ULTRA SHORT GOVERNMENT FUND

Weitz | INVESTMENT MANAGEMENT

Portfolio Managers: Tom Carney, CFA & Nolan Anderson
Investment Style: Ultra-Short-Term Bond

The Ultra Short Government Fund returned +0.06% in the third quarter compared to a +0.07% return for the ICE BofA US 6-Month Treasury Bill Index (6-Month Treasury), the Fund's primary benchmark. Year to date, the Fund returned +1.01% compared to a +1.00% return for the benchmark.

Overview

The Federal Reserve (Fed) made no changes in short-term monetary policy during the quarter (leaving rates at/near zero), but in August the Fed unanimously adopted a new monetary policy framework that, while incremental to the agency's long-term policy goals of promoting maximum employment and stable prices, may result in a *lower* for a lot *longer* short-term interest rate environment.

The Fed's new policy framework establishes an average inflation targeting regime as well as a rather remarkable combination of factors to wait for before moving short-term interest rates off zero. Namely, the Fed expects to maintain the current Federal Funds rate (between zero and 25 basis points) until the labor market reaches full employment and inflation has consistently averaged 2% over a one-, three-, or five-year time period. In other words, the Fed appears willing to allow inflation to overshoot 2% for some amount of time to allow the labor market to reach the Fed's view of full employment. Using the Fed's long-standing measure of 4.1% unemployment as the measure of full employment and the Fed's favored inflation gauge of PCE (personal consumption expenditures), these conditions have been an extreme historical anomaly, rarely occurring together at the same time. The Fed's new inflation targeting regime has something in common with Samuel Beckett's tragic comedy "Waiting for Godot" – they're both waiting for something that may never happen. As one macro strategist suggests by analogy, the Fed is attempting to cast itself as a sort of monetary Peter Pan who wants the economy to come visit Never-Never Land.

Fixed Income Insights: Escaping the 'Math Problem'

The current fixed income environment is wrought with challenges, particularly for broad indexes and the funds that follow them. But we believe opportunities can be found by remaining flexible and searching outside of the indexes.

While this new policy framework by the Fed may be more evolutionary than revolutionary, it does appear to have important implications for fixed-income investors. The acronym ZIRP (Zero Interest Rate Policy) that came into being after the Great Recession of 2008, and that resulted in short-term interest rates remaining at zero for six years could easily be eclipsed by the Fed's new average inflation targeting and full employment directive.

Our Fund's 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. But *lower* (short-term interest rates) for *longer* (maybe much longer) appears to be the Fed's new marching orders.

As of September 30, 81.1% of our portfolio was invested in U.S. Treasury notes, 13.5% in investment-grade asset-backed securities, 1.6% in investment-grade corporate bonds, and 3.8% in a high-quality money market fund and cash equivalents. The average effective duration on September 30 was 0.3 years, down from 0.4 years as of June 30. The Fund's 30-day yield decreased approximately four basis points in the quarter to 0.27% as of September 30. Given 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 higher total returns 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 come first in managing the Ultra Short Government Fund on behalf of shareholders. Thank you for your investment and continued confidence in our firm.

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Average Annual Total Returns

AS OF 09/30/2020	YTD	1-year	3-year	5-year	10-Year	Since Inception	Inception Date	Net Expense	Gross Expense
Ultra Short Government Fund (SAFEX)	1.01%	1.41%	1.80%	1.22%	0.62%	2.33%	08/01/1991	0.20%	0.71%
ICE BofA US 6-Month Treasury Bill	1.00%	1.54%	1.92%	1.42%	0.81%	2.88%	-	-	-

30-Day SEC Yield

AS OF 09/30/2020	Subsidized Yield	Unsubsidized Yield
Ultra Short Government Fund (SAFEX)	0.27%	-0.23%

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 10/20/2020, 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 07/31/2021.

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 BofA 6-Month Treasury Bill Index** 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.

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 or from a financial advisor. Please read the prospectus carefully before investing.

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

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Schedule of Investments

September 30, 2020

Corporate Bonds - 1.6%	$ Principal Amount	$ Value
Berkshire Hathaway Inc. 2.2% 3/15/21	500,000	503,619
Enterprise Products Partners LP 2.8% 2/15/21	200,000	201,806
WM. Wrigley Jr. Co. 3.375% 10/21/20[b]	700,000	701,070
Total Corporate Bonds (Cost $1,399,312)		1,406,495

