HICKORY FUND

Portfolio Managers: Wally Weitz, CFA & Drew Weitz
Investment Style: Mid-Cap Value

The Hickory Fund returned +6.58% in the fourth quarter compared to +7.06% for the Russell Midcap Index (the Fund's primary benchmark) and +8.54% for the Russell 2500. For the year, the Hickory Fund returned +36.06% compared to +30.54% for the Russell Midcap and +27.77% for the Russell 2500.

The solid fourth quarter results put the finishing touches on very strong 2019 performance, on both an absolute and relative basis. As might be expected in a highly risk-on or "rising tide" environment, gains were broad-based, as nearly every portfolio holding delivered a positive return. That said, as managers that believe in building high-conviction, concentrated portfolios, we are particularly pleased to report that for the 1-year period ended December 31, 2019, the Fund's 10 largest holdings (combined, nearly half the portfolio) collectively outperformed the primary benchmark. This includes top year contributors Liberty Broadband (+74%), Summit Materials (+93%), GCI Liberty (+72%), Colfax (+74%) and Gardner Denver (+79%).

Each time we deploy capital, we have a company-specific investment thesis that underpins our buy decision. But across the full portfolio, there is a central theme. We look to purchase shares in growing companies at a discount to our estimation of their underlying business value. We want to have (at least) two ways to win: through stock prices that appreciate toward our business value estimate, and through business value estimates that grow over time.

Looking at 2019 performance through this lens, on balance, our portfolio companies grew their business values in line with our expectations, but the heavy lifting came from the stock appreciation that significantly outpaced said value growth. As a result, this year, our estimated portfolio price-to-value ratio (P/V) moved from the low 70s to the mid 80s. We continue to feel our securities are attractively priced for future returns. However, from these prices, we expect the drivers of those returns will likely be more balanced between business value growth and stock price appreciation (resulting in the shrinking of the embedded discounts).

Of course, we didn't bat a thousand this year. Top detractor, Qurate Retail (-57%), has been a consistent laggard throughout 2019. Investors fret that QVC and HSN are no longer relevant and their digital offerings are too little, too late. Although we agree that Qurate operates in a difficult environment and that a digital pivot is required, we believe the market underestimates the company's progress and undervalues the company's still strong cash flows (which add additional strategic optionality). We sold Tupperware in the second quarter, while modest negative returns from Expedia (-3%) and Box (-1%) round out the detractors.

Value Matters: Looking Ahead to 2020

There is no doubt that the path forward will be complicated, but we welcome the challenge.

The Fund initiated two new positions this quarter. Recently independent First Hawaiian, having been spun out from BNP Paribas, operates the oldest and largest bank in Hawaii. The Hawaiian market is attractive given low competition (mainland banks have yet to gain a foothold) and steady growth. As a result, earnings are more predictable relative to banks of similar size, with advantaged funding costs, stable fee income and excellent credit quality. EverArc Holdings is a special purpose acquisition company (SPAC) that caught our attention given the involvement of Co-Chairman Nicholas Howley. These vehicles allow companies to raise money from investors before acquiring an actual operating business (the target may be private or public), generally within an agreed-upon period. Weitz (including this Fund) has had a long (and profitable) relationship with Mr. Howley and his aerospace company, TransDigm. Although SPACs are not our typical fare, our prior experience with Mr. Howley, due diligence with management and understanding of the types of businesses they find attractive, we concluded that EverArc had the raw materials to be an attractive (if idiosyncratic) investment to add to our portfolio.

Exiting the portfolio were Myers Industries and Eagle Materials. Eagle shares were sold as we rebalanced our portfolio holdings within the building materials area, preferring to consolidate our holdings in Vulcan and Summit. Myers shares were sold upon the announcement of CEO Dave Banyard's departure. Our investment thesis hinged on Mr. Banyard's leadership in pivoting Myers from a disparate collection of manufacturing businesses through the implementation of Lean principles and potential acquisitions. In effect, Myers was a "jockey bet" that lost its jockey, and we elected to move on. (As an aside, Mr. Banyard is now a senior executive at portfolio holding Fortune Brands, meaning he remains "in the family.") Overall, portfolio activity was balanced between buys and sells, and the Fund remains nearly fully invested.

Coming off the heels of a terrific 2019, it may prove difficult to replicate the same performance in 2020. That said, we continue to feel very good about our collection of businesses, their prospects and what that may mean for future investment returns.

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Weitz | INVESTMENT MANAGEMENT

Top Relative Contributors and Detractors

For the **QUARTER** ended 12/31/2019

TOP CONTRIBUTORS	Return	Average Weight	Contribution	% of Net Assets
Liberty Broadband Corp.-Series A & C (LBRDA/K)	19.66%	8.33	1.57%	8.7%
Colfax Corp. (CFX)	25.19%	4.06	0.94%	4.1%
Gardner Denver Holdings, Inc. (GDI)	29.66%	3.13	0.85%	3.4%
EverArc Holdings Ltd (EVRA LN)	35.14%	0.43	0.71%	2.8%
ACI Worldwide, Inc. (ACIW)	20.94%	3.52	0.69%	3.8%

