

# ULTRA SHORT GOVERNMENT FUND

Portfolio Managers: Tom Carney, CFA & Nolan Anderson

Investment Style: Ultra-Short-Term Bond

The Ultra Short Government Fund returned +0.20% in the second quarter compared to a 0% return for the ICE BofAML US 6-Month Treasury Bill Index (6 Month Treasury), the Fund's primary benchmark. For the first half of 2020, the Fund returned +0.95% compared to a +0.93% return for the benchmark.

## Overview

The second quarter of 2020 was a near inversion of the turbulent first quarter as stock and bond (particularly corporate and other credit-sensitive) prices recovered. The Federal Reserve (Fed) did not raise the federal funds rate during the quarter (leaving rates near zero), but in statements and public appearances by Fed chair Jerome Powell and other committee members, the message has been clear. During a June press conference, Powell said "We're not thinking about raising rates. We're not even thinking about thinking about raising rates." The market is growing increasingly comfortable/confident that rates will stay low through 2022 as the "dot plot" of Fed committee members' rate expectations show little dissent about keeping rates anchored at zero for at least that long. Please see this quarter's [Fixed Income Insights](#) and [Value Matters](#) for our take on events/actions last quarter.

The Fed's monetary policy decisions (e.g., changes in short-term interest rates) will continue to affect all investments within our opportunity set. As a result, our yield and return will invariably follow the path dictated by the Fed's monetary policy, as we frequently reinvest maturities with holdings that mature in a short period of time. As of June 30, 80.5% of our portfolio was invested in U.S. Treasury notes, 11.7% in investment-grade asset-backed securities, 2.5% in investment-grade corporate bonds and 5.0% in a high-quality money market fund. The average effective duration as of June 30 was unchanged from the previous quarter at 0.4 years. The Fund's 30-day yield decreased approximately 30 basis points in the quarter to 0.32% as of June 30. Given that the Fed is likely to hold short-term interest rates at, or near, zero for the foreseeable future, the Fund's 30-day yield will likely continue to decline in the months and quarters to follow.

Under normal market conditions, the Fund will invest at least 80% of its net assets in obligations issued or guaranteed by the U.S. government and its government-related entities. The balance of Fund assets may be invested in U.S. investment-grade debt securities. Additionally, the Fund will maintain an average effective duration of one year or less. Duration is a measure of how sensitive the portfolio may be to changes in interest rates. All else equal, a lower-duration bond portfolio is less sensitive to changes in interest rates than a bond portfolio with a higher duration. Over time, this shorter-term focus (duration of less than one year) is intended to generate total returns that are higher than cash or money market funds, while also taking less interest rate risk than a bond portfolio with a higher duration.

The Fund's principal investment strategies and objectives of providing current income, protecting principal and providing liquidity remain our primary goals. While the Fund's current income will likely remain pressured (i.e. drift lower) by the current ultra-low nominal reinvestment environment, we believe we can continue to add value via security selection in the U.S. investment-grade debt segment. Protecting principal and providing liquidity will always have 'pride of place,' however, in managing the Ultra Short Government Fund on behalf of shareholders. Thank you for your investment and confidence in our firm.

## Fixed Income Insights: The Elephant in the Marketplace

Actions by the Fed have stimulated the economy, but have also created challenges in the fixed-income market. Find out where we're discovering opportunities.

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## Average Annual Total Returns

AS OF 06/30/2020									
	YTD	1-year	3-year	5-year	10-Year	Since Inception	Inception Date	Net Expense	Gross Expense
Ultra Short Government Fund (SAFEX)	0.95%	1.94%	1.89%	1.20%	0.61%	2.35%	08/01/1991	0.20%	0.61%
ICE BofAML US 6-Month Treasury Bill	0.93%	2.11%	2.00%	1.43%	0.82%	2.90%	-	-	-

## 30-Day SEC Yield

AS OF 06/30/2020		
	Subsidized Yield	Unsubsidized Yield
Ultra Short Government Fund (SAFEX)	0.32%	-0.23%

**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](http://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 07/31/2020.

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 12/16/2016, the Ultra Short Government Fund revised its principal investment strategies. Prior to that date, the Fund operated as a "government money market fund" and maintained a stable net asset value of \$1.00 per share. Performance prior to 12/16/2016 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 **ICE BofAML 6-Month Treasury Bill** is generally representative of the market for U.S. Treasury Bills.

