private Fund fees and expenses.

*Termination of Advisory Agreements.* The advisory agreement between the Private Fund and Weitz will continue on a year-to-year basis until such time (if any) as it is terminated (i) upon unanimous vote of the investors, (ii) by Weitz upon 90 days' written notice or (iii) by termination and liquidation of the Private Fund.

*Investor Liquidity.* Each investor may redeem, in whole or in part, an investment in the Private Fund in accordance with the Private Fund's governing documents. Generally, redemptions from the Private Fund are allowed only on a quarterly basis and require thirty days' prior notice.

## **Private Clients**

The terms and conditions of Weitz's advisory arrangements with private clients are negotiable, and may vary based on inception date. The following represents Weitz's current, standard arrangements. Additionally, if Weitz determines to offer new or different types of services or accept new or different types of clients, Weitz may charge fees different from, and in excess of, those set forth below.

*Management Fees.* Fees are generally negotiated with the client on a case-by-case basis. Currently, Weitz's annual management fee for private client accounts is 1.00% of the first \$10,000,000 of assets under management ("AUM"), 0.90% for the next \$15,000,000 of AUM, and 0.80% for all additional AUM. However, fee schedules have evolved over time and may be changed from time to time in Weitz's discretion. Weitz is not obligated to offer any lower rate to any private client based on rates charged to any other client, except as may be agreed with the relevant client.

Management fees for private clients are generally payable quarterly in arrears and, upon agreement between Weitz and the client, may be debited from the client account ("automatic debiting"). While Weitz will accept automatic debiting when desired by a client, Weitz does not require automatic debiting as a condition for acceptance of a private client account.

*Other Fees and Expenses.* Management fees cover only advisory services from Weitz and, except as otherwise agreed, private clients are responsible for certain fees, expenses and costs (in addition to Weitz's management fee) which are incidental or related to the maintenance of an account or the buying, selling and holding of investments including, but not necessarily limited to: custodial charges; brokerage fees,

commissions and related costs and expenses; governmental charges, taxes and duties; transfer fees, registration fees and other expenses associated with buying, selling or holding investments; withholding taxes payable and required to be withheld by issuers or their agents; and fees associated with cash sweep or cash management vehicles (including unaffiliated money market funds) or investments in other, unaffiliated pooled investment vehicles such as ETFs. Assets invested by a private client in a Weitz Fund are not included when calculating the private client's management fee for that account, but such clients are assessed Fund management fees.

*Termination of Advisory Agreements.* Clients may terminate their advisory agreements upon 30 days written notice. The fee for the final period will be based upon the assets under management at termination date, prorated over the portion of the calendar quarter during which the account was managed by Weitz.

## **Valuation**

Weitz is compensated based on the market value of the accounts it manages. As a result, to the extent that Weitz values a security higher than its current market value (or where such market values are unreliable), Weitz may benefit by receiving a management fee that is increased by the impact, if any, of such valuation discrepancy. Additionally, where an investor purchases or redeems interests in a Fund or Private Fund at an NAV that is impacted by a discrepancy in valuation, such investor may receive a greater or lesser interest in (or increased or decreased redemption proceeds from) such fund than would have been the case absent the discrepancy. Similarly, existing and continuing investors may be subject to dilution or accretion.

Accounts managed by Weitz may, at any time or from time to time, invest in assets that are illiquid, thinly traded or otherwise difficult to value. As a result, Weitz employs various valuation policies and procedures to mitigate the conflicts and potential for material pricing discrepancies in respect to account assets and to assure that assets are valued in good faith and as accurately as is reasonably practicable. Weitz also may rely on values and information provided by third party pricing services, custodians or (with respect to assets held by the Funds) as determined by the Funds' Pricing Committee.

Weitz may be required to manually price or "fair value" one or more assets held by, or on behalf of, an account. Fair valuation may be necessary where pricing or valuation information with respect to an asset is not readily available or unreliable due to significant events. Weitz's good faith judgment as to whether an event would constitute a "significant event" or whether a valuation is not readily available or otherwise unreliable may, in hindsight, prove to be incorrect.

Weitz may use a variety of fair value techniques or methodologies and may rely on third-party service providers to assist in valuations when market quotations are not readily available or are believed by Weitz to be unreliable. These processes, as well as any information and/or underlying assumptions utilized, will not always allow Weitz to correctly capture the fair value of an asset; rather fair valuation is intended to yield a



good faith approximation of the value of an asset and cannot be guaranteed to have reflected the actual or empirical value of any asset, as might be determined with the benefit of hindsight (particularly in periods of market distress) as fair value price adjustments may prove incorrect as to direction and magnitude.

#### **ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

Weitz does not charge performance based fees; however Weitz may manage accounts (including Funds or the Private Fund) in which it or its personnel or affiliates have pecuniary interests alongside other accounts in which such persons have lesser (or no) pecuniary interest. *Please see Items 10, 11 and 12 for further discussion of these situations.*

#### **ITEM 7: TYPES OF CLIENTS**

As discussed in Items 4 and 5, Weitz classifies its clients as: (i) Funds, which are pooled vehicles registered as investment companies under the Investment Company Act of 1940, as amended (the “*1940 Act*”); (ii) the Private Fund, which is a private pooled vehicle that is not registered under the 1940 Act; and (iii) private clients, which are managed on an individualized rather than pooled basis. Further information about these client types, including account minimums and other requirements or qualifications are set forth below.

*Funds.* Fund investment minimums are determined by the Board. Currently, the minimum investment required to open an account in the Value, Partners Value, Partners III Opportunity (Investor Class), Hickory, Balanced, Short-Intermediate Income (Investor Class), Nebraska Tax-Free Income and Government Money Market Funds is \$2,500. The minimum initial investment for Partners III Opportunity (Institutional Class) or Short-Intermediate Income (Institutional Class) is \$25,000, and these required minimums are waived for shareholders who held shares on July 31, 2011 and who continue to hold shares. The minimum initial investment for the Research Fund is \$25,000.

*The Private Fund.* Interests in the Private Fund are not registered under the Securities Act of 1933, as amended (the “*1933 Act*”), and therefore are offered only to “accredited investors” under the 1933 Act’s Regulation D. Private Fund investors are mostly high net worth individuals or trusts. The Private Fund requires a minimum investment of \$500,000, which may be waived or reduced at the discretion of Weitz or the General Partner.

#### **IMPORTANT NOTE:**

The Private Fund may be offered only through its PPM, which may be provided to current and prospective investors only by Weitz or another authorized party. **In no event should this Brochure be considered to be an offer of interests in the Private Fund or relied upon in determining whether to invest.**

**This Brochure is not intended to, and does not, represent a complete discussion of the features, risks or conflicts associated with the Private Fund.** While this Brochure may include information about the Private Fund, and may be provided to current or prospective investors, this Brochure is designed solely to provide information about Weitz for the purpose of compliance with the Investment Advisers Act of 1940, as amended (the “*Advisers Act*”) and, as such, responds to requirements under the Advisers Act, which may differ from the information provided in the PPM. To the extent there is any conflict between this Brochure and the PPM, the PPM shall govern.

