

## **FIRM BROCHURE**

(Part 2A of Form ADV)

This brochure provides information about the qualifications and business practices of Arnold Weitz and Co. If you have any questions about the contents of this brochure, please contact us at (402)392-2244. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Arnold Weitz is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Arnold Weitz and Co. is 108026.

Arnold Weitz and Co. is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Brochure as of March 15, 2024

### ***ARNOLD WEITZ & Co.***

***AN INDEPENDENT REGISTERED INVESTMENT ADVISOR***

Arnold Weitz and Company

20488 Park Road Elkhorn, NE 68022

Phone: (402)392-2244

Fax: (402)392-0320

[Arnold.Weitz@Raymondjames.com](mailto:Arnold.Weitz@Raymondjames.com)

<https://www.raymondjames.com/awcfinancial/>

## ***Item 2 – Summary of Material Changes***

This section describes material changes to Arnold Weitz and Company's Part 2A of Form ADV ("Firm Brochure") since its last annual amendment. This Firm Brochure, dated March 15, 2024, has been prepared according to the U.S. Securities and Exchange Commission's ("SEC") disclosure requirements.

Additionally, in lieu of providing clients with an updated Firm Brochure each year, we typically provide existing advisory clients with a summary describing any material changes occurring since the last annual amendment. In such instances, we will make this delivery to existing clients within 120 days of the close of the fiscal year, which ends December 31st. Clients receiving the summary of material changes who wish to receive a complete copy of the then-current Part 2A Firm Brochure may request a copy at no charge by contacting Arnold Weitz and Company at 402-392-2244.

The following material change(s) to this brochure have occurred since its last annual amendment:

### **ITEM 4 PAGE 4 and 6 "ADVISORY BUSINESS"**

Update the amount of Assets Under Management as the amount of assets under management at Arnold Weitz and Co. have changed since the last update.

### Item 3 - Table of Contents

<b><i>Material Changes.....</i></b>	<b><i>2</i></b>
<b><i>Item 4 - Advisory Business.....</i></b>	<b><i>4</i></b>
<b><i>Item 5 - Fees and Compensation .....</i></b>	<b><i>7</i></b>
<b><i>Item 6 - Performance-Based Fees and Side-By-Side Management.....</i></b>	<b><i>12</i></b>
<b><i>Item 7 - Types of Clients.....</i></b>	<b><i>12</i></b>
<b><i>Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss .....</i></b>	<b><i>13</i></b>
<b><i>Item 9 - Disciplinary Information.....</i></b>	<b><i>15</i></b>
<b><i>Item 10 - Other Financial Industry Activities and Affiliations .....</i></b>	<b><i>16</i></b>
<b><i>Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....</i></b>	<b><i>16</i></b>
<b><i>Item 12 - Brokerage Practices .....</i></b>	<b><i>17</i></b>
<b><i>Item 13 - Review of Accounts.....</i></b>	<b><i>17</i></b>
<b><i>Item 14 - Client Referrals and Other Compensation.....</i></b>	<b><i>20</i></b>
<b><i>Item 15 - Custody .....</i></b>	<b><i>20</i></b>
<b><i>Item 16 - Investment Discretion.....</i></b>	<b><i>20</i></b>
<b><i>Item 17 - Voting Client Securities.....</i></b>	<b><i>21</i></b>
<b><i>Item 18 - Financial Information.....</i></b>	<b><i>21</i></b>

## ***Item 4 - Advisory Business***

Form ADV Part 2A, Item 4

### **OUR FIRM**

Arnold Weitz and Company (Further referenced as AWC) is an Omaha based Wealth management firm that was incorporated in 1992. As of January 30, 2024 Arnold, Weitz and Company is responsible for managing approximately \$370,610,122.20 in assets of which \$139,737,861.90 is managed on a discretionary capacity. Every account is managed in accordance with the individual investment objectives of the client.

Arnold Weitz and Company is not a custodian of any accounts. Throughout the remainder of the document the terms "custodian" or "financial institution" is used to describe any entity that holds your investments, insurance policies, deposits or other financial relationship other than advisory services. These include broker/dealer firm, insurance company, bank, trust company or any other company that provides these services.

### **Our Principal Officers**

Arnold Weitz is the President of Arnold Weitz & Company. Arnie has over 40 years' experience in the securities industry with companies which include Shearson Lehman, Rodman & Renshaw, and Hamilton Investments. He founded AWC in 1992.

Tiffany Polifka CFP® is a Financial Planner and Chief Compliance Officer for AWC and has been with the firm since 2008.

Further information about Mr. Weitz and all other officers and employees of Arnold Weitz & Company can be found in Part 2B of the Firm Brochure Supplement.

### **OUR SERVICES**

#### **INVESTMENTS**

Investments through Arnold Weitz and Co. include but are not limited to the following. Equities including exchange listed securities, over the counter securities, and foreign issuers. Warrants, options, corporate debt securities, commercial paper, municipal securities, government securities and mutual fund shares.

#### **PORTFOLIO MANAGEMENT SERVICES**

AWC will collect financial data from the client and assist the client in determining the suitability of the Program based on financial information disclosed by the client to AWC. AWC then provides investment advisory services specific to the needs of each client. The investment advice varies depending upon the client's life situation, desires, objectives, and other preferences.

Investments and allocations are determined and based upon the clients predefined objectives, risk tolerance, time horizon, financial horizon, financial information, and other various suitability factors that are determined. Accounts are managed on an individualized basis. Further restrictions and guidelines imposed by clients may affect the composition and performance of a client's portfolio. For these reasons, performance of the portfolio may not be identical with the average client of AWC. On an ongoing basis, AWC reviews the client's financial circumstances and investment objectives and makes any adjustments to the client's portfolio as may be necessary to achieve the desired results.

