Weitz | FUNDS

Core Plus Income Fund

3Q 2018 Quarterly Commentary

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

Core Plus Income Fund's Institutional Class returned +0.07% for the third calendar quarter compared to a +0.02% return for the Bloomberg Barclays U.S. Aggregate Bond Index (Bloomberg Barclays U.S. Agg), our primary benchmark. For the calendar year to date, Core Plus Income Fund's Institutional Class returned +0.05% compared to a -1.60% return for the Bloomberg Barclays U.S. Agg. We are pleased with the Fund's relative performance in this rising interest rate environment.

The Fund's Institutional Share Class has generated a performance track record ranking in the top decile of its Morningstar peer group (Intermediate-Term Bond) for the one- and three-year periods as of September 30, 2018[1]. The Fund's performance **table** on our website (weitzinvestments.com) shows returns over various holding periods.

Overview

The U.S. economy is thriving so far in 2018, as improvements in various economic data points have been recorded with each passing month. The unemployment rate and its close cousin, the monthly average of jobless claims, measured at the lowest levels since 1969, during the quarter. Wage growth as reported by the Labor Department hit the highest level since 2009, as inflation pressures, while still reasonably tame, continue to percolate in the U.S. economy. Consumer confidence registered its highest reading since 2000. And small-business sentiment as measured by a survey by the National Federation of Independent Business came in during the quarter at the highest reading since the survey began in 1974.

Other major economies are not faring nearly as well. Europe's growth rate is waning, while emerging markets–last year's standout performer–are struggling in the face of high debt, currency weakness, costly oil and trade worries.

Worries about global trade relationships are steady headline fodder, but more than six months after the first proposed tariffs on certain metals imports, markets are still discounting the likelihood that current tensions–particularly between the White House and China–will devolve into a full-blown trade war. The longer this goes on, the greater the risk that either side or both overplay their hand, and that markets and the global economy will have to deal with the unhappy consequences.

U.S. Treasury bond yields took their cue from the strong domestic economic data and continued to march higher (prices lower) in the quarter. Shorter-term interest rates rose slightly more than longer-term rates, as market participants anticipate additional tightening measures by the Federal Reserve later this year and into 2019. The Federal Reserve raised short-term interest rates in late September, which was the third rate increase in 2018 and the eighth since the current tightening cycle began in late 2015. The Fed has said it will keep raising rates until it sees evidence that higher interest rates are hurting the U.S. economy. Short-term rates generally more closely follow the Fed's expected and actual monetary policy action.

As a result, the difference between short- and longer-term bond yields continued to narrow in the quarter as the yield curve continued to "flatten." A flattening invariably occurs when the Fed embarks on a monetary-tightening campaign. An example of the yield curve flattening can be seen in the difference between 2-year and 10-year Treasury bond yields. Over the past 10 years, the difference between 2-year and 10-year Treasury bond yields has averaged more than 150 basis points. This is understandable considering investors typically want to be compensated for lending money over longer periods of time. This is called the "term premium" in industry parlance.

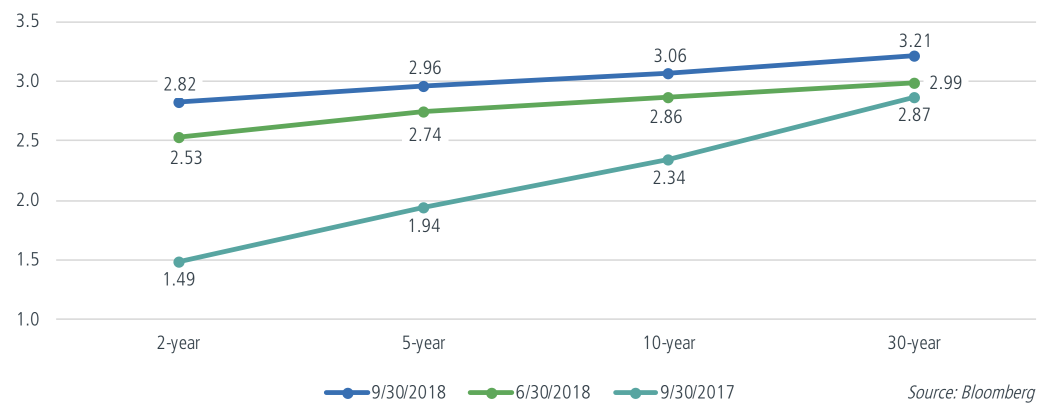
In the third quarter, the difference between 2-year and 10-year Treasury bond yields hit its lowest point over the past 10 years, at less than 30 basis points. The yield curve has yet to "invert," where short-term yields exceed longer-term yields but is an important market occurrence to monitor since an inversion of the yield curve has often been a reliable signal for heightened recession risk.

The economic data continues to give "all clear" or "smooth sailing" signals–and the Fed seems intent on continuing to raise short-term rates. The risk is that the economic evidence reveals itself too late, and the Fed ends up overshooting on rates. Overall, the yield curve is something we will be monitoring in the months and quarters ahead.

