1Q 2022

HICKORY FUND

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

The Hickory Fund returned -13.15% in the first quarter of 2022, compared to -5.68% for the Russell Midcap Index. For the fiscal year ended March 31, 2022, the Fund returned -3.87% compared to +6.92% for the index.

Portfolio returns for the quarter and fiscal year were disappointing on both a relative and absolute basis. Entering January, the investment backdrop was already challenging. Accelerating inflation coupled with a hawkish turn at the Federal Reserve forced investors to recalibrate their expectations. The uncertainty was further compounded by the outbreak of war in Europe. Already elevated energy prices spiked as importers of Russian oil and natural gas looked for alternative suppliers, pouring more fuel on the inflation fire as supply chains not yet healed from the pandemic came under further stress. By quarter-end, the indexes had recouped some of their intra-quarter declines, suggesting some market participants believed risks had begun to abate. In our opinion, however, the near-term (at least) investment landscape remains fluid.

Our investment philosophy is centered on identifying high-quality businesses that we believe are growing in value and purchasing their shares at what we estimate are discounted prices. This approach necessitates a long-term perspective, measured over multiple years. Despite our long-term focus, we acknowledge our quarterly results were unsatisfactory and weighed down the fiscal year. Yet, despite these declines, we remain optimistic about our portfolio holdings, and we believe the underlying businesses are healthier than recent stock price action may appear. As several of our holdings became more attractively priced in our estimation, we've stepped in to buy. Most notably, this includes our new Gartner position as well as additions to CoStar Group and Dolby. At the end of the quarter, our portfolio traded at an estimated price-to-value ratio in the high 70s, suggesting a healthier outlook for forward returns compared to the low-to-mid 90s at the start of the fiscal year. The drawdown of stock prices and our trim and add actions both played a role in the more favorable forward-looking price-to-value ratio.

Our largest holding, Liberty Broadband (26% shareholder of Charter Communications), was a considerable detractor in both the quarter and fiscal year. The pandemic accelerated adoption of Charter's broadband service as Americans sheltered at home, but as the country reopens, customer additions have naturally slowed. At the same time, competitors have announced lofty, multi-year targets for competitive wireless broadband offerings and expansions of fiber-optic service. Nevertheless, we think Charter still has a strong hand, including a network that's already in place and can be affordably upgraded to remain competitive with fiber and its own fast-growing mobile offering that is taking share from incumbents in their core wireless business. Another silver lining: share repurchases at these lower prices can also accelerate growth in Charter's per-share value.

WEITZ INVESTMENT INSIGHTS
VALUE MATTERS:
Eyes on the Prize

The Russian invasion of Ukraine, ongoing supply chain disruptions, and skyrocketing inflation all made for an eventful quarter and interesting investing landscape. And while 2022 is already proving to be the "adventure" we expected, we believe it will ultimately create opportunities that can benefit our investors over the long run.

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CarMax was also a two-time offender, proving to be a detractor in both the quarter and fiscal year. In the first year of the pandemic, shares more than doubled as supply chain disruptions limited the ability of automakers to deliver new vehicles to the market, pushing prospective buyers into the secondary market and sending the prices of used vehicles soaring. As we close the second year of the pandemic, demand for used vehicles remains high, but dealers' inventories remain tight. And as inflation's reach has broadened (importantly to include gasoline), investors are concerned with consumers' ability to pay ever-higher prices for used vehicles. In the short term, unit volumes may be volatile, but it's important to note that CarMax's business model of targeting a consistent level of cash profit per vehicle sold helps insulate earnings from a decline in prices. Looking longer term, we remain optimistic that CarMax's investments in its omnichannel (in-store, online or hybrid) buying experience, combined with national scale, positions them for success in the future. The remaining top-five detractors for the quarter were Axalta, LKQ and Black Knight, while Liberty Latin America, Qurate Retail and MarketAxess finish off the fiscal year's top-five detractors.

Markel was the lone standout performer for the quarter. Insurers typically benefit from a strong economy, as pricing tends to improve and the volume of risk to be insured grows. We also expect higher interest rates to translate into higher investment income as insurers recycle premium "float" into higher-yielding securities. The Fund's new position in Gartner also provided a modest lift. Gartner is a leading provider of subscription-based research services to IT and business professionals (i.e., C-suite executives). Gartner's business model is enviable: expert analysts create research reports that are then syndicated to subscribing clients. Analysts are also made available to clients for consultations. This one-to-many model allows clients to gain access to what otherwise may be cost-prohibitive research and critical business intelligence. Meanwhile, Gartner can invest back into additional research capabilities and still earn a very healthy margin.