Portfolio Management Services are offered on a fully discretionary or non-discretionary basis with regard to the allocation and investment management of client assets among various asset categories, for example, equity securities, corporate debt securities, mutual funds, and exchange traded funds. This service also includes assistance in the selection, retention, and disposition of investment positions. AWC offers a unique product line where asset allocation models, ranging from conservative short term to aggressive long term, are developed and managed based on research and analysis conducted by Advisors of AWC. Once the client portfolio is constructed, Arnold Weitz and Co. provides continuous supervision of the portfolio as changes in the market conditions and client circumstances may require.

## FINANCIAL PLANNING SERVICES

To the extent requested by a client, AWC *may* determine to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone separate fee basis or as part of the fee-based agreement. Prior to engaging AWC to provide planning or consulting services, clients are generally required to enter into a *Financial Planning and Consulting Agreement* with AWC setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to AWC commencing services. If requested by the client, AWC may recommend the services of other professionals for implementation purposes. The decision to implement any recommendation rests exclusively with you, and you have no obligation to implement any such recommendations through us or our affiliates

Arnold Weitz and Company offers Financial Planning for Individuals and Families. This may include the following:

### General

- Defining your goals
- Establishing Financial Planning Objectives
- Organizing your financial resources
- Analyzing your situational risk factors to support better decision making
- Providing research and information that is relevant to your situation
- Assist in major financial decision making
- Offering access to a **CERTIFIED FINANCIAL PLANNER™**

### Retirement

- Providing clear parameters for a safe retirement, and defining when retirement is possible
- Electing when Social Security and other retirement pensions should be collected
- Budgeting properly for Medical and other significant costs in retirement
- Identifying the income and expenses in retirement

### Investments

- Establishing clear market risk and return expectations
- Identify ideal asset allocations
- Research investment opportunities

- Constructing a custom portfolio given your unique situation
- Providing regular research and performance reports

#### Estate and Legacy

- Reviewing your current estate plan
- Charitable giving planning
- Minimization of estate and gift taxation

#### Risk Management and Insurance

- Examine current insurance and needs analysis
- Assistance in reviewing Health and Medicare needs
- Review of auto and homeowner's policies

#### Item 4 (D)

Arnold Weitz and Company offers to our clients a number of Raymond James & Associates, Member NYSE/SIPC managed wrap programs, including Ambassador and Freedom accounts under a sub-advisory agreement with Raymond James & Associates, Member NYSE/SPIC. Our advisors work with our clients to choose an appropriate program and help the client to select the managers, strategies, or disciplines within the programs, as applicable. Once the program [described in more detail in this brochure] is selected by the client, Arnold Weitz and Company is appointed as a discretionary investment adviser under the appropriate advisory agreement. In this way, Arnold Weitz and Company acts as a sub-adviser in directly (or indirectly through other subadvisors) managing client's assets through the selected program. Both Raymond James & Associates (and its affiliates and agents, and other subadvisors, as applicable) and Arnold Weitz and Company advisors receive a portion of the advisory fee paid by the client.

#### Item 4 (E)

As of January 30th, 2024, the assets under management for AWC advisory business are as follows:

Non-Discretionary	\$230,872,260.31
Discretionary	\$139,737,861.90
Total Advisory assets	\$370,610,122.21

## ***Item 5 - Fees and Compensation***

### **Item 5 (A)**

Compensation for advisory services is negotiated at the time of agreement between the client and Arnold Weitz and Co. New ongoing Financial Planning clients of Arnold Weitz and Company generally begin by paying an initial, one-time cost and/or annual percentage of investment cost, as described below.

Our Primary Service for Individuals and Families –

#### **1) Ambassador**

Ambassador accounts are a fee-based account, offered and administered through Raymond James & Associates, which offers you, on a non-discretionary basis (or discretionary, provided certain qualifications are met), the ability to pay an advisory fee on the assets in your account in lieu of a commission for each transaction.

Account Minimum: \$25,000

Arnold Weitz and Co's uses the fee schedule provided by Raymond James & Associates as a basis for our Ambassador accounts. Please note that quoted fees may be negotiated within the stated fee schedule and certain circumstances may dictate an exception from the set range.

Up to \$ 1 Million	2.25% Annually
\$1 Million up to \$2 Million	2.00% annually
\$2 Million up to \$5 Million	1.75% annually
\$5 Million up to \$10 Million	1.50% Annually
\$10 Million and up	1.25% Annually

Rates on bond portfolios may differ.

The fee will be paid quarterly and in arrears for clients' who transitioned over from IMPAC accounts to the Ambassador Program and in advance for all new Ambassador accounts. The fee is calculated using the account value on the last business day of the quarter for the previous quarter.

Your Agreement may be terminated by you or us at any time upon providing notice pursuant to the provisions of your Agreement. In the event of termination of your Agreement, we will refund to you the prorated portion of the fee for the quarter of termination. There is no penalty for terminating your agreement.

#### **2) Freedom Accounts**

The Freedom Account is an investment advisory account which allocates your assets, through discretionary mutual fund or exchange traded fund ("ETF") management, based upon your financial objectives and risk tolerances. You appoint Raymond James & Associates, Member NYSE/SIPC as your investment manager to select the representative funds and monitor their performance on a continuing basis. Arnold Weitz & Company provides fiduciary advice for a portion of the fee.

For further information refer to the RJA Wrap Fee Program Brochure.

### **3) Financial Planning**

New clients generally pay a one-time initial fee. This is to pay for the comprehensive analysis and review of your current situation. We will use the related financial documents you provide to create a snapshot of your current position and hold the necessary number of meetings to help you create a future plan.