*Private Clients.* The minimum account size for individually managed accounts is generally \$10,000,000, but may vary based upon the type of account and relationship. In addition, Weitz may reject any such account in its discretion. Given Weitz’s selectivity in accepting private client accounts and the minimum account size, private clients generally are high net worth individuals, trusts, estates, charitable organizations or businesses. **This Brochure is not an offer of, or agreement to provide, private client advisory services directly to any recipient.**

#### **ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

This Item 8 describes the general investment strategies employed by Weitz in managing client accounts as well as the primary risks associated with these investment strategies, although it is not possible to identify all of the risks associated with investing and the particular risks applicable to a client account will depend on the nature of the account, its investment strategy or strategies and the types of securities held.

While Weitz seeks to manage accounts so that risks are appropriate to the return potential for the strategy, it is often not possible or desirable to fully mitigate risks. Any investment includes the risk of loss and there can be no guarantee that a particular level of return will be achieved. Clients should understand that they could lose some or all of their investment and should be prepared to bear the risk of such potential losses.

Client accounts generally invest principally in equity and/or fixed income securities, each in accordance with the general investment strategies described below, subject to account-specific investment objectives, guidelines and restrictions. Clients should be aware that while Weitz does not limit its advice to, or specialize in, particular types of investments, a client’s investment objectives may be limited (*e.g.*, based on security type or capitalization levels) and may not be diversified. The accounts managed by Weitz are generally not intended to provide a complete investment program for a client or investor and Weitz expects that the assets it manages do not represent all of the client’s assets. Clients and, with respect to the Funds and the Private Fund, investors are responsible for appropriately diversifying their assets to guard against the risk of loss.

#### **General Investment Strategy for Equity Securities**

Weitz’s investment strategy for equity securities (what we call “value investing”) is based on our belief that stock prices fluctuate around the true value of a company. We

look to identify the securities of growing, well-managed business which have honest, competent management. We then estimate the price that an informed, rational buyer would pay for 100% of the business. At the heart of the process is an estimate of the value today of the right to receive all of the cash that a business will generate for its owners in the future. This valuation may focus on asset values, earnings power and the intangible value of a company's "franchise" in its market or a combination of these variables, depending on the nature of the business. We then try to buy shares of the company's stock for our clients at a significant discount to this "private market value." We invest with a 3-5 year time horizon. We anticipate that the company's stock price will rise as the value of the business grows and as the valuation discount narrows. Ideally the business value grows and the stock continues to trade at a discount for long periods of time. We generally will sell these stocks as they approach or exceed our estimate of private market value.

We offer "multi-cap" Funds that may invest in equity securities of any market capitalization, and Funds that expect to invest a majority of their assets in equity securities of particular market capitalizations (for example, larger companies or smaller and medium sized companies). Currently, one of our Funds, Partners III Opportunity Fund, also uses short positions and occasional leverage. Also, the investment objectives of the Balanced Fund are regular current income, capital preservation and long-term capital appreciation, so the Balanced Fund invests in both equity securities and fixed income securities (with the allocation between equity securities and fixed income securities to be determined by Weitz from time to time).

### **General Investment Strategy for Fixed Income Securities**

We select fixed income securities whose yield is sufficiently attractive in view of the risks of ownership. In deciding whether a client should invest in particular fixed income securities, we consider a number of factors such as price, coupon and yield-to-maturity, as well as the credit quality of the issuer. In addition, we review the terms of the fixed income security, including subordination, default, sinking fund, and early redemption provisions.

The Short-Intermediate Income Fund expects to maintain a portfolio with an average weighted maturity of between two to five years. The Nebraska Tax-Free Income Fund expects to invest a majority of its assets in municipal securities that generate income exempt from Nebraska state income tax and federal income tax. The Government Money Market Fund invests substantially all its assets in debt obligations issued or guaranteed by the U.S. Government, its agencies and instrumentalities and repurchase agreements on such securities with remaining maturities not exceeding thirteen months.

### **Certain Material Risks**

Clients and investors should understand that all investments are subject to risks and that the return and the principal value of investments fluctuate depending on general market conditions and other factors, so that from time to time the value of an investment

may be worth more or less than its original cost. You should be prepared to bear the risk of loss if you desire to sell your investment at a time when its value is worth less than its original cost. **You may lose money.**

The principal risks associated with any account or investment, as well as specific risks associated with certain strategies or investment objectives are described below. More detail about risks associated with particular Funds is set forth in the Fund's registration statement (or, with respect to the Private Fund, its PPM).

### *Generally*

*Failure to Meet Investment Objectives.* There can be no assurance that any account will meet its investment objective.

*Market Risk.* For all accounts (other than the Government Money Market Fund): As with any other investment, the share price of each Fund (or your account value) will fluctuate daily depending on general market conditions and other factors.

*For Government Money Market Fund: No Assurance of Stable Net Asset Value.* Although the Government Money Market attempts to maintain a stable net asset value of \$1.00 per share, there can be no guarantee that the Fund will be able to do so.

### *Equity Securities*

*Investment in Undervalued Securities.* Undervalued securities are, by definition, out of favor with investors, and there is no way to predict when, if ever, the securities may return to favor. You should invest with Weitz for equity securities only if you intend to be a patient, long-term investor.

*Non-diversified Risk.* Funds and accounts that are non-diversified may have larger positions in fewer companies or industries than would a diversified portfolio. A concentrated portfolio is more likely to experience significant fluctuations in value, exposing you to a greater risk of loss in any given period than a diversified portfolio.

*Smaller Company Risk.* For Funds and accounts that invest in equity securities of smaller capitalization companies: smaller capitalization companies may not have the size, resources or other assets of larger capitalization companies. The prices of such equity securities can fluctuate more than the equity securities of larger companies, and may not necessarily correspond to changes in the stock market in general.

*For Partners III Opportunity Fund: Short Sales Risk.* If the price of a security sold short increases after the sale, the Fund will lose money because it will have to pay a higher price to repurchase the borrowed security when it closes its short position.

*For Partners III Opportunity Fund: Leverage Risk.* The Fund may borrow from banks or brokers and pledge its assets in connection with the borrowing. If the interest expense on a borrowing is greater than the income and increase in value of the securities

purchased with the proceeds of the borrowing, the use of leverage will decrease the return to the Fund. The use of leverage also tends to magnify the volatility of the Fund's returns.

### *Fixed Income Securities*

*Interest Rate Risk.* The market value of a bond is significantly affected by changes in interest rates. Generally, the longer the average maturity of the bonds in an investment portfolio, the more the value of the portfolio will fluctuate in response to interest rate changes.

