2Q 2023

NEBRASKA TAX FREE INCOME FUND

Portfolio Managers: Tom Carney, CFA

The Nebraska Tax Free Income Fund returned -0.64% in the second quarter compared to a -0.72% return for the Bloomberg 5-Year Municipal Bond Index. Year-to-date through, the Fund's total return was +1.19%, matching the return for the index.

Overview

One of the main surprises from the first half of the year was the resilience of the U.S. economy to take/absorb rate hikes by the Federal Reserve. Going into 2023, most investors expected a recession as early as the first quarter, and when it did not happen, the goal posts started to move. The economy slowed but has remained strong enough to downgrade investors' perceptions of recession risk. This resulted in increases in U.S. Treasury bond yields (prices down) during the second quarter that pulled most municipal bond prices lower as well.

FIXED INCOME INSIGHTS:

Unexpected Resilience

Fixed income investors remain on high alert for a potential recession. And while some cracks have begun to show in the markets, no economic downturn has materialized. No matter what happens, we continue to take a cautious approach and cast a wide net in the fixed income markets.

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The ratio of the 5-year AAA-rated municipal bond to the 5-year Treasury (MT ratio), a metric we often use as a reasonable comparable to the makeup (average life and duration) of our Fund, was essentially unchanged in the quarter (62.9% on June 30 versus 62.2% on March 31 — versus a 10-year average of 85.5%). All else equal, the higher the MT ratio, the more appealing municipal bonds become, given their tax-advantaged status. This MT ratio remains a reasonably useful tool in measuring the relative attractiveness of tax-free municipal bonds compared to U.S. Treasury bonds. Credit conditions across most municipal bond sectors (our Fund included) remain supportive, if not strong, helped by federal stimulus received during COVID, in conjunction with strong tax receipts and the reasonably healthy state of U.S. consumers. However, the current MT ratio would suggest that future upside to municipal returns via a lower MT ratio is likely limited, and future return will depend even more on the path of U.S. Treasury interest rates.

Top Quarterly Contributors

- Hospital revenue bonds issued by Douglas County, Nebraska (Madonna Rehabilitation Hospital), and Madison County, Nebraska (Faith Regional Health Services Project)

Top Quarterly Detractors

- School district general obligation bonds issued by Sarpy County, Bellevue, Nebraska School District; Wayne County, Nebraska, School District; Papillion-La Vista, Nebraska, School District; and Cass County, Weeping Water, Nebraska, School District
- Tax supported lease revenue bonds issued by Sarpy County, Nebraska, Certificates of Participation; Omaha, Nebraska, Public Facilities Corporation; and Papillion, Nebraska, Municipal Facilities Corporation
  Higher education revenue bonds issued by Nebraska State College Facilities Corporation, Saline County, Nebraska; Educational Facilities (Doan University); University of Nebraska Facilities Corporation (Health Center and College of Nursing Projects); and University of Nebraska (Kearney Student Housing Project)
- General revenue bonds issued by Boys Town Village
- Electricity and public power revenue bonds issued by Omaha, Nebraska; Public Power District, Nebraska Public Power District; and Public Power Generation Agency, Nebraska
- Combined utility revenue bonds issued by Municipal Energy Agency, Nebraska, and Dawson Nebraska Public Power District

Portfolio Metrics

Turning to portfolio metrics, the average effective duration of the Fund increased modestly in the quarter to 3.5 years on June 30, 2023, from 3.4 years on March 31, 2023. During the same time period, average effective maturity increased to 4.1 years from 3.5 years. Overall asset quality remains high, with approximately 88.9% rated A or better by one or more of the nationally recognized statistical rating organizations.

On the following page are additional details regarding the breakdown of our holdings. Our investments are broad, and they are all backed by a consistent philosophy: we strive to own only those investments we believe compensate us for the incremental credit risk. Our overall goal is to invest in a portfolio of bonds of varying maturities that we believe offer attractive risk-adjusted returns, taking into consideration the general level of interest rates and the credit quality of each investment.