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

The Fund receives credit quality ratings on portfolio securities when available from credit rating agencies. The Fund itself has not been rated by a credit rating agency. Ratings and portfolio credit quality may change over time. A security is "investment grade" when it has received a credit quality rating of at least BBB. If a security has received different ratings from more than one rating agency, then the highest rating is used. Mortgage related securities issued and guaranteed by government sponsored agencies such as Fannie Mae and Freddie Mac are generally not rated by rating agencies. Securities which are not rated do not necessarily indicate low quality. Fannie Mae's and Freddie Mac's senior long-term debt are currently rating Aaa and AAA by Moody's and Fitch, respectively.

**Definitions:** **30-Day SEC Yield** represents net investment income earned by a fund over a 30-day period, expressed as an annual percentage rate based on the Fund's share price at the end of the 30-day period. **Subsidized yield** reflects fee waivers and/or expense reimbursements during the period. Without such fee waivers and/or expense reimbursements, if any; yields would have been lower. **Unsubsidized yield** does not adjust for any fee waivers and/or expense reimbursement in effect. **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. **Investment grade bonds** are those securities rated at least BBB- by one or more credit rating agencies. **Non-investment grade bonds** are those securities (commonly referred to as "high yield" or "junk" bonds) rated below BBB- by two or more credit rating agencies.

The views and opinions expressed here are those of the portfolio managers as of 07/20/2020, 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. Market risk includes political, regulatory, economic, social and health risks (including the risks presented by the spread of infectious diseases). Changing interest rates may have sudden and unpredictable effects in the markets and on the Fund's investments. See the Fund's prospectus for a further discussion of risks.

**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](http://weitzinvestments.com) or from a financial advisor. Please read the prospectus carefully before investing.**

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

# ULTRA SHORT GOVERNMENT FUND

## Schedule of Investments

June 30, 2020

Corporate Bonds - 2.5%	\$ Principal Amount	\$ Value
Berkshire Hathaway Inc. 2.2% 3/15/21	500,000	506,027
Enterprise Products Partners LP 2.8% 2/15/21	200,000	202,778
UnitedHealth Group Inc. 2.7% 7/15/20	700,000	700,612
WM. Wrigley Jr. Co. 3.375% 10/21/20 <sup>(a)</sup>	700,000	704,683
<b>Total Corporate Bonds (Cost \$2,099,008)</b>		<b>2,114,100</b>

### Asset-Backed Securities - 11.7%

American Credit Acceptance Receivables Trust (ACAR) <sup>(b)</sup>		
2019-2 CL A — 2.85% 7/12/22	69,273	69,399
2020-1 CL A — 1.89% 4/13/23	374,158	376,174
ARI Fleet Lease Trust (ARIFL) <sup>(b)</sup>		
2018-A CL A2 — 2.55% 10/15/26	313,306	314,244
2019-A CL A2A — 2.41% 11/15/27	602,458	611,521
Ascentium Equipment Receivables Trust (ACER) <sup>(b)</sup>		
2017-1A CL B — 2.85% 10/10/21	425,000	430,186
Carvana Auto Receivables Trust (CRVNA) <sup>(a)</sup>		
2019-2A CL B — 2.74% 12/15/23	350,000	356,234
Drive Auto Receivables Trust (DRIVE)		
2018-2 CL C — 3.63% 8/15/24	362,461	364,465
DT Auto Owner Trust (DTAOT) <sup>(b)</sup>		
2016-4A CL D — 3.77% 10/17/22	278,379	279,122
2019-4A CL A — 2.17% 5/15/23	306,644	308,531
Enterprise Fleet Financing LLC (EFF) <sup>(b)</sup>		
2017-1 CL A3 — 2.6% 7/20/22	512,194	512,737
Exeter Automobile Receivables Trust (EART) <sup>(a)</sup>		
2020-1A CL A — 2.05% 6/15/23	346,869	349,014
First Investors Auto Owners Trust (FIAOT) <sup>(b)</sup>		
2017-1A CL D — 3.6% 4/17/23	317,000	322,333
Freedom Financial (FREED) <sup>(b)</sup>		
2019-1 CL A — 3.42% 6/18/26	257,249	258,047
GLS Auto Receivables Trust (GCAR) <sup>(b)</sup>		
2018-1A CL A — 2.82% 7/15/22	578,517	580,346
2019-3A CL A — 2.58% 7/17/23	133,654	135,266
Great America Leasing Receivables Trust (GALC) <sup>(b)</sup>		
2020-1 CL A2 — 1.76% 6/15/22	737,000	743,655
Marlette Funding Trust (MFT) <sup>(b)</sup>		
2018-2A CL B — 3.61% 7/17/28	292,649	294,055
2018-3A CL A — 3.2% 9/15/28	9,820	9,814
2019-2A CL A — 3.13% 7/16/29	228,916	231,005
MMAF Equipment Finance LLC (MMAF) <sup>(b)</sup>		
2016-AA CL A4 — 1.76% 1/17/23	613,327	616,170
OneMain Financial Issuance Trust (OMFIT) <sup>(b)</sup>		
2017-1A CL A1 — 2.37% 9/14/32	345,723	346,848