*Credit Risk.* When a bond is purchased, its anticipated yield is dependent on the timely payment by the issuer of each installment of interest and principal. Lower-rated and unrated bonds, while often having a higher yield than higher-rated bonds, involve an increased possibility that the issuer may not be able to make its payment of interest and principal. During periods of deteriorating economic and market conditions, the market value of lower-rated and unrated bonds may decline due to concerns over credit quality. In addition, the liquidity of such securities may be affected, making it more difficult to sell the security.

*Call Risk.* Corporate bonds generally, and some securities issued by U.S. agencies, may be called (redeemed) at the option of the issuer at a specified price before reaching their stated maturity date. This risk increases when market interest rates are declining, because issuers may find it desirable to refinance by issuing new bonds at lower interest rates. If a bond held by a Fund or account is called during a period of declining interest rates, the proceeds received by the Fund or account will likely be reinvested at a lower interest rate than that of the called bond, causing a decrease in income.

*Mortgage-Backed Securities Risk.* Most mortgage-backed securities are pass-through securities, which means that the payments received by the Fund on such securities consist of both principal and interest as the mortgages in the underlying mortgage pool are paid off. The yield on such mortgage-backed securities is influenced by the prepayment experience of the underlying mortgage pool. In periods of declining interest rates, prepayments of the mortgages tend to increase. If the higher-yielding mortgages from the pool are prepaid, the yield on the remaining pool will be reduced and it will be necessary to reinvest such prepayment, presumably at a lower interest rate.

*Government-Sponsored Enterprises Risk.* Obligations of certain government-sponsored enterprises are not direct obligations of the U.S. Treasury. Such entities may include, without limitation, the Federal Home Loan Banks ("*FHLB*"), Federal Farm Credit Banks ("*FFCB*"), Federal National Mortgage Association ("*Fannie Mae*") and Federal Home Loan Mortgage Corporation ("*Freddie Mac*"). Entities such as FHLB and FFCB, although chartered or sponsored by Congress, are not funded by Congressional appropriations and the debt and mortgage-backed securities issued by such agencies are neither guaranteed nor insured by the U.S. Government. Fannie Mae and Freddie Mac historically were neither guaranteed nor insured by the U.S. Government. However, on

September 7, 2008, the Federal Housing Finance Agency placed Fannie Mae and Freddie Mac into conservatorship, which in effect has caused Fannie Mae and Freddie Mac to become guaranteed obligations of the U.S. Government. Although the U.S. Government is providing support to Fannie Mae and Freddie Mac, no assurance can be given that they will continue to do so.

*Nebraska State Specific Risk.* For the Nebraska Tax-Free Income Fund (and possibly for other accounts): Investments primarily in Nebraska municipal securities are more vulnerable to unfavorable economic, political or regulatory developments in Nebraska than are investments in the municipal securities of many states. A concentration of securities issued by governmental units of only one state exposes a portfolio to risks greater than those of a more diversified portfolio holding securities issued by government units of different states in different regions of the country. These events may include economic or political policy changes, tax base erosion, state limits on tax increases, budget deficits and other financial difficulties, as well as changes in the credit ratings assigned to the state's municipal issuers. Neither the State of Nebraska nor its agencies may issue general obligation bonds secured by the full faith and credit of the State. In addition, the economy of Nebraska is heavily agricultural and changes in the agricultural sector may adversely affect taxes and other municipal revenues.

*No Guarantee That Income Will Remain Tax Exempt.* For the Nebraska Tax-Free Income Fund (and possibly for other accounts): There is no guarantee that income from any municipal security will remain exempt from federal or state income taxes. Income from municipal bonds could be declared taxable because of unfavorable changes in tax laws, adverse interpretations by the Internal Revenue Service or state tax authorities, or noncompliant conduct of a bond issuer.

*For Government Money Market Fund: Investments in Other Investment Companies.* The Government Money Market Fund may invest in the shares of other investment companies, including non-affiliated money market funds. Investing in the shares of other investment companies involves the risk that such other investment companies will not achieve their objectives or will achieve a yield or return that is lower than that of the Fund. To the extent that the Fund is invested in the shares of other investment companies, the Fund will incur additional expenses due to the duplication of fees and expenses as a result of investing in such other investment company shares.

#### **ITEM 9: DISCIPLINARY INFORMATION**

Not Applicable

#### **ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Weitz's related persons include the following financial industry participants with whom Weitz maintains relationships material to Weitz's advisory business or its clients:

**Broker-Dealer.** Weitz Securities, Inc., a broker-dealer registered under the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”) and a FINRA member firm, is related to Weitz through common control by Wallace R. Weitz. Weitz Securities is the principal underwriter and distributor of the Funds. The only compensation that Weitz Securities receives for these distributions is 12b-1 Fees with respect to Investor Class shares of the Partners III Opportunity Fund and the Short-Intermediate Income Fund. Weitz does not execute portfolio trades for any client account through Weitz Securities, and Weitz does not have any arrangements that would generate commission income for Weitz Securities. Certain Weitz personnel are registered representatives of Weitz Securities.

**Investment Companies and other Pooled Investment Vehicles.** As discussed in Items 4, 5 and 7, Weitz provides investment advice to each of the Funds and to the Private Fund, and may be deemed to be a related person of the Funds and the Private Fund through common control by Wallace R. Weitz who is President of the Trust and General Partner of the Private Fund. Weitz and its personnel have significant interests in the Funds and the Private Fund, and investors in the Funds may include private clients of Weitz, including in circumstances where Weitz privately recommended such investments. *Please see Items 11 and 12 for discussion of related conflicts and the policies and procedures that Weitz has adopted to address these conflicts.*

#### **ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

Weitz acts as investment adviser to various accounts and may give advice and take action with respect to any client account, or for its own account, that may differ from action taken by Weitz on behalf of other client accounts. Weitz is not obligated to recommend, buy or sell, or to refrain from recommending, buying or selling, any security that Weitz, its affiliates or their respective “Access Persons” (as defined by the 1940 Act and the Advisers Act) may buy or sell for its or their own account or for the account of any other client. Weitz is not obligated to refrain from investing in securities held by accounts that it manages except to the extent that such investments violate the Code of Ethics (“*Code*”) adopted by Weitz, Weitz Securities and the Trust.

Wallace R. Weitz expects that most of his personal securities investments will be made through the Funds and the Private Fund. Also, other Weitz personnel or related persons may have direct or indirect interests in securities owned by or recommended to Weitz’s clients. As these situations may lead to potential conflicts of interest, Weitz has adopted procedures relating to personal securities transactions and insider trading that are designed to identify potential conflicts of interest, to prevent or mitigate actual conflicts of interest and to resolve such conflicts appropriately if they do occur.