AutoZone was the Fund's top fiscal year contributor. The market forces of higher prices and scarce supply of new or used vehicles led owners to invest more in the maintenance of their vehicles. LKQ's recycled auto parts business similarly benefited, making it a contributor for the fiscal year. Markel's strong quarter propelled it to be the second-greatest contributor for the fiscal year, while telecom services firm LICT and aggregates supplier Martin Marietta round out the top contributors.

HICKORY FUND

Top Relative Contributors and Detractors

For the **QUARTER** ending 03/31/2022

TOP CONTRIBUTORS

	Return (%)	Average Weight (%)	Contribution (%)	% of Net Assets
Markel Corporation (MKL)	19.68	4.57	0.80	4.8
Gartner, Inc. (IT)	5.38	1.15	0.10	1.7
Liberty Braves Group-Series A & C (BATRA/BATRK)	-0.60	1.50	0.03	1.7

TOP DETRACTORS

	Return (%)	Average Weight (%)	Contribution (%)	% of Net Assets
Liberty Broadband Corp. – Class A&C (LBDRA/K)	-16.52	8.18	-1.36	7.9
CarMax,Inc. (KMX)	-25.89	4.46	-1.21	4.3
Axalta Coating Systems Ltd (AXTA)	-25.79	3.54	-1.06	3.3
LKQ Corporation (LKQ)	-24.18	3.44	-0.84	3.4
Black Knight, Inc. (BKI)	-30.04	2.21	-0.74	2.0

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 03/31/2022: AutoZone, Inc. (AZO) 2.3%, CoStar Group, Inc. (CSGP) 5.2%, Dolby Laboratories, Inc. (DLB) 3.3%, LICT Corporation (LICT) 5.7%, Laboratory Corporation of America Holdings (LH) 4.4%, Liberty Latin America Ltd. – Class C (LILAK) 2.6%, MarketAxess Holdings, Inc. (MKTX) 3.2%, Martin Marietta Materials, Inc. (MLM) 3.3%, Qurate Retail, Inc. – Class A (QRTEA) 0.7%, Qurate Retail, Inc. – Preferred (QRTEP) 1.6%.

Average Annual Total Returns (%)

AS OF 03/31/2022

	YTD	1 YR	3 YR	5 YR	10 YR	Since Fund Inception	Inception Date	Net Expense	Gross Expense
Hickory Fund	-13.15	-3.87	8.87	6.16	7.27	9.21	04/01/1993	1.09%	1.14%
Russell Midcap®	-5.68	6.92	14.88	12.61	12.85	11.18	-	-	-

The opinions expressed are those of Weitz Investment Management and are not meant as investment advice or to predict or project the future performance of any investment product. The opinions are current through 04/21/2022, are subject to change at any time based on market and other current conditions, and no forecasts can be guaranteed. This commentary is being provided as a general source of information and is not intended as a recommendation to purchase, sell, or hold any specific security or to engage in any investment strategy. Investment decisions should always be made based on an investor's specific objectives, financial needs, risk tolerance and time horizon.

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

Investment results reflect applicable fees and expenses and assume all distributions are reinvested but do not reflect the deduction of taxes an investor would pay on distributions or share redemptions. Net and Gross Expense Ratios are as of the Fund's most recent prospectus. Certain Funds have entered into fee waiver and/or expense reimbursement arrangements with the Investment Advisor. In these cases, the Advisor has contractually agreed to waive a portion of the Advisor's fee and reimburse certain expenses (excluding taxes, interest, brokerage costs, acquired fund fees and expenses and extraordinary expenses) to limit the total annual fund operating expenses of the Fund's average daily net assets through 07/31/2022.

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. 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. Performance prior to 03/29/2019 reflects the Fund's prior principal investment strategies and may not be indicative of future performance results.

Index performance is hypothetical and is shown for illustrative purposes only. You cannot invest directly in an index. The **Russell Midcap** tracks the performance of the 800 next-largest U.S. companies, after the 1,000 largest U.S. companies

Consider these risks before investing: All investments involve risks, including possible loss of principal. These risks include market risks, such as political, regulatory, economic, social and health risks (including the risks presented by the spread of infectious diseases). In addition, 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.