

HICKORY FUND

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

The Hickory Fund returned +7.48% in the fourth quarter compared to +9.18% for the Russell Midcap Index. For the calendar year, the Fund returned -26.21% compared to -17.32% for the index.

Positive returns for the fourth quarter were a welcome sight but hardly sufficient to heal the wounds inflicted over the first nine months of 2022. The dominant narrative was the Federal Reserve's war against inflation waged via a campaign of sizeable interest rate hikes. After each hike, investors scrutinized subsequent economic data releases, searching for evidence that might justify hope that the Fed could "pivot" away from additional tightening. To date, the Fed has yet to reach that conclusion, repeatedly disappointing investors and leaving the setup for 2023 far from certain. The Fed remains steadfast in their communication that interest rates must rise further, and potentially stay elevated for an extended period, to truly tame inflation (and consumers' inflation expectations). Futures markets, meanwhile, suggest traders are positioned for the Fed to reverse course and cut rates in the back half of the year.

The performance of the U.S. economy (and corporate profits by proxy) will ultimately tip the scales one way or the other. As investors, we always consider whether there are more headwinds or tailwinds in the economy, but we ultimately shy away from outright predictions. Whether the Fed successfully engineers the desired "soft landing" or if the economy tips into recession, we believe the best path forward is owning high-quality companies led by management teams that can adapt to changing economic conditions, ably protecting their businesses while also looking to capitalize on new opportunities. Such companies are not immune to stock price volatility, but we believe the ability to compound business value per-share over time will ultimately win the day.

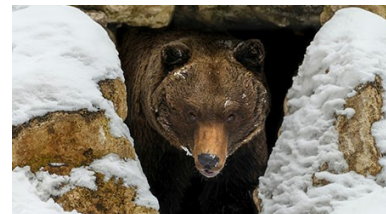
Most of the Fund's holdings experienced positive returns in the quarter. Three of our top ten holdings (CoStar, Markel and LabCorp) were among our top contributors for the quarter, while 20%+ returns landed MarketAxess and Axalta on the list of quarterly contributors as well. CarMax, LICIT Corp, First Republic and Black Knight each posted single-digit declines during the quarter, landing them on the list of quarterly detractors. We added to CarMax and First Republic on weakness and remain confident in all four companies' long-term prospects. These purchases were funded through trims of stronger performers, CoStar, MarketAxess and Axalta, in addition to the outright sale of Dun & Bradstreet.

For the calendar year, CoStar and Markel reprise their roles as top contributors, joined by IDEX and 2022's sole portfolio addition, Gartner. Timely trades in CoStar and Gartner generated positive returns, while performance for Markel and IDEX may be best described as "winning by not losing."

Liberty Broadband (owner of 26% of broadband provider Charter Communications) and CarMax were disproportionate detractors in 2022 given their large portfolio weights and substantial stock price declines. Their industry-specific challenges are different, but a common source of frustration for other investors has been the willingness of both companies' management teams to invest in new capabilities to drive future earnings power — rather than cutting spending to defend short-term cash flow. We expect these investments to pay dividends in the future in the form of business value growth, and we generally seek out this type of long-term thinking.

In December, Charter announced a capital investment program to upgrade its broadband capabilities as well as accelerate the growth of its service footprint. The upgrade costs for the existing network were lower than expected, but that was offset by a more ambitious new build strategy that temporarily diverts cash away from Charter's buyback program in favor of higher, future returns. CarMax has been investing in new capabilities to improve the used car buying experience both online and "on the lot", along with marketing dollars to educate potential buyers. Higher financing costs and volatile vehicle prices have wreaked havoc on all industry participants, and management has responded by modulating, but not abandoning, these long-term investments. We remain confident that CarMax can weather this downturn, and thanks to expanded capabilities, will be poised to win greater market share from weakened competitors. Guidewire, LICIT Corp and Dun & Bradstreet round out the years' detractors. And despite many companies detracting from portfolio performance in 2022, we still feel good about the long-term outlook for those that we hold in our portfolio.

As previously mentioned, the investing backdrop remains uncertain and the range of potential outcomes for the economy is wide. However, with the Fund's estimated price-to-value ratio in the low 70s at quarter end, we believe our businesses are collectively priced to generate strong future returns.



VALUE MATTERS: What to Do When Others are Fearful

As we enter into a new year, fears over economic weakness and a potential recession continue to fuel the bear market. But bear markets tend to end when least expected, and we stand ready to take advantage of opportunities to buy high-quality stocks at discounted prices.

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Top Relative Contributors and Detractors

TOP CONTRIBUTORS (%)				
	Return	Average Weight	Contribution	% of Net Assets
CoStar Group, Inc.	11.03	7.24	0.85	6.9
MarketAxess Holdings, Inc.	25.11	3.19	0.73	3.3
Axalta Coating Systems Ltd.	20.92	3.44	0.71	3.4
Laboratory Corp. of America Holdings	15.33	4.58	0.69	4.8
Markel Corp.	21.52	3.53	0.68	3.9

TOP DETRACTORS (%)				
	Return	Average Weight	Contribution	% of Net Assets
CarMax, Inc.	-7.40	4.00	-0.30	4.3
LICT Corp.	-3.38	6.02	-0.21	5.9
First Republic Bank	-6.94	3.08	-0.19	3.2
Black Knight, Inc.	-4.60	2.67	-0.16	2.8
DUN BRADST HLDG ORD	-3.54	0.46	-0.11	0.0

Data is for the quarter ending 12/31/2022. 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 12/31/2022: Charter Communications, Inc., 0.0%; Gartner, Inc., 3.0%; Guidewire Software, Inc., 3.2%; IDEX Corp. 2.5%; Liberty Broadband Corp., 6.6%.

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	7.48	-26.21	-26.21	-2.04	2.03	4.74	7.31	5.86	8.37	1.09	1.12
Russell Midcap Index	9.18	-17.32	-17.32	5.87	7.10	10.95	10.80	9.02	10.40	-	-

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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.

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