#### **Code of Ethics**

Weitz’s Code was adopted, in accordance with both Rule 204A-1 under the Advisers Act and Rule 17j-1 under the 1940 Act, to govern personal transactions by Access Persons and to ensure that the interests of Access Persons do not conflict with the

interests of Weitz clients, including the Trust and its investors, and the Private Fund and its investors. As such, the Code includes: (i) standards of business conduct expected of Weitz's supervised persons (*i.e.*, any employee, officer or director) and (ii) personal securities transactions policies and procedures governing the personal investment activities of Access Persons and requiring that Access Persons submit certain reports.

In appropriate circumstances, the Chief Compliance Officer ("CCO") may grant waivers from certain substantive provisions of the Code. Absent such a waiver, personnel who fail to observe the Code and related compliance policies risk serious sanctions, including dismissal and personal liability. A copy of the Weitz Code of Ethics is available to any current or prospective client or investor upon request by contacting Weitz. Weitz's contact information is listed on the cover page of this Brochure.

*Standards of Business Conduct.* A basic tenet of the Code is that the interests of our clients are always placed first. The Code includes standards of business conduct requiring supervised persons to comply with relevant provisions of the federal securities laws and the duties an investment adviser owes to its clients. Among other things, these standards of business conduct: (i) require that such persons (A) treat clients fairly and consistently with Weitz's applicable policies and procedures, (B) provide disinterested advice to clients, insulated from personal or business conflicts of interest and (C) report potential violations of the Code to Weitz's CCO or another designated person within Weitz; and (ii) impose ethical restrictions with respect to clients and their accounts, including restrictions on giving gifts to, and receiving gifts from, clients in violation of Weitz's gift policy.

*Personal Securities Transactions Policy.* The Code also includes certain policies and procedures with respect to personal trading and investments. In particular, the Code restricts the purchase and sale by Access Persons for their own accounts of any Covered Security (as defined in 1940 Act Rule 17j-1) within 7 days before or after execution of a transaction in any such security for a client's account; provided, however, that securities transactions for the Private Fund do not trigger this black-out period. All Access Persons are required to notify the CCO or the CCO's designee in order to pre-clear personal securities transactions in Covered Securities.

*Insider Trading Policy.* Weitz has also adopted a "Policy Statement on Insider Trading" in accordance with Advisers Act Section 204A which establishes procedures to prevent the misuse of material nonpublic information by Weitz's supervised persons. Such persons may, from time to time, come into possession of material nonpublic information which, if disclosed, might affect an investor's decision to buy, sell or hold a security. Under applicable law, such persons may be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any other person, regardless of whether such other person is a Weitz client. Accordingly, should such persons come into possession of material nonpublic information with respect to any company, they may be prohibited from communicating such information to, or using such information for the benefit of, their respective clients, and have no obligation or responsibility to disclose such information to, nor responsibility to use such



information for the benefit of, their clients when following policies and procedures designed to comply with law.

*Reporting Requirements under the Code.* To assist Weitz in monitoring personal securities transactions in order to detect potential conflicts of interests or violation of the Code, the Policy Statement on Insider Trading or applicable law, relevant personnel must provide to the CCO reports of (i) their personal transactions within 30 days of the end of each calendar quarter (which requirement may be satisfied by copies of monthly brokerage statements) and (ii) initial and annual reports of securities holdings and accounts. In addition, such persons must direct their brokers to send copies of all brokerage confirmations relating to all personal securities transactions. (The CCO's reports and any pre-clearance requests will be reviewed by another Weitz officer.) If any violation of the Code, the Policy Statement on Insider Trading or applicable law is determined to have occurred, the CCO (or another appropriate officer) may impose sanctions and take such other actions (including, without limitation, requiring that the trades in question be reversed and/or profits be disgorged) as deemed appropriate.

### **Conflicts Related to the Funds and the Private Fund**

*Weitz may recommend that private clients invest in Funds.* Weitz may recommend that private clients consider an investment in one or more Funds. A prospectus and other materials are provided to any client that indicates an interest in such an investment. Clients should consider the information provided, independently, before making a decision to invest. Clients who are offered an opportunity to invest should understand that Weitz receives advisory fees from the Funds as disclosed in Item 5, and in the registration statement. While shares in the Funds are not included in a private client's assets for purposes of determining the private client's management fee, the total amount of advisory fees paid to Weitz when a private client invests in a Fund may exceed that which would have been paid had the assets instead been invested in other securities. Additionally, incidental expenses associated with a Fund may exceed those associated with private client accounts, and Funds may carry additional or different risks than direct investments.

*Weitz and its personnel and affiliates have significant investments in the Funds and the Private Fund.* Weitz, Weitz's personnel (including Wallace R. Weitz) and Weitz's affiliates have significant investments in the Funds. In addition, Weitz's personnel (including but not limited to portfolio management personnel who are "knowledgeable employees" for purposes of the 1940 Act) and Weitz's affiliates may (subject to eligibility requirements) invest in the Private Fund. Currently, Wallace R. Weitz has significant interests in the Private Fund.

These interests may create an incentive to favor a Fund or the Private Fund over other client accounts when, for example, placing trades, aggregating orders, selling short or engaging in cross trades. Weitz maintains policies and procedures, including the Code and policies and procedures regarding batch transactions (described in Item 12), reasonably designed to assure that Weitz and its personnel service all client accounts in a

manner consistent with the duties an adviser owes to its clients and applicable law and without considering such persons' ownership, compensatory or other pecuniary or financial interests.

To the extent a Fund or Private Fund is deemed to be controlled by Weitz and its related persons (generally, if more than 25% of the Fund or Private Fund's assets are attributable to proprietary and personal investments by Weitz and its related persons), any transaction between the Fund or the Private Fund and another account advised by Weitz will be treated as a "principal transaction." Principal transactions require disclosure of, and consent by the other participating accounts to, the transaction on a transaction-specific basis. While these restrictions are intended to mitigate conflicts of interest, investors in the Private Fund should be aware that these restrictions may adversely impact performance.

## **ITEM 12: BROKERAGE PRACTICES**

Brokerage decisions for client accounts, if such discretion has been granted to Weitz, are made by Weitz's portfolio managers, analysts and traders. In placing brokerage for accounts where Weitz has brokerage discretion, Weitz seeks to (i) determine each client's trading requirements, (ii) select appropriate trading methods, venues and agents to execute the trades under current circumstances, (iii) evaluate market liquidity of each security and, to the extent practicable, mitigate excessive market impact, (iv) maintain client confidentiality and proprietary information inherent in the decision to trade and (v) review the results of executions on a periodic basis.

At least quarterly, Weitz's Trading Evaluation Committee (the "*Trading Committee*") meets to review Weitz's trading practices. This review includes monitoring the overall value of executions and the commissions paid, in order to determine what changes, if any, should be made. Weitz's goal in this process is to exercise reasonable, good faith judgment in seeking to allocate trades to those broker-dealers or other trading venues that will consistently provide quality execution at acceptable cost. The following summarizes Weitz's brokerage practices.

