

ULTRA SHORT GOVERNMENT FUND

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

The Ultra Short Government Fund returned +1.14% in the first quarter compared to +1.24% for the ICE BofA US 6-Month Treasury Bill Index (6-Month Treasury). For the one-year period ended March 31, 2024, the Fund returned +4.94% compared to a +5.22% return for the index.

Overview

Short-term investors (our Fund included) continued to post solid returns in the first quarter as the Federal Reserve has been in pause mode on its two-year campaign to slow inflation by raising the fed funds rate, and by extension all short-term-oriented investments. Nominal short-term returns remain high by 17-year standards, a long-enough period for investors to appreciate returns available in money market funds, CDs, and funds like our Ultra Short Government fund. The market's attention has now turned to when the Fed will begin cutting short-term rates. Predictions as to when that may happen continue to get pushed further out in 2024 (or beyond) as inflation, while down from a year ago, has remained 'sticky' and above the Fed's long-term goal of 2%.

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 March 31, 2024, 96.1% of our portfolio was invested in U.S. Treasury notes, 0.9% in investment-grade asset-backed securities, and 3.0% in cash and cash equivalents. The average effective duration declined to 0.3 years at March 31, 2024, from 0.5 years at December 31, 2023. The Fund's 30-day yield increased approximately 13 basis points during the quarter to 5.05% as of March 31.

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. For the past year we have thought it prudent to maintain a higher exposure to U.S. Treasury notes for quality and liquidity purposes. Given today's high nominal interest rate environment, by historic standards, we would expect to continue to keep U.S. Treasury weightings well above the Fund's 80% minimum threshold.

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.



FIXED INCOME INSIGHTS: Great Expectations

In a fixed income environment defined by volatility and uncertainty, we continue to approach the bond markets with a wide net and aim to take advantage of the best risk-adjusted opportunities wherever we can find them.

[Read More →](#)

RETURNS (%)												
	TOTAL RETURNS		AVERAGE ANNUAL TOTAL RETURNS							Since Fund Inception (8/1/1991)	Net Expense	Gross Expense
	QTR	YTD	1-YR	3-YR	5-YR	10-YR	20-YR	30-YR				
SAFEX Institutional Class	1.14	1.14	4.94	2.43	2.00	1.34	1.40	2.21	2.31	0.33	0.64	
ICE BofA US 6-Month Treasury Bill Index	1.24	1.24	5.22	2.57	2.14	1.52	1.73	2.68	2.81	-	-	

YIELDS (%)			
	30-DAY SEC YIELD		Distribution Yield
	Subsidized	Unsubsidized	
SAFEX	5.05	4.79	4.98

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

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. **Distribution yield** is a measure of yield calculated by taking a fund's most recent income distribution payment divided by its net asset value (NAV) and expressed as an annual rate.

Data is for the quarter ending 03/31/2024. 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 04/20/2024, 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: Basis point (BPS) refers to a unit of measurement that is equal to 1/100th of 1%, or 0.01%. **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.