- 1) Initial, one-time cost: For new clients, this initial cost is determined by the complexity of your situation. Generally, the fee ranges from \$500 to \$5000. These values are based on an hourly fee of \$150 per hour. This amount may be higher for more complex situations.
- 2) Ongoing Financial Planning and Investment advice: Once an initial inventory of your situation has been completed, all subsequent financial advice is billed at a flat rate. This rate is determined based the number of hours and an hourly fee of \$150 per hour. This may be higher for more complex situations.

The hourly rate above is non-negotiable; however, we may offer fee discounts to employees or members of certain employers or organizations. The number of hours billed may be negotiable, as you may specify or limit the scope of the financial planning initially completed prior to becoming an ongoing Financial Planning & investment advisory Service client. Hourly financial planning excludes any form of investment advice.

We will generally ask for a deposit towards the total estimated amount required when beginning our work. Your Agreement may be terminated by you or us at any time upon providing notice pursuant to the provisions of your Agreement. In the event of termination of your Agreement, we will refund to you the prorated portion of the fee for the work completed at the point of termination. There is no penalty for terminating your account.

You may choose to how to pay your ongoing financial planning fees. They can be deducted from your account(s) and paid directly to our firm by the custodian's or you may pay the firm upon receipt of a billing notice sent directly to you if that preference has been stated to us in writing 30 days in advance. All fees are due upon receipt of the billing notice.

#### **OTHER COMPENSATION CONSIDERATIONS:**

#### **AGGREGATION OF RELATED FEE-BASED ACCOUNTS**

Effective October 1, 2017 Raymond James & Associates, Member NYSE/SIPC modified its policy with respect to how it combines a client's related accounts for determining the applicable program fee. Prior to this change, Raymond James & Associates, Member NYSE/SIPC defined related accounts that were eligible for aggregation based on the similarity of the account programs. Under the modified policy, all fee-based accounts maintained by a client are eligible to be combined for billing purposes. In addition, Raymond James & Associates, Member NYSE/SIPC no longer limits related accounts that may be aggregated to spouses and their children under the age of 21. Clients should consult with their financial advisor to identify their eligible related accounts (some restrictions may apply to retirement accounts).

#### **BILLING ON CASH BALANCES**

Cash balances that exceed 20% of the Account Value at quarter end in Ambassador accounts will be excluded from the billable account value for the purpose of calculating an asset- based advisory fee. Exclusion of excess cash from the advisory fee is intended to benefit clients holding substantial cash balances (as a percentage of the total individual Account Value) for an extended period of time. Clients should understand that the portion of the account held in cash will experience negative performance if the applicable advisory fee charged is higher than the return received on the cash sweep balance.



## INVESTMENT OF CASH RESERVES

Raymond James & Associates, Member NYSE/SIPC has established certain programs through which cash reserves “sweep” daily to and from the client’s investment account to cover purchases or to allow excess cash balances to immediately begin earning interest, subject to certain minimum balances. The account in which these cash reserves are held is considered the client’s sweep account. Raymond James & Associates, Member NYSE/SIPC sweep programs include the following:

- Client Interest Program® (CIP)
- Raymond James Bank Deposit Program (“RJBDP”), including:
  - RJBDP – Raymond James Bank Only
  - RJBDP with CIP

However, not all sweep programs are available in all accounts; rather, what sweep programs are available depends on the specific account type.

With respect to cash reserves of advisory client accounts, the custodian of the account assets will determine where cash reserves are held. The custodian may offer one or multiple options to different account types (such as non-taxable and managed accounts). In addition, the custodian may, among other things, consider terms and conditions, risks and features, conflicts of interest, current interest rates, the manner by which future interest rates will be determined, and the nature and extent of insurance coverage (such as deposit protection from the Federal Deposit Insurance Corporation (“FDIC”) and SIPC). The custodian may change, modify or amend an investment option at any time by providing the client with thirty days advance written notice of such change, modification or amendment.

Clients selecting the Raymond James Bank Deposit Program (“RJBDP”) option are responsible for monitoring the total amount of deposits held at each Bank in order to determine the extent of FDIC insurance coverage available. Raymond James & Associates, Member NYSE/SIPC is not responsible for any insured or uninsured portion of client deposits at any of the Banks.

## Item 5 (B)

### BILLING

AWC allows clients to decide if they prefer to have the fee deducted from their account or if they wish to be billed.

Ambassador Client and Freedom client fees paid quarterly and in arrears for clients’ who transitioned over from IMPAC accounts and in advance for all new Ambassador accounts.

Financial Planning clients will pay a deposit in advance for the initial plan.

Ongoing Financial Planning & investment advisory Service clients will be billed in advance quarterly.

All fees paid to Arnold Weitz and Co., for investment advisory services, are separate and distinct from the fees and expenses charged by mutual funds, closed-end investment companies or other managed investments to their shareholders. These fees and expenses are described in each fund's prospectus. Fees charged by mutual funds will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, the Client may pay an initial or deferred sales charge.

## Item 5 (C)

### **MUTUAL FUND INVESTMENTS AVAILABLE THROUGH RAYMOND JAMES & ASSOCIATES, MEMBER NYSE/SIPC**

You should be aware that only those mutual fund companies with which Raymond James & Associates, Member NYSE/SIPC has a selling agreement with will be available for purchase within the Ambassador program and are generally limited to those fund companies that provide Raymond James & Associates, Member NYSE/SIPC and its affiliates marketing service and support fees. As a result, not all mutual funds available to the investing public will be available for investment at Raymond James & Associates, Member NYSE/SIPC, and clients should not assume that share classes with the lowest available expense ratio are available. Eligibility for various share classes offered by mutual funds to be used as part of the Advisory or Managed account programs, as described under Item 4 – Advisory Business, is determined by the mutual fund and disclosed in the fund's prospectus.

However, Raymond James & Associates, Member NYSE/SIPC has selling agreements with over 200 fund companies, offering approximately 9,000 separate mutual funds for potential investment.