### **Selection Criteria for Brokers and Dealers**

Weitz places orders for the purchase or sale of securities with the primary objective of obtaining timely execution of orders at the most favorable price and execution readily obtainable from responsible broker-dealers at competitive rates. Weitz seeks to deal with brokers that meet a high standard of quality regarding execution services.

Weitz's objective in selecting brokers and dealers for portfolio transactions is to obtain the best execution available. The best net price, giving effect to all costs, is normally an important factor in this decision, but a number of other judgmental factors are considered as they are deemed relevant. In applying these factors, Weitz recognizes that different broker-dealers may have different execution capabilities with respect to different types of securities and transactions.

The factors Weitz considers may include, but are not limited to:

- Weitz's knowledge of available commission rates and spreads;
- the nature of the security being traded;
- the size and type of the transaction;
- the nature and character of the markets for the security to be purchased or sold;
- the desired timing of the trade and speed of execution;
- the activity existing and expected in the market, both generally and for the particular security;
- the broker-dealer's access to primary markets and quotation sources;
- confidentiality;
- the execution, clearance and settlement capabilities as well as the reputation and perceived soundness of the broker-dealer;
- Weitz's knowledge of actual or apparent operational problems of any broker-dealer;
- the broker-dealer's execution services rendered on a continuing basis and in other transactions;
- the broker-dealer's reliability in executing trades, keeping records and accounting for and correcting trade errors;
- the broker-dealer's ability to accommodate Weitz's needs with respect to one or more trades, including willingness and ability to maintain a consistent quality of executions in unusual or volatile market conditions and, if necessary, to commit capital by taking positions in order to complete trades;
- the broker-dealer's ability to handle high volume transactions without undue market impact;
- the broker-dealer's ability to maximize opportunities for price improvement;
- the broker-dealer's ability to search for and obtain liquidity to minimize market impact, particularly for thinly traded securities;
- the broker-dealer's ability to provide trading technologies which minimize volatility while providing liquidity;
- the broker-dealer's ability to engage in after-hours and cross-border trading, when required;
- the quality of communication links between Weitz and the broker-dealer;
- the quality of research and execution services provided by the broker-dealer; and
- the reasonableness of spreads or commissions.

When buying or selling securities in dealer markets, Weitz may, unless inconsistent with its duty to seek best execution, deal directly with market makers either on a commission basis or on a "net" basis, without paying the market maker any commission, commission equivalent or markup/markdown other than the "spread." Net trades mean that the market maker profits from the "spread," that is, the difference between the price paid (or received) by Weitz and the price received (or paid) by the market maker in trades with other broker-dealers or other customers. Fixed income securities are typically traded on a net basis. Most NASDAQ securities are now traded on a commission basis as more and more market makers shift from principal to agency

trading. As a result, Weitz typically executes over the counter equity trades on an agency basis. Equity securities trades may entail the use of an alternative trading venue such as an ECN, ATS, crossing network or dark pool.

### **Commission Rates or Equivalents Policy**

Weitz endeavors to be aware of current charges of eligible broker-dealers and to minimize the expense incurred for effecting portfolio transactions to the extent consistent with the interests and policies of its accounts. As noted above, Weitz periodically reviews the quality of executions received from eligible broker-dealers when evaluating Weitz's best execution efforts. Any broker-dealer that has provided (or may be reasonably expected to provide) acceptable performance and whose financial condition and commission rates are acceptable to Weitz may be selected to execute transactions for client accounts.

Weitz will not select broker-dealers solely on the basis of posted commission rates nor always seek in advance competitive bidding for the most favorable commission rate applicable to any particular portfolio transaction. Weitz uses a number of different broker-dealers and may pay higher commission rates to those whose execution abilities, brokerage or research services or other legitimate and appropriate services are particularly helpful in seeking good investment results for client accounts. The reasonableness of commissions is based on the broker's ability to provide professional services, competitive commission rates, research and other services which will help Weitz in providing investment management services to clients. Recognizing the value of these factors, Weitz may pay a brokerage commission in excess of what another broker, who offers no research services and minimal securities transaction assistance, might have charged for the same transaction. Weitz recognizes that some brokerage firms may have superior skills at executing certain types of orders due to factors such as security or industry information, familiarity with various client types and access to various trading technologies that may enhance their ability to execute. Certain transactions may involve specialized services on the part of the broker-dealer involved, resulting in higher commissions or their equivalent than would be the case with transactions requiring more routine services. The extent to which commission rates or net prices reflect the value of these services often cannot be readily determined.

Weitz does not compensate broker-dealers, directly or indirectly, for client referrals or sale of Fund shares through the placement of brokerage transactions. However, Weitz may execute transactions through any broker-dealer, including one that may have also referred clients or sold Fund shares, when the use of such a broker-dealer is consistent with Weitz's duty to seek best execution. Weitz maintains procedures reasonably designed to ensure that such referrals or Fund sales are not a factor in the selection of brokers.

### **"Soft Dollar" or Research/Execution Policy**

As noted above, Weitz may consider research and other services in making brokerage decisions and, as it deems appropriate, may use a portion of the commissions

generated when executing client transactions (commonly referred to as “soft dollars”) to acquire useful research and brokerage services (“soft dollar items”) in a manner consistent with the “safe harbor” provided by Section 28(e) of the Exchange Act. Soft dollars benefit Weitz in that Weitz does not then need to produce or pay for the soft dollar items from its own resources. This creates a conflict of interest in that Weitz may have an incentive to select broker-dealers based on Weitz’s interest in receiving soft dollar items rather than on the client’s interest in receiving the most favorable execution. The safe harbor provides a way for investment advisers to manage this conflict.

Under the safe harbor, as interpreted by the SEC, Weitz may allocate client brokerage commissions (*i.e.*, soft dollars) for brokerage and research services that are also available for cash, where appropriate and permitted by law (or Weitz may choose to pay cash for certain services acquired from external sources), when such items assist Weitz in meeting its clients’ investment objectives or in managing client accounts. Weitz will not enter into any agreement or understanding with a broker-dealer that would obligate Weitz to direct a specific amount of brokerage transactions or commissions in return for soft dollar items. Nonetheless, certain broker-dealers may state in advance the amount of brokerage commissions they require for certain soft dollar items and the applicable cash equivalent. In some cases, Weitz may enter into a commission sharing arrangement pursuant to which soft dollars generated are held in an account for the benefit of Weitz and credits from that account may be used to acquire approved soft dollar items from various brokers. Weitz may also acquire soft dollar items for cash.