Portfolio Allocation (% of Portfolio)		
Revenue		57.8
Power	15.7	
Hospital	10.5	
Lease	8.2	
Water/Sewer	5.8	
General	5.2	
Certificates of Participation	4.1	
Airport/Transportation	3.2	
Housing	3.0	
Higher Education	2.1	
General Obligation		26.9
School District	13.3	
City/Subdivision	6.9	
County	6.0	
State/Commonwealth	0.7	
Escrow/Pre-Refunded		6.6
Cash Equivalent/Other		8.7

CREDIT QUALITY (% of Portfolio)	
AAA	8.5
AA	55.2
A	25.2
BBB	1.4
BB	0.0
B	0.0
CCC	0.0
Not Rated	1.7
Cash Equivalents/Other	8.0

RETURNS (%)

	TOTAL RETURNS		AVERAGE ANNUAL TOTAL RETURNS							Since Inception		
	QTR	YTD	1-YR	3-YR	5-YR	10-YR	20-YR	30-YR	35-YR	(10/1/1985)	Net Expense	Gross Expense
WNTFX	-0.64	1.19	1.64	-0.68	1.05	1.04	2.07	3.17	3.74	4.05	0.46	0.96
Bloomberg 5-Year Municipal Bond Index	-0.72	1.19	1.45	-0.61	1.41	1.74	2.79	3.74	4.42	n/a	-	-

This material must be preceded or accompanied by a prospectus or summary prospectus.

Data is for the quarter ending 06/30/2023. 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 07/20/2023, 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 Class's average daily net assets through 07/31/2024.

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.

On 12/29/2006, the Nebraska Tax-Free Income Fund succeeded to substantially all of the assets of Weitz Income Partners Limited Partnership. The investment objectives, policies and restrictions of the Fund is materially equivalent to those of the Partnership, and the Partnership was managed at all times with full investment authority by the Investment Adviser. The performance information includes performance for the Partnership. The Partnership was not registered under the Investment Company Act of 1940 and, therefore, were not subject to certain investment or other restrictions or requirements imposed by the 1940 Act or the Internal Revenue Code. If the Partnership had been registered under the 1940 Act, the Partnership's performance might have been adversely affected.

Index performance is hypothetical and is shown for illustrative purposes only. You cannot invest directly in an index. The **Bloomberg 5-Year Municipal Bond index** is a capitalization weighted bond index generally representative of major municipal bonds of all quality ratings with an average maturity of approximately five years.

Holdings are subject to change and may not be representative of the Fund's current or future investments.

Income from municipal securities is generally free from federal taxes and state taxes for residents of the issuing state. While the interest income is tax-free, capital gains, if any, will be subject to taxes. Income for some investors may be subject to the federal Alternative Minimum Tax (AMT).

Credit ratings are assigned to underlying securities utilizing ratings from a Nationally Recognized Statistical Rating Organization (NRSRO) such as Moody's and Fitch, or other rating agencies and applying the following hierarchy: security is determined to be Investment Grade if it has been rated at least BBB- by one credit rating agency; once determined to be Investment Grade (BBB- and above) or Non-Investment Grade (BB+ and below) where multiple ratings are available, the lowest rating is assigned. Mortgagerelated securities issued and guaranteed by government-sponsored agencies such as Fannie Mae and Freddie Mac are generally not rated by rating agencies. Securities that are not rated do not necessarily indicate low quality. Ratings are shown in the Fitch scale (e.g., AAA). Ratings and portfolio credit quality may change over time. The Fund itself has not been rated by a credit rating agency.

Definitions: Average effective duration provides a measure of a fund's interest-rate sensitivity. The longer a fund's duration, the more sensitive the fund is to shifts in interest rates. **Average effective maturity** is the weighted average of the maturities of a fund's underlying bonds. **Yield to worst (YTW)** is the lowest potential yield that can be received on a bond portfolio without the underlying issuers defaulting.

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.