TOP DETRACTORS	Return	Average Weight	Contribution	% of Net Assets
LICT Corp. (LICT)	-8.67%	6.00	-0.62%	5.5%
Qurate Retail, Inc.-Series A (QRTEA)	-18.27%	2.30	-0.48%	2.1%
Expedia Group, Inc. (EXPE)	-19.26%	3.32	-0.46%	3.7%
Liberty Global plc-Class C (LBTYK)	-8.39%	2.34	-0.22%	2.2%
Myers Industries, Inc. (MYE)	-4.73%	0.27	-0.13%	0.0%

Source: FactSet Portfolio Analytics

For the **YEAR** ended 12/31/2019

TOP CONTRIBUTORS	Return	Average Weight	Contribution	% of Net Assets
Liberty Broadband Corp.-Series A & C (LBRDA/K)	74.02%	8.26	5.59%	8.7%
Summit Materials, Inc. Class A (SUM)	92.74%	3.86	3.19%	3.1%
GCI Liberty, Inc.-Class A (GLIBA)	72.13%	4.19	2.81%	3.4%
Colfax Corp. (CFX)	74.07%	3.93	2.70%	4.1%
Gardner Denver Holdings, Inc. (GDI)	79.36%	3.04	1.84	3.4%

TOP DETRACTORS	Return	Average Weight	Contribution	% of Net Assets
Qurate Retail, Inc.-Series A (QRTEA)	-56.81%	2.74	-2.28%	2.1%
Expedia Group, Inc. (EXPE)	-2.90%	1.37	-0.56%	3.7%
Tupperware Brands Corp. (TUP)	-71.69%	0.53	-0.38%	0.0%
Box, Inc.-Class A (BOX)	-0.59%	1.54	-0.38%	2.0%

Source: FactSet Portfolio Analytics

Holdings are subject to change and may not be representative of the Fund's current or future investments. Contributions to performance are based on actual daily holdings. Returns shown are the actual returns for the specified period of the security. Additional securities referenced herein as a percent of the Fund's net assets as of 12/31/2019: First Hawaiian, Inc.(FHB) 1.8%; Vulcan Materials Co. (VMC) 2.0%; Fortune Brands Home & Security, Inc. (FBHS) 2.0%; TransDigm Group Inc. (TDG) 0.0%; Eagle Materials Inc. (EXP) 0.0%; BNP Paribas (BNPQY) 0.0%.

Average Annual Total Returns

AS OF 12/31/2019	1-year	3-year	5-year	10-year	Net Expense	Gross Expense
Hickory Fund	36.06%	8.30%	5.27%	10.97%	1.09%	1.27%
Russell Midcap®	30.54%	12.06%	9.33%	13.19%	-	-
Russell 2500®	27.77%	10.33%	8.93%	12.58%	-	-

Data quoted is past performance and current performance may be lower or higher. Past performance is no guarantee of future results. Investment return and principal value of an investment will fluctuate, and shares, when redeemed, may be worth more or less than their original cost. Please visit weitzinvestments.com for the most recent month-end performance.

Investment results assume all distributions are reinvested and reflect applicable fees and expenses. Certain Funds have entered into fee waiver and/or expense reimbursement arrangements with the Investment Advisor. In these cases, the Advisor has contractually agreed to waive a portion of the Advisor's fee and reimburse certain expenses (excluding taxes, interest, brokerage costs, acquired fund fees and expenses and extraordinary expenses) to limit the total annual fund operating expenses of the Class's average daily net assets through 07/31/2020.

The Net Expense Ratio reflects the total annual operating expenses of the Fund after taking into account any such fee waiver and/or expense reimbursement, if any; total returns would have been lower had there been no waivers or reimbursements.

Effective 03/29/2019, the Fund invests the majority of its assets in the common stock of medium-sized companies, which the Fund considers to be companies with a market capitalization, at the time of initial purchase, of greater than $1 billion and less than or equal to the market capitalization of the largest company in the Russell Midcap Index. Prior to that date, the Fund invested the majority of its assets in the common stock of smaller- and medium-sized companies, which the Fund considered to be companies with a market capitalization, at the time of initial purchase, of less than $10 billion.

Index performance is hypothetical and is shown for illustrative purposes only. You cannot invest directly in an index. The **Russell Midcap Index** tracks the performance of the 800 next-largest U.S. companies, after the 1,000 largest U.S. companies. The **Russell 2500 Index** measures the performance of the small to mid-cap segment of the U.S. equity universe, commonly referred to as "SMID" cap. The Russell 2500 Index is a subset of the Russell 3000 Index. It includes approximately 2,500 of the smallest securities based on a combination of their market cap and current index membership.

The views and opinions expressed here are those of the portfolio managers as of 01/10/2020, are subject to change with market conditions, and are not meant as investment advice. For informational purposes only. Not an investment recommendation.

Consider these risks before investing: All investments involve risks, including possible loss of principal. The Fund may invest in undervalued securities, which by definition are out of favor with investors, and there is no way to predict when, if ever, such securities may return to favor. Because the Fund may have a more concentrated portfolio than certain other mutual funds, the performance of each holding in the Fund has a greater impact upon the overall portfolio, which increases risk. See the Fund's prospectus for a further discussion of risks related to the Fund.

Investors should consider carefully the investment objectives, risks, and charges and expenses of a fund before investing. This and other important information is contained in the prospectus and summary prospectus, which may be obtained at weitzinvestments.com or from a financial advisor. Please read the prospectus carefully before investing.

Weitz Securities, Inc. is the distributor of the Weitz Funds.