Research services provided by a broker-dealer can be either proprietary (created and provided by the broker-dealer, including tangible research products as well as access to analysts and traders) or third-party (created by a third party but provided by the broker-dealer). Weitz may use soft dollars to acquire either type of research, or any permissible brokerage services. The receipt of these soft dollar items in exchange for soft dollars benefits Weitz by allowing Weitz, at no cost to it, to (i) supplement and enhance its own research and analysis activities, (ii) receive the views and information of individuals and research staffs of other securities firms, and (iii) gain access to persons having special expertise on certain companies, industries, areas of the economy and market factors. Subject to Weitz’s policies and procedures and the oversight of Weitz’s Trading Committee, Weitz takes into account the value of permissible soft dollar items provided by a broker-dealer when making trading decisions, as long as such consideration is not inconsistent with the objective of seeking best price and execution for client transactions, and Weitz may pay a higher commission to a broker-dealer in recognition of such soft dollar items.

Thus, when appropriate under its discretionary authority and consistent with the duty to seek best execution, Weitz may execute brokerage transactions for client accounts through broker-dealers who provide Weitz with soft dollar items and may pay to those broker-dealers an amount or rate of commission that is higher than might have been paid absent the receipt of soft dollar items. Consistent with the safe harbor, in determining whether to pay up for a particular execution, Weitz evaluates whether the product(s) or service(s) provided by the broker:

- (i) with respect to research items, consist of advice, analyses or reports containing substantive content with respect to appropriate subject matter(s) or (ii) with respect to brokerage items, are sufficiently related to the effectuation, clearance or settlement of a transaction and are provided by and/or used during the time period commencing when Weitz communicates with the broker-dealer for the purpose of transmitting an order for execution and concluding when the funds or securities are delivered or credited to the account or the accountholder's agent;
- provide lawful and appropriate assistance to Weitz in carrying out its relevant responsibilities to client accounts; and
- are acquired for an amount of soft dollars which is reasonable in relation to the value of the soft dollar item(s).

These determinations are based primarily on the professional opinions of the persons responsible for the placement and review of such transactions. Such opinions are formed on the basis of, among other things, the experience of these individuals in the securities industry and information available to them concerning the level of commissions being paid by other investors of comparable size and type. Weitz may select broker-dealers based on their assessment of each broker-dealer's ability to provide quality executions and their belief that the research, information and other services provided by such broker-dealer may benefit client accounts. It is not possible to place a dollar value on the quality executions or on the soft dollar items Weitz receives from broker-dealers. Accordingly, broker-dealers selected by Weitz may be paid commissions for effecting portfolio transactions for client accounts in excess of amounts other broker-dealers would have charged for effecting similar transactions if Weitz determines in good faith that such amounts are reasonable in relation to the value of the soft dollar items provided by those broker-dealers, viewed either in terms of a particular transaction or Weitz's overall duty to discretionary accounts.

Research obtained with soft dollars will not always be utilized by Weitz for the specific account that generated the soft dollars. Because the value of many soft dollar items cannot be measured precisely, commissions paid for such services cannot be allocated to clients in direct proportion to the value of services each client receives. Thus commissions paid by one account may, in effect, subsidize services that benefited another account, but any distortions should balance out over time as Weitz's various sources of research and brokerage services enable Weitz to make better investment decisions and execute more effective trades. Accordingly, Weitz does not usually attempt to allocate the relative costs or benefits of research or brokerage services among client accounts. Weitz believes that, in the aggregate, the services it receives benefit clients and assist Weitz in fulfilling its overall duty to clients.

Weitz may use soft dollars to pay for any specific service or for any portion of a "mixed use" items (*e.g.*, products or services that provide both research and non-research benefits). In such instances, and where a cash value is affixed to the service or item (whether by the broker-dealer, Weitz or a third-party), Weitz may use soft dollars for the eligible portion and pay cash for the remainder. Although the allocation between soft dollars and cash is not always capable of precise calculation, Weitz will make a good

faith effort to allocate such items reasonably. Records of any such allocations and payments will be prepared and maintained by Weitz.

Weitz's principal sources for "soft dollar" arrangements presently are Capital Institutional Services, Instinet, Liquidnet and Goldman Sachs. Through these arrangements, and other uses of soft dollars during the previous year, Weitz has acquired soft dollar items such as macroeconomic and company-specific research, specialized journals and access to Bloomberg services.

Two other brokerage practices can be viewed as similar to "soft dollar" arrangements: (i) Weitz may allocate brokerage commissions attributable to one or more client accounts, to brokers who provide statistical data and other research used by Weitz in managing the accounts of other clients, and (ii) Weitz may utilize "step outs" from time to time. A step out occurs when Weitz directs a broker-dealer, who executes a trade, to allocate (or "step out") a portion of that trade to another broker-dealer for clearance and settlement. Weitz primarily uses step outs for large block trades and believes the use of "step-outs" assists Weitz in seeking best execution.

### **Batch Transaction Policy**

Because the size and investment objectives of client accounts may differ, the securities held in such accounts may not be identical. In appropriate circumstances, any account managed by Weitz may purchase or sell a security prior to other accounts managed by Weitz. This could occur, for example, as a result of the different client investment objectives, or varying cash resources.

Transactions for each client account are evaluated independently. However, because accounts that are managed in similar styles often have similar or identical portfolio compositions or weightings, Weitz may seek to acquire or dispose of the same securities for multiple accounts contemporaneously. Weitz seeks to aggregate trade orders in a manner that is consistent with its duties to (i) seek best execution of client orders, (ii) treat all clients fairly and equitably over time and (iii) neither advantage nor disadvantage any client or group of clients. Favorable execution factors resulting from order aggregation may include negotiating more favorable prices, obtaining more timely or equitable execution or reducing overall commission charges.

To the extent consistent with each client's investment advisory agreement and applicable law, Weitz may, but is not required to, "bunch" or "batch" together purchases or sales for several clients and allocate the trades equitably across participating accounts in order to facilitate best execution. When orders are aggregated on behalf of more than one account, the transactions will be allocated to all participating accounts in a fair and equitable manner. When a bunched order is filled in its entirety, each participating account will participate at the average price paid or received, per share or unit, on that day for the bunched order, and share in any associated transaction costs, based upon the initial amount requested for the account (subject to certain size- or cost-related exceptions). When a bunched order is partially filled, Weitz will allocate the order in accordance with its written aggregation and allocation procedures.

Weitz may include proprietary accounts in such aggregate trades subject to its duty to seek best execution and subject to its Code of Ethics. However, as discussed below, clients who limit Weitz's brokerage discretion by requiring the use of a particular broker-dealer may be unable to participate in, and may have their transactions executed after, bunched orders for the same securities.