Shareholders considering transferring mutual fund shares to or from Raymond James & Associates, Member NYSE/SIPC should be aware that if the firm from or to which the shares are to be transferred does not have a selling agreement with the fund company, the shareholder must either redeem the shares (paying any applicable contingent deferred sales charge ("CDSC") and potentially incurring a tax liability) or continue to maintain an investment account at the firm where the fund shares are currently being held. Clients should inquire as to the transferability, or "portability", of mutual fund shares prior to initiating such a transfer.

### **MUTUAL FUNDS ASSESSED OR SUBJECT TO 12B-1 FEES OR SALES CHARGES**

In June 2018, Raymond James & Associates, Member NYSE/SIPC began converting existing advisory fee-eligible mutual fund positions in Ambassador Program accounts to a specific mutual fund share class ("wrap recommended share class") in an effort to provide advisory clients with lowest cost share class available through Raymond James & Associates, Member NYSE/SIPC. This conversion does not apply to non-wrap eligible, non-billable positions such as C shares or other back-end load shares that may be held in a client's Ambassador account and not eligible for advisory fee billing. Raymond James & Associates, Member NYSE/SIPC will perform ongoing quarterly maintenance conversions to ensure the wrap recommended share class has been selected for the client's account. These share class conversions are non-taxable events, and clients' cost basis will carry over to the new wrap recommended share class.

Raymond James & Associates, Member NYSE/SIPC has established conversion processes to exchange class C shares to a lower cost share class once the class C shares have been held for at least one year or are otherwise no longer subject to the fund company's contingent deferred sales charge (or CDSC, which is typically 1% of the amount invested). The one year holding period is the required minimum holding period typically established by fund companies before they become eligible for exchange to another share class without being subject to the CDSC. However, certain funds may require that investors hold the Class C shares greater than or less than one year before these shares are CDSC-free. CDSC-free class C shares held in advisory program accounts will automatically be exchanged, on a tax-free basis, to the recommended share class by Raymond James & Associates, Member NYSE/SIPC on a quarterly basis. For example, a client that holds \$50,000 in class C shares purchased 6 months ago that subsequently transfers these shares to their Ambassador account will not be assessed an advisory fee for 6 months, although the shares will be subsequently exchanged by Raymond James & Associates, Member NYSE/SIPC to the recommended share class the month after they are CDSC-free, at which point the newly exchanged shares will be subject to advisory fees.

Investments held in Ambassador accounts may be comprised of mutual fund shares only (both load-waived and no-load funds may be utilized), individual equity and fixed income securities, or a combination of mutual

fund shares and individual securities. With respect to load funds, only the wrap recommended share class of such funds for which the mutual fund sales charge has been waived, may be purchased and charged an advisory fee in these programs. Clients may hold fund shares in a fee-based Ambassador account that were originally purchased in a commission-based account and assessed a front-end load at Raymond James & Associates, Member NYSE/SIPC. However, Raymond James & Associates, Member NYSE/SIPC will designate these shares as Administrative-Only assets for two years from their original purchase date, and no advisory fee will be charged on these assets during this period.

In the event a client purchased a share class designated as Administrative-Only (or “ineligible”) that is subsequently exchanged into a share class that is otherwise eligible for advisory fees (for example, class C shares held for a year and exchanged into a no-load or load-waived class A share as described above), the Two Year Rule will not apply, provided the client held the ineligible share class at least one year before converting to an eligible share class and the original load was 1.05% or less. Clients should understand that this Two-Year Rule may create a financial incentive for their financial advisor to recommend the client exchange to an advisory fee-eligible share class. However, per the above example of exchanging C shares to load-waived A shares, this incentive is mitigated by requiring that the C shares must be held for at least one year before they will be allowed to be exchanged for A shares, where the load associated with C shares is typically 1%. The Two-Year Rule is expressly intended to avoid assessing advisory fees on share classes assessed a load in excess of 1%, where the maximum load is typically in excess of 4%.

## **ADDITIONAL FEES AND EXPENSES**

In addition to the aforementioned, there may be other costs assessed, which are not included in the managed program fee, such as costs associated with exchanging currencies; wire transfer fees; or other fees required by law.

### **Item 5 (D)**

Ambassador Client and Freedom client fees paid quarterly and in arrears for clients' who transitioned over from IMPAC accounts and in advance for all new Ambassador accounts. Financial Planning clients will pay a deposit in advance for the initial plan.

### **Item 5 (E)**

In the case of assets purchased in an advisory account where a commission is charged the investment is then excluded from account balance and they are treated as fee excluded investments. Clients of Arnold Weitz and Company have the option to purchase investment products recommended by Arnold Weitz and Company through brokers or agents not affiliated with AWC.

Other investments may be transferred in or bought and sold in the clients account but not charged an advisory fee. These investments are referred to as “Fee Exempt Investments”.

## **OTHER POTENTIAL CONFLICTS OF INTEREST TO CONSIDER:**

AWC may have benefit by recommending certain fee-based advisory programs rather than certain other account types. A portion of the annual advisory fee is paid to AWC, which may be more than we would receive under an alternative program, or if you paid for these services separately. Therefore, AWC may benefit by recommending a particular account program over another. If you do not wish to purchase ongoing investment advice or management services and you wish to follow a buy and hold strategy, you should consider opening a brokerage account rather than a fee-based account. In a brokerage account, a client is charged a commission for each transaction, and the representative has no duty to provide ongoing advice with respect to the account.

AWC does not benefit from recommending or selling affiliated mutual funds versus non-affiliated funds.

However, because compensation structures vary by product type, AWC may receive higher compensation for certain product types.

Arnold Weitz & Company endeavors at all times to put the interests of its advisory clients first. You should be aware, however, that the receipt of economic benefits by AWC in and of itself creates a potential conflict of interest.

