

HICKORY FUND

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

The Hickory Fund returned -13.06% in the second quarter compared to -16.85% for the Russell Midcap Index. Year-to-date, the Fund returned -24.49% compared to -21.57% for the Russell Midcap as of June 30, 2022.

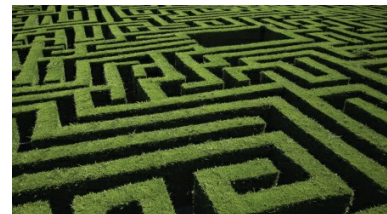
Improved relative performance may be cold comfort given the depth of the Fund's second-quarter decline. With inflation approaching a 40-year high, Federal Reserve policymakers have lifted interest rates at a faster pace than previously expected. Their explicit aim is to break inflation's back before it becomes fully entrenched in the economy and consumers' expectations. That said, measures designed to control prices and slow growth naturally risk tipping the economy into recession. As the quarter progressed and economic data suggested stronger policy measures were required to wrangle inflation, investors' hopes for a so-called "soft landing" (i.e., implementing tighter monetary policy without triggering a recession) faded.

Compared to the start of the year, our portfolio companies' stocks held up better relative to the index in the second quarter. Though on an absolute basis, there was nowhere to hide. To that point, each sector of the Russell Midcap Index produced a negative return (including energy, the prior quarter's highflier). Our list of top detractors this quarter is likewise drawn from multiple sectors: building materials (Martin Marietta), enterprise software (Guidewire), financials (MarketAxess), and communications services (Liberty SiriusXM and Liberty Broadband). In our estimation, the table's composition is less a function of company results and more a result of sizing within our portfolios. Despite potential near-term uncertainty, we remain confident in these businesses' quality and potential for future gains. The quarter's top contributor table is abbreviated, as LKQ and Black Knight were the only positive contributors. LKQ's operational execution continues to exceed expectations while Black Knight shares gained on news of a potential buyout.

Axalta and CarMax fared better than our portfolio this quarter, but the first quarter's disappointing returns keep them mired on the year-to-date detractors list, joining Liberty Broadband, Liberty SiriusXM, and Guidewire. Markel's modest positive return was our only positive contributor for the first half of 2022. Our performance discussion typically focuses on absolute returns driven by what worked, or what did not, within our holdings. That said, it is helpful context to note that a meaningful portion of our year-to-date underperformance results from a lack of exposure to energy and utilities, a significant positive contributor to the index in the first quarter. Companies within these sectors are highly cyclical and commodity price dependent, and therefore do not meet our investment criteria. Nevertheless, global growth and rapid inflation in energy prices during the first part of the year drove solid gains for the index's energy holdings. However, the energy outlook has been more challenging of late as investors weigh a potential recession.

As investors, we naturally feel some frustration when macro-economic factors overwhelm company fundamentals as the driving force behind stock prices. However, that frustration gives way to optimism, as we believe the volatility produced by these swings between fear and greed create mispricings that fuel future returns. Given a nearly fully invested portfolio, we elected to trim or sell some holdings in favor of increasing our stakes in several more compelling opportunities. We continued trimming Markel on strength and sold our remaining AutoZone shares during the quarter. Over our roughly 18 months of ownership, AutoZone was a strong contributor to results, and we would gladly own this business again. At current prices, however, we believe its defensive characteristics are well-appreciated. We also closed our position in Liberty Braves. Sports franchises possess unique value characteristics, but as a smaller position and with many cheaper alternatives, we elected to move on.

On the buy side, we continued to build our new position in research firm Gartner (initiated last quarter). We added to several holdings, including most of the top detractors listed above: Liberty Broadband, CoStar Group, Liberty SiriusXM, HEICO, MarketAxess and Guidewire. These actions resulted in a lowered overall estimated portfolio price-to-value in the high 60's by our measure, while also improving the Fund's weighted average quality score (our estimate of portfolio quality) — both of which we believe improve our prospects for forward returns.



VALUE MATTERS: Certain Uncertainty

After a rough first half of the year for stocks and bonds, the world continues to face questions related to inflation, interest rates, and earnings — wars, pandemics, and politics. And while uncertainty is a permanent condition for investors, the important thing is to own quality businesses with competent management teams that can cope with change and adversity.

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Top Relative Contributors and Detractors

TOP CONTRIBUTORS (%)				
	Return	Average Weight	Contribution	% of Net Assets
LKQ Corp.	8.63	4.03	0.25	4.3
Black Knight, Inc.	12.76	2.56	0.20	2.7

TOP DETRACTORS (%)				
	Return	Average Weight	Contribution	% of Net Assets
Liberty Media Corp-Liberty SiriusXM	-21.13	5.69	-1.26	5.7
Liberty Broadband Corp.	-14.52	8.45	-1.07	9.1
MarketAxess Holdings, Inc.	-24.93	3.53	-0.86	3.6
Guidewire Software, Inc.	-25.21	3.10	-0.78	3.0
Martin Marietta Materials, Inc.	-22.09	3.19	-0.77	3.0

Data is for the quarter ending 06/30/2022. 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 06/30/2022: AutoZone, Inc. 0.0%, Axalta Coating Systems Ltd. 3.4%, CarMax, Inc. 4.7%, CoStar Group, Inc. 5.9%, Gartner, Inc. 2.0%, HEICO Corp. 3.8%, Liberty Media Corp-Liberty Braves 0.0%, and Market Corp. 3.5%.

RETURNS (%)												
	TOTAL RETURNS		AVERAGE ANNUAL TOTAL RETURNS							Since Inception	Net Expense	Gross Expense
	QTR	YTD	1-YR	3-YR	5-YR	10-YR	20-YR	25-YR	(4/1/1993)			
WEHIX	-13.06	-24.49	-20.60	1.41	2.70	5.73	6.26	6.70	8.61	1.09	1.12	
Russell Midcap Index	-16.85	-21.57	-17.30	6.59	7.96	11.28	9.86	9.38	10.38	-	-	

Data is for the quarter ending 06/30/2022. 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 07/20/2022, 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 07/31/2023.

The Gross Expense Ratio reflects the total annual operating expenses of the fund before any fee waivers or reimbursements. 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. The net expense ratio represents what investors are ultimately charged to be invested in a mutual fund.

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.