### **Client-Directed Brokerage**

Weitz may accept, in limited instances, direction from private clients as to which broker-dealer(s) should or must be used to execute portfolio transactions. If the client directs the use of a particular broker-dealer, Weitz generally asks that the client also specify in writing (i) general types of securities for which the designated firm should be used and (ii) whether the designated firm should be used for all transactions, whether as part of the client's advisory agreement or by separate instruction. Clients that in whole or in part direct Weitz to use a particular broker-dealer to execute account transactions should be aware that in doing so they may adversely affect Weitz's ability to seek best price and execution by, for example, negotiating commission rates or spreads, obtaining volume discounts on bunched orders or executing over-the-counter stock transactions with the market-makers for such securities.

Transactions for a client that directs brokerage are not always able to be combined or "batched" for execution purposes with orders for the same securities for other accounts managed by Weitz. In these instances, a client that has directed Weitz to use a particular broker or dealer to execute its trades will generally have its trades placed at the end of batched trading activity for a particular security. Accordingly, directed transactions may be subject to price movements, particularly in volatile markets, that may result in the client receiving a price that is less favorable than the price obtained for the batched order. Under these circumstances, the direction by a client of a particular broker or dealer to execute transactions may result in higher commissions, greater spreads, or less favorable net prices than might be the case if Weitz could negotiate commission rates or spreads freely, or select brokers or dealers based on best execution. Clients should understand that, by directing brokerage, they are limiting or removing Weitz's discretion to select broker-dealers to execute their account transactions. Consequently, best price and execution may not be achieved by clients who have directed brokerage.

### **Cross Trades**

Weitz may cause an account to purchase or sell securities from or to another account in a "cross trade." Weitz has adopted policies and procedures designed to comply with applicable law with respect to cross-trades including, with respect to cross-trades involving a Fund, 1940 Act Rule 17a-7. These procedures are designed to ensure that all participating accounts are treated fairly and that an appropriate price is assigned to the crossed security. In certain circumstances, cross-trades may reduce execution related costs for participating accounts. Under applicable law, ERISA accounts may be limited in their ability to engage in cross-trades.



As noted in Item 11, Weitz will seek the consent of any other participating accounts prior to completion of a cross-trade between such account(s) and any Fund or Private Fund in which Weitz and its personnel owns in excess of 25% of the interests.

### **ITEM 13: REVIEW OF ACCOUNTS**

Investment strategies for the Funds, the Private Fund and the private accounts are monitored on an ongoing basis by the portfolio managers, investment analysts and/or other Weitz personnel, in light of changing market conditions, securities prices and fundamental investment considerations. For each Fund, the primary reviewer(s) are the portfolio manager(s), as set forth in the registration statement. The primary reviewer for the Private Fund is Wallace R. Weitz. The primary reviewer for each private account will be determined on a case-by-case basis. For private clients, the client's circumstances, including other investments, income level, tax status and needs, outstanding obligations and various other factors are reviewed periodically with the client.

Quarterly written reports are provided to each investor in the Funds, each investor in the Private Fund, and each private client, showing the value of the account and the performance of the respective Fund, Private Fund or account. This quarterly review is accompanied by written comments on the portfolio, current market outlook and investment strategy. Fund investors and private clients also receive on a quarterly basis, written reports with respect to the market value of the securities in the applicable Fund or account. Financial statements are provided annually to investors in the Funds and the Private Fund. For private clients, financial statements and additional written reports may be required by the applicable investment agreements. Investment personnel are available for individual personal meetings with private clients upon request.

### **ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION**

Not Applicable.

### **ITEM 15: CUSTODY**

Custody arrangements with respect to the Funds are not subject to Rule 206(4)-2 under the Advisers Act (the "Custody Rule"). However, for investors in the Private Fund and for private clients, due to certain arrangements, Weitz may be deemed to have "custody" of client accounts within the meaning of the Custody Rule because Weitz may have access to or authority over client funds and securities for purposes other than issuing trading instructions, such as through automatic deduction of fees or through service by a related person as the Private Fund's General Partner.

*Private Fund Investors.* Investors in the Private Fund receive copies of the Private Fund's audited financial statements within 120 days following the Private Fund's fiscal year end. If you have invested in the Private Fund, you should review these audited financial statements carefully upon receipt and you should contact us immediately if you do not receive the audited financial statements in a timely manner.

*Private Client Accounts.* If Weitz is deemed to have custody over your account, your custodian will send you periodic account statements (generally on a quarterly basis) indicating the amounts of any funds or securities in your account as of the end of the statement period and any transactions in the account during the statement period. You should review these statements carefully. You should contact us immediately if you do not receive account statements from your custodian on at least a quarterly basis. As noted in Item 13, Weitz may provide you separately with reports or account statements providing information about your account. You should compare these carefully to the account statements you receive from your custodian. If you should discover any discrepancy between the account statements, please contact us immediately.

#### **ITEM 16: INVESTMENT DISCRETION**

For the Funds and the Private Fund, the investment objectives and restrictions are set forth in the relevant registration statement, governing documents and disclosure documents. Individual investors in the Funds and the Private Fund do not have authority to impose any restrictions upon Weitz's discretion.

For private clients, discretionary authority will be evidenced in writing, generally through the advisory agreement.

Each private client account is managed in accordance with agreed upon investment objectives, which limit Weitz's authority to purchase securities that are inconsistent with the investment objectives. Additionally, private clients may (but typically do not) further limit Weitz's discretion through reasonable restrictions on the account. These restrictions generally take the form of prohibitions on particular securities or types of securities that may be held in the account (e.g., tobacco companies).

Prior to commencing management of a private client's account, Weitz and the client will determine the investment objectives that will be followed by the account as well as any reasonable restrictions.

#### **ITEM 17: VOTING CLIENT SECURITIES**

Weitz generally will exercise authority to vote proxies related to securities held in client accounts on behalf, and in the best interests, of its clients. Weitz has adopted Proxy Voting Policies and Procedures which provide that in cases where Weitz has proxy voting authority for securities held in a client account, Weitz will vote such securities for the exclusive benefit, and in the best economic interest, of those clients and their beneficiaries, as determined by Weitz in good faith, subject to any restrictions or directions from a client.

On certain routine proposals (such as those which do not change the structures, bylaws or operations of a company), Weitz will generally vote in the manner recommended by management. Non-routine proposals (such as those affecting corporate governance, compensation and other corporate events) and shareholder proposals will generally be reviewed on a case-by-case basis. An investment analyst/portfolio manager

will review each such proposal and decide how the proxy will be voted. With respect to all non-routine proposals and shareholder proposals, if a decision is made to consider voting in a manner other than that recommended by management, the analyst/portfolio manager will make a recommendation to a committee comprised of all investment analysts and portfolio managers (the “Proxy Voting Committee”) as to how to vote the proxy and the Proxy Voting Committee will make the final determination as to how to vote the proxy in the best economic interests of the client.

