Dear Fellow Shareholder:

The U.S. stock market wobbled a little in January, dipping 6% over the course of two weeks, but went on to set new record highs in late March. The bull market which began in March of 2009 is now five years old. This makes for very happy reading in the one, three and five year performance tables for our stock funds.

	Average Annual Returns		
	1 Year	3 Year	5 Year
Value Fund	19.66%	15.52%	22.43%
Partners Value	19.64	14.62	23.07
Partners III – Institutional Class	18.12	13.88	24.40
Research	21.29	13.42	22.22
Hickory	15.23	12.06	24.03
S&P 500	21.86	14.66	21.16

Click here to see our Full Performance Summary. These performance numbers reflect the deduction of each Fund's operating expenses. Annual operating expenses for each Fund, as stated in the most recent Prospectus, and expressed as a percentage of each Fund's net assets, are: Value, 1.20%; Partners Value, 1.19%, Partners III Opportunity—Institutional Class, 1.60%; Hickory, 1.26%; Research, 1.74% (gross); and Research, 1.74% (gross). The returns assume redemption at the end of each period and reinvestment of dividends. Total returns shown include fee waivers and expense reimbursements, if any; total returns would have been lower had there been no waiver of fees and/or reimbursements of expenses by the Adviser. ***This information represents past performance and past performance does not guarantee future results.*** The investment return and the principal value of an investment in any of the Funds will fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost. Current performance may be higher or lower than the performance data quoted above. Weitz Securities, Inc. is the distributor of The Weitz Funds.

The Balanced Fund enjoyed similar results in the equity portion of the Fund and overall the Fund earned one, three and five year returns of 9.9%, 8.7% and 14.8%. For individuals, endowments and retirement accounts that want a fixed income component but who want to delegate asset allocation to us, the Balanced Fund has provided a very good alternative over the 10+ years that Brad has managed it.

The bond market continues to present challenges for Tom Carney as the Federal Reserve purchases enormous quantities of Treasury bonds and mortgage-backed securities. Competition from the Fed has driven bond prices to artificially high levels, leaving valuations inflated (and yields depressed). Tom continues to position both the Short-Intermediate Fixed Income Fund and the Nebraska Tax-Free Income Fund very defensively.

Portfolio Review and Outlook

"...it is difficult to say anything new or meaningful each quarter about events of long-term significance." **– Warren E. Buffett**

Convention dictates that we write to shareholders every quarter even though important changes occur much less frequently. The financial press lives on headline hysteria—creating anxiety is necessary for ratings. We invest based on each company's underlying business value—the value today of all the cash an owner would expect to earn from the business over the next 2-3 decades—and business value usually does not change much from quarter to quarter.

Stock prices, however, can be very volatile. Stocks can trade way below business value and way above business value. We want to buy them at the low end of that range, but those opportunities are rare. (At those other rare times when stocks sell at ridiculously high "bubble market" prices, we will "run like our hair is on fire.") Most of the time, though, stocks trade at roughly fair value and we will bemoan the fact that they are "not as cheap as they used to be" or "not as cheap as we would like."

We are in one of those "in between" times now. We own a number of very good businesses that are paying dividends and growing their business values. Our estimate of the average price-to-value (P/V) of our stock portfolios is 85-90%, and while we would prefer that level be 50-60%, we can earn reasonable returns from current levels ***as long as business values are growing.***

When P/V approaches (or exceeds) 100%, we generally feel compelled to sell. We try to replace those holdings with cheaper stocks, but in the absence of great investment opportunities, we are willing to hold cash. The cash levels in our stock funds are in the 20-30% range at March 31. Some will call this "market timing" (we do not). We just call it exercising patience.

So, for now, we like our companies and we like our cash. We cannot predict whether the next 10-20% move in the market will be up or down, but we feel well-situated for either. Volatility is good for us—it allows us to buy aggressively at low P/V levels and lighten up when prices recover. Our long-term results will be mostly dependent on the growth in our portfolio companies' underlying business values, but we believe that taking the other side of the emotional decisions of other investors has added to our returns over the years.

Our process is somewhat contrarian but it has worked very well (especially for shareholders who do not try to jump in and out of the funds). We appreciate our loyal shareholders and we hope to see you at our annual meeting on May 21. By popular demand, we will be back at the Scott Conference Center. We will begin at 4:30 with brief comments from Brad, Tom and me (and some pictures), and then our whole team will be available for questions for an hour or so.

Sincerely,

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Current performance data may be higher or lower than the performance data quoted in this letter. Click here for performance data current to the most recent month-end.

Investors should consider carefully the investment objectives, risks, and charges and expenses of the Funds before investing. The Funds' Prospectus or Summary Prospectus contains this and other information about the Funds and should be read carefully before investing. Portfolio composition is subject to change at any time and references to specific securities, industries, and sectors referenced in this letter are not recommendations to purchase or sell any particular security. Current and future portfolio holdings are subject to risk. See the Schedule of Investments in Securities included in the Funds' quarterly report for the percent of assets of each Fund invested in particular industries or sectors.

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