

ULTRA SHORT GOVERNMENT FUND

Co-Portfolio Managers: Tom Carney, CFA & Nolan Anderson

Investment Style: Ultra-Short-Term Bond

The Ultra Short Government Fund returned +0.02% in the first quarter compared to a -0.09% return for the ICE BofAML US 6-Month Treasury Bill Index (6-Month Treasury). For the fiscal year ended March 31, 2022, the Fund returned +0.01% compared to a -0.05% return for the index.

Overview

The Federal Reserve raised short-term interest rates for the first time in over three years in the first quarter of 2022 and telegraphed more increases to the Fed Funds rate this year. By raising short-term interest rates in March, the Fed ended the two-year long (and second installment of) the monetary policy often dubbed ZIRP (zero interest-rate policy). Long suffering “savers” (e.g., bank savings accounts, CDs, and investors in ultra-short investments like this Fund) who have had to endure many years of ZIRP since its inception post the Great Financial Crisis of 2008/2009 will not shed a tear as short-term interest rates move off the zero bound. Many investors would arguably be pleased to see the ZIRP acronym relegated to the dustbin of history. Whether ZIRP becomes a topic for history books or is revisited sometime in the future, short-term investors will cheer the likely improved returns in 2022.

The Federal Reserve’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 Federal Reserve’s monetary policy, as we frequently reinvest maturities with holdings that mature in a short period of time. As of March 31, 2022, 81.6% of our portfolio was invested in U.S. Treasury notes, 6.5% in investment-grade asset-backed securities, and 11.9% in cash and cash equivalents. The average effective duration declined to 0.2 years on March 31 from 0.3 years on December 31, 2021. The Fund’s 30-day yield increased approximately 17 basis points in the quarter to 0.24% as of March 31. Given that the Fed appears resolved to continue raising short-term interest rates (possibly at each of their 6 remaining meetings in 2022), the Fund’s 30-day yield will likely increase in the months and quarters to follow as we re-invest maturing investments at likely more favorable levels.

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 being 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, however, in managing the Fund on behalf of shareholders.

WEITZ INVESTMENT INSIGHTS

FIXED INCOME INSIGHTS:

Navigating Turbulent Times

Fixed income investors are navigating skyrocketing inflation, a surge in volatility, and the start of what could be the fastest rate-hiking cycle in decades. With multiple rate increases already priced into the market, we break down how we are reinvesting cash flows at higher base rates while continuing to move forward with patience and flexibility to take advantage of new credit opportunities.

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Average Annual Total Returns (%)

AS OF 03/31/2022									
	YTD	1-year	3-year	5-year	10-Year	Since Inception	Inception Date	Net Expense	Gross Expense
Ultra Short Government Fund (SAFEX)	0.02	0.01	0.91	1.16	0.61	2.22	08/01/1991	0.20%	0.59%
ICE BofA US 6-Month Treasury Bill	-0.09	-0.05	0.98	1.27	0.78	2.74	-	-	-

30-Day SEC Yield (%)

AS OF 03/31/2022		
	Subsidized Yield	Unsubsidized Yield
Ultra Short Government Fund (SAFEX)	0.24	-0.69

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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 Class's average daily net assets through 07/31/2022.

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.

The Fund's Investment Advisor may also voluntarily waive fees from time to time. For example, the Advisor may voluntarily undertake to waive fees in the event that fund yields drop below a certain level. Once started, there is no guarantee that the Advisor would continue to voluntarily waive a portion of its fees. Such voluntary waiver is not reflected in the Fund's Net Expense Ratio but may impact the Fund's performance.

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.

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. 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 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: **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 ratings agencies. **Non-Investment Grade Bonds** are those securities (commonly referred to as "high yield" or "junk" bonds) rated BB+ and below by one or more credit ratings 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.

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