Arnold Weitz & Company has established and maintains procedures in compliance with the Insider Trading and Securities Fraud Enforcement Act of 1988. These procedures outline firm-wide policies on compliance by the adviser and its associated persons and other employees. These procedures have been distributed to all associated persons and employees of AWC.

In addition to the fee-based compensation AWC receives for providing advisory services, representatives of AWC is also a registered representative of RJFS and earn commissions for transactional business in accordance with Raymond James & Associates, Member NYSE/SIPC Financial Services, Inc.'s published commission schedule. At the conclusion of each year, qualifying advisers are awarded membership in the Raymond James Financial Services, Inc.'s recognition clubs. Qualification for recognition clubs is based upon a combination of the adviser's annual production (both advisory and transactional), total client assets under administration, and the professional certifications acquired through educational programs. Participation in these recognition clubs represents a potential conflict of interest since the qualification criteria is based, in part, on the annual gross production of the IAR, and as a result, the IAR is incentivized to increase their gross production (that is, increase their commissions and advisory fees) to obtain the required recognition club level. Recognition club members will receive invitations to trips and/or conferences and will also receive incentive compensation in the form of cash payments, stock options, and restricted stock units.

### ***Item 6 - Performance-Based Fees and Side-By-Side Management***

Form ADV Part 2A, Item 6

Arnold Weitz & Co. does not use a performance-based fee structure or participate in any side-by-side management.

Performance-based fee arrangements involve the payment of fees based on a share of capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees.

### ***Item 7 - Types of Clients***

Form ADV Part 2A, Item 7

Arnold Weitz and Co. provides investment advisory and financial planning services including but not limited to the following:

- Individuals
- Trusts
- Families
- Corporations or Partnerships
- Charitable Organizations

- Foundations
- 401 (k)'s

Arnold Weitz and Co. will generally require an asset value of \$50,000 in order to establish a new Investment Advisory account.

Arnold Weitz & Co. does not require a minimum asset amount for financial planning or consulting services.

## ***Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss***

### **Item 8 (A)-(B)**

In our investment advisory accounts Arnold Weitz and Co. employs a stock strategy that tends to include larger well branded companies that pay dividends and have a strong tendency to increase dividends. We believe this strategy like all others carries risk. We don't believe this risk to be significant risk as the nature of the type of company that fits into our description tends to be more stable in both advancing and declining markets.

In some accounts we employ more of a balanced strategy with income and equity exposure. We consider the risk of this strategy less than our equity strategy as we invest in investment grade bonds and preferreds as well as high quality income producing products.

Our Financial Planning decision process uses empirical data and client goals, values, and preferences as the primary influencing inputs. Our recommendations are based on published research and our clients' stated preferences. We believe that incorporating these preferences are essential for clients to have a sense of ownership of the plan and are more likely to continue with the implementation of their plan.

### **Item 8 (C)**

#### **SPECIFIC STRATEGY RISKS**

Certain strategies employed by the Firm may incur more risk than others may incur. The risk involved with these specific strategies should be evaluated by the client and the investment advisor prior to any investment being made in order to ensure that the client's goals, objectives, and financial situation is such that he or she is able to bear the risks inherent to these investments.

Certain investment strategies may utilize a concentrated investment strategy. Concentrated portfolios generally hold the securities of a limited number of companies and, therefore, may be more volatile because the risk specific to each company may represent a larger portion of assets. The performance of these portfolios can differ significantly from that of the broad equity market.

#### **PRINCIPAL RISKS**

We may employ one or more of the following methods of investment analysis:

- **Fundamental Analysis:** involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value. The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for an investment's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

- **Charting Analysis:** involves the gathering and processing of price and volume information for a particular security. This price and volume information is analyzed using mathematical equations. The resulting data is then applied to graphing charts, which is used to predict future price movements based on price patterns and trends. Charts may not accurately predict future price movements. Current prices of securities may reflect all information known about the security and day to day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.
- **Technical Analysis:** involves studying past price patterns and trends in the financial markets to predict the direction of both the overall market and specific stocks.
- **Cyclical Analysis:** a type of technical analysis that involves evaluating recurring price patterns and trends. The risk of market timing based on technical analysis is that charts may not accurately predict future price movements. Current prices of securities may reflect all information known about the security and day to day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

Sources of information may include Raymond James & Associates, Member NYSE/SIPC Research, financial publications, research materials prepared by others, corporate rating services, annual reports, prospectuses and filings with the U.S. Securities and Exchange Commission.

Since investment goals and financial circumstances change over time, you should review your investment program at least annually with your IAR. You may change your objectives at any time. For more information regarding this topic you may wish to review the Raymond James & Associates, Member NYSE/SIPC Client Bill of Rights and Responsibilities, provided to you upon opening your account.

## PRINCIPAL RISKS

Investing in securities involves risk of loss that you should be prepared to bear. All investment programs have certain risks that are borne by the investor. Among others, investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** This type of risk is the chance that future cash from an investment will not be worth as much due to inflation. Inflation is the increase in the price of goods and services, which causes purchasing power to erode.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of loss than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, U.S. Treasury Securities are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profit loss, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