Asset-Backed Securities - 13.5%	$ Principal Amount or Shares	$ Value
Automobile		
American Credit Acceptance Receivables Trust (ACAR)[b]		
2020-1 CL A — 1.89% 4/13/23	284,470	286,099
2020-3 CL A — 0.62% 10/13/23	470,722	470,931
Carvana Auto Receivables Trust (CRVNA)[b]		
2019-2A CL B — 2.74% 12/15/23	350,000	356,988
Drive Auto Receivables Trust (DRIVE)		
2018-2 CL C — 3.63% 8/15/24	196,238	197,150
DT Auto Owner Trust (DTAOT)[b]		
2016-4A CL D — 3.77% 10/17/22	5,195	5,203
2019-4A CL A — 2.17% 5/15/23	231,740	233,218
2020-3A CL A — 0.54% 4/15/24	250,000	250,077
Exeter Automobile Receivables Trust (EART)[b]		
2020-1A CL A — 2.05% 6/15/23	243,236	244,953
First Investors Auto Owners Trust (FIAOT)[b]		
2017-1A CL D — 3.6% 4/17/23	317,000	322,325
GLS Auto Receivables Trust (GCAR)[b]		
2018-1A CL A — 2.82% 7/15/22	320,325	321,073
2019-3A CL A — 2.58% 7/17/23	99,284	100,383
Santander Drive Auto Receivables Trust (SDART)		
2020-1 CL A2A — 2.07% 1/17/23	211,204	212,688
United Auto Credit Securitization Trust (UACST)[b]		
2020-1 CL A — 0.85% 5/10/22	175,043	175,176
Westlake Automobile Receivables Trust (WLAKE)[b]		
2020-2A CL A2A — 0.93% 2/15/24	750,000	753,133
		3,929,397
Consumer & Specialty Finance		
Freedom Financial (FREED)[b]		
2019-1 CL A — 3.42% 6/18/26	26,374	26,421
Marlette Funding Trust (MFT)[b]		
2018-2A CL B — 3.61% 7/17/28	111,916	112,129
2019-2A CL A — 3.13% 7/16/29	177,162	179,089
2020-2A CL A — 1.02% 9/16/30	469,980	470,913
OneMain Financial Issuance Trust (OMFIT)[b]		
2018-1A CL A — 3.3% 3/14/29	750,000	770,476
2017-1A CL A1 — 2.37% 9/14/32	236,703	237,190
Prosper Marketplace Issuance Trust (PMIT)[b]		
2019-3A CL A — 3.19% 7/15/25	27,070	27,106
2019-2A CL A — 3.2% 9/15/25	116,375	116,910
Upstart Securitization Trust (UPST)[b]		
2019-1 CL B — 4.19% 4/20/26	259,483	260,287
2019-2 CL A — 2.897% 9/20/29	642,164	647,566
		2,848,087
Equipment		
Ascentium Equipment Receivables Trust (ACER)[b]		
2017-1A CL B — 2.85% 10/10/21	425,000	429,468
Dell Equipment Finance Trust (DEFT)[b]		
2020-2 CL A2 — 0.47% 10/24/22	400,000	402,561
Great America Leasing Receivables Trust (GALC)[b]		
2020-1 CL A2 — 1.76% 6/15/22	737,000	743,521
MMAF Equipment Finance LLC (MMAF)[b]		
2016-AA CL A4 — 1.76% 1/17/23	501,450	503,761
Stonebriar Commercial Finance Equipment Leasing LLC (SCFET)[b]		
2020-1A CL A2 — 0.68% 10/20/25	500,000	500,618
		2,579,929
Fleet Lease		
ARI Fleet Lease Trust (ARIFL)[b]		
2018-A CL A2 — 2.55% 10/15/26	188,210	188,801
2019-A CL A2A — 2.41% 11/15/27	511,359	518,880
2020-A CL A2 — 1.77% 8/15/28	1,075,000	1,086,746
		1,794,427
Mobile		
Verizon Owner Trust (VZOT)[b]		
2018-1A CL A1A — 2.82% 9/20/22	291,380	293,527
Student Loan		
Social Professional Loan Program LLC (SOFI)[b]		
2018-A CL A2A — 2.39% 2/25/42	4,633	4,636
Total Asset-Backed Securities (Cost $11,392,431)		11,450,003

U.S. Treasury - 81.1%	$ Principal Amount or Shares	$ Value
U.S. Treasury Notes		
1.625% 10/15/20	17,000,000	17,009,977
1.75% 11/15/20	3,000,000	3,006,050
1.625% 11/30/20	17,300,000	17,343,228
2.75% 11/30/20	9,800,000	9,842,552
2.0% 1/15/21	5,000,000	5,026,708
2.375% 3/15/21	9,000,000	9,090,414
1.125% 8/31/21	7,500,000	7,566,315
Total U.S. Treasury (Cost $68,861,693)		68,885,244

Cash Equivalents - 3.5%	$ Principal Amount or Shares	$ Value
State Street Institutional U.S. Government Money Market Fund - Premier Class 0.03%[a]	2,962,957	2,962,957
Total Cash Equivalents (Cost $2,962,957)		2,962,957
Total Investments in Securities (Cost $84,616,393)		84,704,699
Other Assets Less Other Liabilities - 0.3%		276,769
Net Assets - 100%		**84,981,468**
Net Asset Value Per Share		**10.01**

(a) Rate presented represents the annualized 7-day yield at September 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 composition is subject to change at any time and references to specific securities, industries, and sectors are not recommendations to purchase or sell any particular security. Current and future portfolio holdings are subject to risk.