	\$ Principal Amount or Shares	\$ Value
Prosper Marketplace Issuance Trust (PMIT) <sup>(a)</sup>		
2019-3A CL A — 3.19% 7/15/25	183,917	184,674
2019-2A CL A — 3.2% 9/15/25	92,283	92,472
Santander Drive Auto Receivables Trust (SDART)		
2020-1 CL A2A — 2.07% 1/17/23	250,000	252,077
Social Professional Loan Program LLC (SOFI) <sup>(a)</sup>		
2018-A CL A2A — 2.39% 2/25/42	161,676	162,038
United Auto Credit Securitization Trust (UACST) <sup>(b)</sup>		
2020-1 CL A — 0.85% 5/10/22	250,000	250,304
Upgrade Receivables Trust (UPGR) <sup>(b)</sup>		
2019-1A CL A — 3.48% 3/15/25	39,771	39,775
Upstart Securitization Trust (UPST) <sup>(b)</sup>		
2018-2 CL B — 4.445% 12/22/25	340,330	341,051
Verizon Owner Trust (VZOT) <sup>(b)</sup>		
2018-1A CL A1A — 2.82% 9/20/22	455,880	459,840
Westlake Automobile Receivables Trust (WLAKE) <sup>(b)</sup>		
2020-2A CL A2A — 0.93% 2/15/24	750,000	750,546
<b>Total Asset-Backed Securities (Cost \$9,989,846)</b>		<b>10,041,943</b>

### U.S. Treasury - 80.5%

#### U.S. Treasury Notes

1.375% 8/31/20	9,000,000	9,017,960
2.0% 9/30/20	7,500,000	7,534,095
1.625% 10/15/20	17,000,000	17,071,077
1.75% 11/15/20	3,000,000	3,017,461
1.625% 11/30/20	17,300,000	17,402,719
2.75% 11/30/20	9,800,000	9,906,039
2.0% 1/15/21	5,000,000	5,049,707
<b>Total U.S. Treasury (Cost \$68,895,331)</b>		<b>68,999,058</b>

### Cash Equivalents - 5.0%

State Street Institutional U.S. Government Money		
Market Fund - Premier Class 0.12% <sup>(a)</sup>	4,298,944	4,298,944
<b>Total Cash Equivalents (Cost \$4,298,944)</b>		<b>4,298,944</b>
<b>Total Investments in Securities (Cost \$85,283,129)</b>		<b>85,454,045</b>
Other Assets Less Other Liabilities - 0.3%		251,259
<b>Net Assets - 100%</b>		<b>85,705,304</b>
<b>Net Asset Value Per Share</b>		<b>10.02</b>

(a) Rate presented represents the annualized 7-day yield at June 30, 2020.

(b) Security is exempt from registration under Rule 144A of the Securities Act of 1933.

This security may be resold in transactions that are exempt from registration, normally, to qualified institutional buyers.

**This schedule of portfolio holdings is unaudited and is presented for informational purposes only. Portfolio holdings are subject to change at any time and references to specific securities are not recommendations to purchase or sell any particular security. Current and future portfolio holdings are subject to risk.**