- **Correlation Risk:** This is the risk that the actual correlation (a statistical measure of how two or more variables move in relation to each other) between two assets (or variables) will be different than the correlation that was assumed or expected. Differences between the actual and expected correlation may result in a portfolio being riskier than was anticipated.
- **Counterparty/Default Risk:** This is the risk that a party to a contract will not live up to (or will default on) its contractual obligations to the other party to the contract.
- **Valuation Risk:** This is the risk that an asset is improperly valued in relation to what would be received upon its being sold or redeemed at maturity.
- **Tax Risk:** This is the risk that tax laws may change and impact the underlying investment premise or profitability of an investment.
- **Cybersecurity Risk:** Intentional cybersecurity breaches include unauthorized access to systems, networks, or devices (such as through "hacking" activity); infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. In addition, unintentional incidents can occur, such as the inadvertent release of confidential information (possibly resulting in the violation of applicable privacy laws). A cybersecurity breach could result in the loss or theft of customer data or funds, the inability to access electronic systems ("denial of services"), loss or theft of proprietary information or corporate data, physical damage to a computer or network system, or costs associated with system repairs. Such incidents could cause an investment fund, the advisor, a manager, or other service providers to incur regulatory penalties, reputational damage, additional compliance costs, or financial loss.
- **Technology Risk:** Raymond James & Associates, Member NYSE/SIPC must rely in part on digital and network technologies to conduct its business and to maintain substantial computerized data relating to client account activities. These technologies include those owned or managed by Raymond James & Associates, Member NYSE/SIPC as well as those owned or managed by others, such as financial intermediaries, pricing vendors, transfer agents, and other parties used by Raymond James & Associates, Member NYSE/SIPC to provide services and maintain its business operations. These technology systems may fail to operate properly or become disabled as a result of events or circumstances wholly or partly beyond Raymond James' & Associates, Member NYSE/SIPC or its service providers' control. Technology failures, whether deliberate or not, including those arising from use of third-party service providers or client usage of systems to access accounts, could have a material adverse effect on our business or our clients and could result in, among other things, financial loss, reputational damage, regulatory penalties or the inability to conduct business.

## ***Item 9 - Disciplinary Information***

Form ADV Part 2A, Item 9

### **Disciplinary History**

Arnold Weitz and Co. has no reportable disciplinary history. Neither Arnold Weitz and Co. nor its management persons have been the subject of legal or regulatory findings, or are the subject of any pending criminal proceedings that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our firm.

## ***Item 10 - Other Financial Industry Activities and Affiliations***

Form ADV Part 2A, Item 10

### **Item 10 (A)-(C)**

Investment Advisor representative(s) of AWC are registered representative(s) of Raymond James Financial Services, Inc. (RJFS), member FINRA/SIPC, which is a wholly owned subsidiary of Raymond James Financial, Inc. RJFS clears its securities transactions on a fully disclosed basis through Raymond James & Associates, Inc. (member NYSE/SIPC), which is also a wholly owned subsidiary of Raymond James Financial, Inc. Notwithstanding the fact that principals and associates of the advisor may be registered representatives of RJFS, the advisor is solely responsible for investment advice rendered. Advisory services are provided separately and independently of the broker/dealer.

If an employee receives compensation or consideration, it must be disclosed in to AWC and is reported to clients in Part 2 of the Firm Brochure supplement.

AWC requires its employees to disclose any business activities performed outside their work for the company. Our employees may regularly participate in professional activities, including volunteering for the Financial Planning Association, The CFP institute or their local chapters. Employees may also perform public service related to other non-financial charities or engage in other unrelated roles, so long as participation does not affect their fiduciary duty to clients as a financial planner or registered advisor. Any material participation in any other organization will be disclosed within Part 2B of the Firm Brochure Supplement.

### **Professional Designations**

Some of Arnold Weitz and Companies employees hold the CERTIFIED FINANCIAL PLANNER <sup>™</sup> professional designation and must abide by the requirements associated with holding such marks, including those related to education, examination, experience and ethical commitments. Additional professional designations may be pursued by employees. These activities are intended to improve the professional knowledge and service levels of our employees.

### **Item 10 (D)**

Arnold Weitz and Co. does not recommend any other advisors that it gets compensation for.

## ***Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading***

Form ADV Part 2A, Item 11

### **Item 11 (A)-(B)**

AWC has adopted a Code of Ethics in order to set forth guidelines and procedures that promote ethical practices and conduct by all of its personnel and to ensure all personnel comply with the federal security laws, including rule 204A-1 of the Investment Advisors Act of 1940. AWC monitors the personal securities transactions of its employees, officers, directors and investment advisor representatives. The Code of Ethics set forth standard of conduct and addresses potential conflict of interest among AWC, AWC personnel and AWC advisors. All investment advisory clients may request a copy of the AWC Code of Ethics by contacting AWC at 402.392.2244.



### **Item 11 (C) – (D)**

While it is understood that AWC, its officers and employees may purchase or sell securities for its or their own accounts prior to or subsequent to any recommendations to its clients, AWC has internal compliance procedures in place and all trading activity of the firm to ensure that transactions on behalf of clients take precedence over transactions that will benefit the firm, its officers or employees. The procedures include provisions for defining "insider" material, monitoring associated persons and employee securities accounts, restricting access to affiliates sensitive material and restrictions on trading.

Arnold Weitz & Company has established and maintains procedures in compliance with the Insider Trading and Securities Fraud Enforcement Act of 1988. These procedures outline firm-wide policies on compliance by the adviser and its associated persons and other employees. These procedures have been distributed to all associated persons and employees of AWC.

## ***Item 12 - Brokerage Practices***

Form ADV Part 2A, Item 12

### **Item 12 (A)**

Arnold Weitz and Co. does not accept any Soft Dollar Benefits.

### **Item 12 (B)**

AWC may aggregate client purchase and sale orders of securities with those of other clients if, in AWC judgment, such aggregation is reasonably likely to result in an overall economic benefit to its clients, lower commission expenses, beneficial timing of transactions, or a combination of these factors. All aggregated trades that occur are documented and maintained in a file at AWC.

## ***Item 13 - Review of Accounts***

Form ADV Part 2A, Item 13

### **Item 13 (A)**

Formal reviews (reports) are printed quarterly. Informal reviews are done throughout the year or during conversations with investors if they have questions or want to discuss their investment objectives. As the sole manager (advisor), Arnold Weitz performs all reviews and/or reports.

