

ULTRA SHORT GOVERNMENT FUND

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

The Ultra Short Government Fund returned +0.09% in the second quarter compared to a +0.08% return for the ICE BofAML US 6-Month Treasury Bill Index (6-Month Treasury). Year-to-date, the Fund returned +0.11% compared to a -0.02% return for the index. In a year where positive investment returns have been scarce, even for ultra-short-term investors, we're pleased to report even modest 'green' (positive) results for the quarter and year-to-date.

The Federal Reserve continued raising short-term interest rates in the second quarter of 2022 in an effort to slow (and eventually reverse) the relentless inflationary pressures in the U.S. economy. The quarter experienced the first back-to-back Federal Open Market Committee (FOMC) meeting hikes since 2006 and the largest increments (0.5% in May and 0.75% percent in June) in 22 years. The Federal Funds Rate, which was 1.75% as of June 30, 2022, is forecast to continue increasing meaningfully, with some economists predicting a Fed Funds rate as high as 4% by year-end.

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 June 30, 81.5% of our portfolio was invested in U.S. Treasury notes, 5.8% in investment-grade asset-backed securities, and 12.7% in a high-quality money market fund. The average effective duration decreased from 0.2 years on March 30, 2022, to 0.1 years on June 30, 2022. The Fund's 30-day yield increased approximately 32 basis points in the quarter to 0.56% as of June 30. A more forward-looking data point is the Fund's yield-to-worst (YTW), which stood at 1.4% as of June 30.

Given the Fed's intentions to continue raising short-term interest rates (possibly at each of their four 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. The Fund's historically low duration level on June 30 (0.15 years) will aid in actively taking advantage of improved forward return opportunities.

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. Thank you for your investment and confidence in our firm.



FIXED INCOME INSIGHTS: Clouds With Silver Linings

Stock and bond prices are falling, inflation has gone from bad to worse, and the Fed is raising rates at its fastest pace in years. While the fixed income marketplace remains challenging, there is a silver lining that should have fixed income investors feeling optimistic

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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	30-YR	(8/1/1991)			
SAFEX Institutional Class	0.09	0.11	0.06	0.70	1.16	0.62	1.10	2.13	2.20		0.20	0.68
ICE BofA US 6-Month Treasury Bill Index	0.08	-0.02	0.02	0.76	1.23	0.78	1.48	2.63	2.72		-	-

YIELDS (%)			
	30-DAY SEC YIELD		Dividend Yield
	Subsidized	Unsubsidized	
SAFEX	0.56	0.27	0.54

This material must be preceded or accompanied by a [prospectus or summary prospectus](#).

Data is for the quarter ending 06/30/2022. 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 07/20/2022, 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 07/31/2023.

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.

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.

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