If Weitz determines that voting a particular proxy would create a material conflict of interest between Weitz’s interest or the interest of any of Weitz’s affiliated parties and the interest of clients, Weitz will either (i) disclose such conflict of interest to the client and obtain the consent of the client before voting the proxy; (ii) vote such proxy based upon the recommendations of an independent third party such as a proxy voting service; or (iii) in the case of the Funds, delegate the responsibility for voting the particular proxy to the Board’s Corporate Governance Committee.

Generally, private client investment agreements grant Weitz the right to vote all proxies related to the securities held in the account. However, in some cases, a private client may choose not to grant Weitz voting authority. If a private client does not grant voting authority to Weitz and wishes to vote its own proxies, that client would be responsible for arranging delivery of proxy materials from the client’s custodian or the relevant transfer agent. In addition, any private client requests to vote securities on specific matters will be handled on a case-by-case basis.

You may request (i) a copy of Weitz’s Proxy Voting Policies and Procedures and/or (ii) for private clients and for investors in the Private Fund, information about how Weitz has voted securities in your account or the Private Fund by contacting us at 1-800-304-9745.

## **ITEM 18: FINANCIAL INFORMATION**

As noted in Item 16, Weitz has discretionary authority with respect to client funds and securities. Accordingly, Weitz is required to disclose in this Brochure that Weitz has no financial condition that is reasonably likely to impair Weitz’s ability to meet contractual commitments to clients.



Wallace R. Weitz & Company

## ADV PART 2B BROCHURE SUPPLEMENT

(Information as of 6/30/2011)

Wallace R. Weitz, CFA

Bradley P. Hinton, CFA

Thomas D. Carney, CFA

Jonathan A. Baker, CFA

Barton B. Hooper, CFA

David A. Perkins, CFA

Andrew S. Weitz

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This brochure supplement provides information about Wallace R. Weitz, Bradley P. Hinton, Thomas D. Carney, Jonathan A. Baker, Barton B. Hooper, David A. Perkins and Andrew S. Weitz that supplements the brochure for Wallace R. Weitz & Company. You should have received a copy of that brochure. Please contact John Detisch ((402) 391-1980) if you did not receive the brochure or if you have any questions about the contents of this supplement.

Additional Information about Wallace R. Weitz, Bradley P. Hinton, Thomas D. Carney, Jonathan A. Baker, Barton B. Hooper, David A. Perkins and Andrew S. Weitz is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## EDUCATIONAL BACKGROUND & BUSINESS EXPERIENCE



### **WALLACE R. WEITZ, CFA\***

**Birthdate:** 4/28/1949

Wally is the founder and President of Wallace R. Weitz & Company. Wally, a CFA charterholder, is the portfolio manager for the Weitz Funds' Hickory Fund and Partners III Opportunity Fund and is co-portfolio manager for the Weitz Funds' Value Fund and Partners Value Fund. Wally also manages a private investment limited partnership for the firm, and manages investments for several of the firm's private clients.

After earning a B.A. in Economics at Carleton College in 1970, Wally spent three years in New York doing security analysis, primarily on the small companies in which G.A. Saxton made over-the-counter markets. In 1973 he joined Chiles, Heider & Co., a regional brokerage firm in Omaha, where he spent ten years as an analyst and portfolio manager. In 1983 he started Wallace R. Weitz & Company, and now heads a group of eight investment professionals.



### **BRADLEY P. HINTON, CFA\***

**Birthdate:** 3/19/1968

Brad joined Wallace R. Weitz & Company in 2001. He is Director of Research and is the portfolio manager for the Weitz Funds' Balanced Fund, co-portfolio manager for the Weitz Funds' Value Fund and Partners Value Fund.

Brad received a B.S. in Finance from the University of Nebraska-Lincoln in 1990 and an M.B.A. from Dartmouth College in 1994. Prior to joining the firm, Brad was a trading associate and debt manager for ConAgra Foods (1998-2001), a fixed income investment manager for Principal Financial Group (1994-1998) and a staff analyst for the Federal Reserve Bank of Kansas City (1990-1992). Brad has been a CFA charterholder since 1997.



### **THOMAS D. CARNEY, CFA\***

**Birthdate:** 2/26/1964

Tom joined Wallace R. Weitz & Company in 1995. He is the portfolio manager for the Weitz Funds' Nebraska Tax-Free Income Fund, Short-Intermediate Income Fund and Government Money Market Fund. Tom also manages investments for one of the firm's private clients.

Tom earned a B.S. in Finance in 1990 from the University of Nebraska-Omaha. He began his investment career in 1982 at Chiles, Heider & Co., Inc., a regional brokerage firm in Omaha, where he held several positions. From 1986 to 1995, he was a municipal securities professional with Smith Barney in Omaha. Tom has been a CFA charterholder since 1999 and was the president of the CFA Society of Nebraska from 2005-2006.



**JONATHAN A. BAKER, CFA\***

**Birthdate:** 7/6/1971

Jon joined Wallace R. Weitz & Company in 1997. He graduated from the University of Notre Dame and previously spent 4 years as an accountant at McGladrey & Pullen.



**BARTON B. HOOPER, CFA\***

**Birthdate:** 11/29/1968

Barton joined Wallace R. Weitz & Company in 2007. He graduated from the University of Missouri and received his MBA from Washington University. Barton brings to the firm 13 years of accounting & investment management experience.



**DAVID A. PERKINS, CFA\***

**Birthdate:** 5/4/1979

Dave joined Wallace R. Weitz and Company in 2004. He graduated from Taylor University and previously spent 2 ½ years as an equity analyst at McCarthy Group Asset Management.



**ANDREW S. WEITZ**

**Birthdate:** 1/24/1980

Drew joined Wallace R. Weitz & Company in 2008. He graduated from Carleton College and previously spent 4 years at Ariel Investments.

\* Earning the CFA charter requires successful completion of the CFA Program, a graduate-level self-study program that combines a broad curriculum with professional conduct requirements, culminating in three sequential exams covering topics such as Ethical and Professional Standards, Quantitative Methods, Economics, Financial Reporting, Security Analysis, and Portfolio Management. Charters are issued by the CFA Institute which is a global, not-for-profit organization comprising the world's largest association of investment professionals dedicated to developing and promoting the highest educational, ethical, and professional standards in the investment industry.

## DISCIPLINARY INFORMATION

No principal or employee of Wallace R. Weitz & Company has ever been a subject of any disciplinary event or proceeding.

## OTHER BUSINESS ACTIVITIES

Our investment professionals do not engage in substantial other business activities.

## ADDITIONAL COMPENSATION

Our investment professionals do not engage in other activities that render substantial additional compensation.

## SUPERVISION

The investment professionals at Wallace R. Weitz & Company report to Bradley P. Hinton, Director of Research, and to Wallace R. Weitz, President of the firm. The investment professionals meet regularly to review investments and strategy for both private clients and the Weitz Funds. Wallace R. Weitz, President of the firm, can be reached at (402) 391-1980.