### **Item 13 (B)**

The factors that trigger a review outside the formal reviews are numerous. Account reviews may be initiated by client calls, changes in market conditions, earnings announcements and news for individual securities to name a few.

### **Item 13 (C)**

Regular reports to clients occur quarterly. They include a list of account holdings and market values, performance results for the period and cumulatively for the year. Reports include the amount of fees billed for the period and a letter describing the markets and economic occurrences that affected their holdings for the period.

## **BROKERAGE STATEMENT AND PERFORMANCE/BILLING VALUATION DIFFERENCES FOR FEE-BASED ACCOUNTS**

The value used to calculate your asset-based advisory fee may differ from the net value shown on the brokerage statement. There are several reasons for these values to differ:

- **Trade Date versus Settlement Date** – The brokerage statement values all securities and cash balances based upon trades not being completed until the settlement date (when the money is due), while the value used for billing is derived from the performance system, which values all securities and cash balances based upon the trade date (initiation of cost basis for performance and tax reporting purposes.) For example, if a recent buy in an account has executed, but not yet settled at quarter end, the trade will still show as a cash position on the brokerage statement. In contrast, the purchased security, and value, will be used for performance and billing calculations.

- **Margin Balances and Short Sales** – Because the brokerage statement reads like a balance sheet, short sells and margin purchases are reflected as liabilities. For example, if a client buys a security on margin (or sells it short), they will have to pay for that security eventually, so it is shown as a liability (negative value) on the brokerage statement. The performance-related value does not view shorts and margin in this manner. Rather, clients who employ margin are in fact utilizing the advisory services of their financial advisor, who in turn is compensated for it. For comparison, a client with a retail commission-based account would be charged a commission on each margin trade/short sale because in essence a security position that did not exist before has been now been created. While considered a liability on the brokerage statement, these “new” positions are relevant from a performance and billing perspective and are therefore included for performance and billing purposes. As a result, the use of margin or short sells generally results in the largest discrepancy in terms of value between the brokerage statement and performance/billing values. This can be seen in the fact that a client’s brokerage statement “net” liquidation value is reduced by liabilities, while the performance/billing value is increased.

While a negative amount may show on your statement for the margined security as the result of a lower net market value, the amount of the fee is based on the absolute market value. This could create a conflict of interest where your IAR benefits from the use of margin creating a higher absolute market value and therefore receive a higher fee. The use of margin also results in interest charges in addition to all other fees and expenses associated with the security involved.

- **Options** – Clients who write calls or puts, much like short sales, are creating a potential liability by doing so. While a client may understand that the net value of the account reflects what they would receive today if all securities were liquidated, it does not take into account the advisory or commission aspects of the securities that were “created”. Again, clients are charged commissions in retail accounts when writing calls or puts because a security is being created. The correlation in a fee-based account is to value the security based upon the liability of the client by taking the absolute value of the short option. For example, a call writer expects the value of a particular security to decrease. If it does, the liability gradually decreases until it becomes zero. By taking the absolute value of the liability (the opposite of the long option) we value the short option based on the client’s potential obligation to pay the option holder, and thus more accurately reflect the true “value” of the position.

- **Administrative-Only Investments** – Clients who hold securities designated as “Administrative-Only” are not assessed advisory fees on these positions. As a result, the Account Value upon which the advisory fee rate is applied will not include the value of these positions, although these positions will be included on the brokerage statement. Please refer to the “Administrative-Only Investments” section of this Part 2A Brochure for additional information.

- **Cash Balances** –Cash balances are included in the calculation of management fees.

- **Primary Market Distributions** – Clients who purchase initial public offerings and other new issues where Raymond James & Associates, Member NYSE/SIPC is a distribution participant will not be assessed advisory fees on these positions for one year from their purchase date. As a result, the Account Value will not include

the value of these positions, although they will be reflected on the brokerage statement. Primary market distributions are not available to be purchased in DOL-impacted retirement accounts.

The methodology Raymond James & Associates, Member NYSE/SIPC uses to derive the Account Value is intended to align the calculation of account performance and advisory fees. Account performance is calculated in a standardized manner, which reflects the initiation and disposition of securities, flows into and out of your account as well as the timing of these flows. The advisory fee is based on the investment advice provided by your financial advisor and Raymond James & Associates, Member NYSE/SIPC, and the long-term performance of your account forms the basis of our mutual investment advisory relationship.

## **ACCOUNT VALUATION AND PRICING**

Raymond James & Associates, Member NYSE/SIPC relies on third party pricing services to determine the value of client account assets. These values are shown on a client's brokerage statements and are used in preparing a client's performance reports. However, if the client has its assets custodied with a custodian other than Raymond James & Associates, Member NYSE/SIPC and if the third-party pricing service does not provide a price for assets in the client's account, Raymond James & Associates, Member NYSE/SIPC will generally rely upon the price reported by the client's third-party custodian. If a client has assets held by a third-party custodian, the prices shown on a client's account statements provided by the custodian could be different from the prices shown on statements and reports provided by Raymond James & Associates, Member NYSE/SIPC.

While sources used for pricing publicly traded securities are considered by Raymond James & Associates, Member NYSE/SIPC to be reliable, the prices may be based on actual trades, bid/ask information or vendor evaluations. As a result, these prices may or may not reflect the actual trade prices a client may receive in the current market. Pricing for non-publicly traded securities is obtained from a variety of sources, which may include issuer-provided information (such as for limited partnerships, real estate investment trusts and other alternative investments). Raymond James & Associates, Member NYSE/SIPC cannot guarantee the accuracy, reliability, completeness or availability of this information.

## **PRICING OF FIXED INCOME SECURITIES**

Fixed income securities, including brokered certificates of deposit, are priced using evaluations, which may be matrix- or model-based, and do not necessarily reflect actual trades. These price evaluations suggest current estimated market values, which may be significantly higher or lower than the amount a client would pay (or receive) in an actual purchase (or sale) of the security. These prices, obtained from various sources, assume normal market conditions and are based on large volume transactions.

