3Q 2023

ULTRA SHORT GOVERNMENT FUND

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The Ultra Short Government Fund returned +1.21% in the third quarter compared to a +1.32% return for the ICE BofAML US 6-Month Treasury Bill Index (6-Month Treasury). Year-to-date, the Fund has returned +3.46% compared to a +3.60% return for the index.

Overview

In July, the Federal Reserve delivered its eleventh increase to the federal funds rate since the cycle began in March 2022, resulting in a 5.25-5.50% target rate at quarter-end. Despite a well-telegraphed pause at the September meeting, the Federal Reserve's message was clear: the inflation fight is not done. The Fed reinforced its higher for longer messaging by removing two interest rate cuts from its latest “dot-plot” forecast of Fed rate policy (Fed officials now see a fed funds rate of 5.00-5.25% in 2024, as compared to 4.50-4.75% at the June Meeting), raising its economic growth forecast and lowering its year-end unemployment target to 3.7% from 3.9% in June.

This may suggest the Fed believes the economy is too strong for them to achieve their inflation objectives despite its expectation that core inflation will peak at 3.7% this year — lower than June's projection of 3.9% — before cooling to 2.6% in 2024. Given the Fed believes monetary policy works primarily through the “wealth effect” channel, the Fed may be trying to tighten financial conditions through engineering higher long-term interest rates and therefore higher borrowing costs for consumers and businesses. In a speech on September 28th, following the Fed's September policy meeting, Chairman Powell noted that “one of our goals is to influence spending and investment decisions today, and in the months ahead.”

FIXED INCOME INSIGHTS:

Where are We Now?

An uncertain path for interest rates, questions over economic strength, and a tug-of-war between the Fed and the U.S. government continue to fuel challenges for fixed income investors. In today›s environment, the ability to cast a wide net in the bond markets is especially important.

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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 returns 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 September 30, 94.7% of our portfolio was invested in U.S. Treasury notes, 1.3% in investment-grade asset-backed securities, and 4.0% in a high-quality money market fund. The average effective duration was increased in the quarter from 0.3 years as of June 30 to 0.5 years as of September 30. The Fund's 30-day yield increased modestly in the quarter to 5.04% as of September 30.

Given that monetary policy impacts the economy with a lag, market participants continue to believe that the Fed is close to the end of its tightening cycle but have pushed out the timing of when the Fed may need to begin cutting/lowering interest rates. While we want to be aware of what the Fed and the market are saying at any given point, we understand that these projections/predictions are about as useful as the meteorologist's weather forecast. However, we would not be disappointed to have rates remain at/near current levels as reinvestment opportunities, as measured by historic 6-month Treasury bill rates, haven't been this compelling in over 15 years. Given these multi-year highs in short-term interest rates, we have moved duration higher as mentioned above.

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 (either up or down) 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.

RETURNS (%)

	TOTAL RETURNS		AVERAGE ANNUAL TOTAL RETURNS						Since Inception		
	QTR	YTD	1-YR	3-YR	5-YR	10-YR	20-YR	30-YR	(8/1/1991)	Net Expense	Gross Expense
SAFEX Institutional Class	1.21	3.46	4.29	1.56	1.73	1.08	1.28	2.17	2.26	0.33	0.64
ICE BofA US 6-Month Treasury Bill Index	1.32	3.60	4.59	1.68	1.84	1.25	1.62	2.64	2.77	-	-

YIELDS (%)

	30-DAY SEC YIELD		
	Subsidized	**Unsubsidized**	**Dividend Yield**
SAFEX	5.04	4.82	4.83

Data is for the quarter ending 09/30/2023. 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 10/20/2023, 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.

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.

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.