The bond "market" is largely comprised of dealers that trade over the counter among themselves and very few bonds trade on organized exchanges. While traders are able to trade larger round lot sizes relatively easily (generally for institutional accounts), the prices realized for factored mortgage-backed and odd-lot bonds reflect the fact that it is more difficult to obtain a bid for such bonds. Factored mortgage-backed and odd-lot bonds generally exhibit increased dispersion from publicly available pricing, which is typically based on institutional-level pricing. Bond prices are determined by what someone is willing to pay (the "bid") and what the bond owner would like to receive (the "ask"). The difference between the two is referred to as "the spread". With increases in price volatility, this spread may increase, making bond valuation less precise. As a result, bond prices reflected on brokerage statements or available online through our Investor Access portal (or available from your financial advisor) are best efforts estimates and should not be considered as potential sales prices or actual "bids". In cases where there is a need to sell a bond (or bond portfolio), Raymond James & Associates, Member NYSE/SIPC recommends that clients contact their financial advisor to determine an actual bid(s).

Market prices of fixed income securities may be affected by several risks, including: (i) interest rate risk – a rise (fall) in interest rates may reduce (increase) the value of your investment, (ii) default or credit risk – the issuer's ability to make interest and principal payments, and (iii) liquidity risk – the inability to sell a bond promptly prior to maturity with minimal loss of principal. Please see "Methods of Analysis, Investment Strategies and Risk of Loss" in this Part 2A Brochure for additional information.

## ***Item 14 - Client Referrals and Other Compensation***

Form ADV Part 2A, Item 14

### **Item 14 (A)-(B)**

Arnold Weitz and Company does not receive any economic benefit from non-clients. AWC does not compensate anyone nor receive compensation for referrals.

## ***Item 15 - Custody***

Form ADV Part 2A, Item 15

Arnold Weitz and Company is not a custodian of any accounts. The custodian maintains physical custody of all your funds and securities in your investment accounts, and you retain all rights of ownership. For our investment advisory clients, we use Raymond James & Associates, Member NYSE/SIPC as a custodian. Clients will receive account statements from the broker-dealer Raymond James Financial Services; clients should carefully review all statements. Arnold Weitz and Co. also sends out an appraisal quarterly; and these should be compared with those sent by Raymond James & Associates, Member NYSE/SIPC.

## ***Item 16 - Investment Discretion***

Form ADV Part 2A, Item 16

### **Item 16**

Clients wishing to delegate investment discretion to AWC may be afforded the opportunity to do so, provided such authority has been granted in writing by the client via a discretionary agreement and the IAR has met certain qualifications of AWC. Discretion includes the ability to select securities and execute transactions without the need for approval prior to each transaction.

AWC will collect the financial data from the client and assist the client in determining the suitability of the Program based on financial information disclosed by the client to AWC. AWC provides discretionary asset management services to its clients. The investment advice varies depending upon the client's life situation, desires, objectives, and other preferences.

Investments and allocations are determined and based upon the clients predefined objectives, risk tolerance, time horizon, financial horizon, financial information, and other various suitability factors that are determined. Accounts are managed on an individualized basis. Further restrictions and guidelines imposed by clients may affect the composition and performance of a client's portfolio. For these reasons, performance of the portfolio may not be identical with the average client of AWC. On an ongoing basis, AWC reviews the client's financial circumstances and investment objectives and makes any adjustments to the client's portfolio as may be necessary to achieve the desired results.

You may impose reasonable restrictions on investing in certain securities. In these situations, AWC will honor your request for restriction if we believe it is a reasonable request and in your best interest, and we have accepted such restriction in writing.

### ***Item 17 - Voting Client Securities***

Form ADV Part 2A, Item 17

AWC does not render advice to or take any actions on behalf of clients with respect to any legal proceedings, including bankruptcies and shareholder litigation, to which any securities or other investments held in client accounts, or the issuers thereof, become subject, and does not initiate or pursue legal proceedings, including without limitation shareholder litigation, on behalf of clients with respect to transactions, securities or other investments held in client accounts. The right to take any actions with respect to legal proceedings, including shareholder litigation, with respect to transactions, securities or other investments held in a client account is expressly reserved to the client.

### ***Item 18 - Financial Information***

Form ADV Part 2A, Item 18

Arnold Weitz and Company has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients.

As a fiduciary, our firm is committed to making full and fair disclosure of all material facts relating to the advisory relationship. The firm received a Paycheck Protection Program ("PPP") loan in the amount of \$48,500 through the U.S. Small Business Administration, which was part of the economic relief provided under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The firm used the PPP funds to continue payroll for the firm's employees, including employees primarily responsible for performing advisory functions, and make other permissible payments. The loan provided economic support to the firm during uncertain times. However, the firm remained capable of meeting contractual commitments to its clients.

Arnold Weitz & Co. may accept deposits toward our Financial Planning service fees for work in advance, but only for client agreements where the portion greater than \$1200 is for work less than six months from the date of payment. AWC does not solicit payment of more than \$1,200 in fees more than six months in advance and therefore is not required to provide a Balance Sheet.

#### **OTHER CONSIDERATIONS:**

##### **BUSINESS CONTINUITY**

AWC has adopted a business continuity strategy that provides for the continuation of business critical functions in the event its headquarters become partially or totally inaccessible, or a technical problem occurs affecting its applications, data centers or network. The recovery strategies AWC employs are designed to limit the impact on Clients from such business interruptions or disasters. Although AWC has taken reasonable steps to develop and implement detailed business continuity plans, unforeseen circumstances may create situations where AWC is unable to fully recover from a significant business interruption. However, AWC believes its planning and implementation process reduces the risk in this area.