The chart on the following page provides an overview of select U.S. Treasury bond yields for the quarter and the past twelve months.

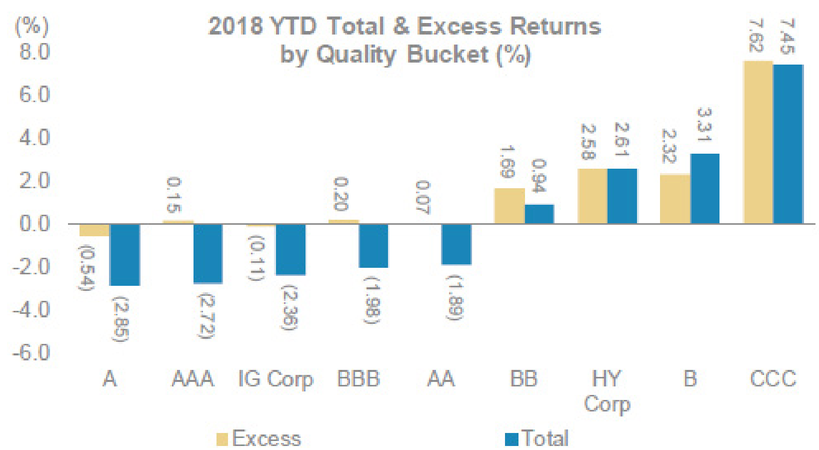
[1]The Weitz Core Plus Income Fund's Institutional Class had a 1-year percentile ranking of 7 out of 1039 intermediate-term bond funds, and 3-year percentile ranking of 9 out of 902 intermediate-term bond funds as of September 30, 2018.

U.S. Treasury Yields (%)



Corporate bonds and other credit-sensitive securities outperformed Treasury bonds in the quarter as credit spreads narrowed/declined, particularly for non-investment-grade or high-yield bonds. A broad measure of investment-grade[2] corporate bond spreads, compiled by Merrill Lynch, declined to 113 basis points as of September 30, down 27 basis points in the quarter.

The chart below, courtesy of Morgan Stanley, portrays total returns and excess returns as compared to U.S. Treasuries across quality segments of the corporate bond marketplace, from very high quality (AAA) to the lowest-quality segment (CCC). The CCC segment leads the pack once again.



IG=Investment Grade HY=High Yield

Both investment-grade (IG) and high-yield (HY) option-adjusted spreads[2] (OAS) remain near the lowest, or tightest, levels since before the 2008-09 recession and not much further from all-time lows/"tights."

This has translated into an environment where investors are being paid less, as measured by the incremental spread over safer alternatives like U.S. Treasuries, to assume credit risk. The seeming tranquility, if not complacency, of today's credit and overall bond market *will* inevitably be followed by more turbulence. Timing is unknown, of course, but history is a good guide in that regard. We intend to remain vigilant/disciplined and invest only in those areas of the marketplace that present the most favorable risk/reward opportunities, and we look forward to taking advantage of the inevitable dislocations that will occur sometime in the future.

Portfolio Positioning

The table on the following page shows the change in allocation to various sectors from the most recent quarter and compared to a year ago. This summary provides a view over time of how we have allocated capital.

Since our goal is to invest in sectors that we believe offer the best risk-adjusted returns, our allocations may change significantly over time.

Net Assets (%)

Sector	9/30/2018	6/30/2018	9/30/2017
Corporate Bonds	23.9	25.3	28.9
Corporate Convertible Bonds	1.8	2.0	2.4
Asset-Backed Securities (ABS)	25.4	22.7	21.2
Commercial Mortgage-Backed Securities (CMBS)	1.8	3.9	2.2
Agency Mortgage-Backed (MBS)	0.1	0.1	0.3
Non-Agency Mortgage-Backed (RMBS)	3.1	3.5	4.6
Taxable Municipal Bonds	0.8	0.8	1.0
U.S. Treasury	39.6	36.3	38.0
Common Stocks	0.5	0.7	0.6
Cash & Equivalents	3.0	4.7	0.8
Total	**100.0**	**100.0**	**100.0**
High Yield*	**11.7**	**12.4**	**7.7**

**High-Yield exposure (as of 9/30/18) consists of investments in the Corporate, Corporate Convertible, ABS and MBS sectors.*

The primary shift in asset allocation during the quarter was toward U.S. Treasury bonds and asset-backed securities. As we have discussed in prior letters, we are at times willing to hold large amounts of liquidity while we seek out qualifying investment opportunities. We have a growing list of corporate and asset-backed issuers that we would like to own at the right price and are ready to act should an opportunity arise.

As of September 30, our high-yield exposure was approximately 11.7%, down from 12.4% as of June 30 (the maximum we are permitted is 25%). However, approximately 3.0% of our high-yield exposure is to split-rated credits (i.e., bonds rated investment grade by one or more rating agencies) that would be counted as investment-grade exposure if they are a part of the Barclays Indexes. Since the Fund's 2014 inception, we have flexed our high-yield allocation meaningfully–from a low of 5.9% to a maximum of 24.9%.

Overall portfolio metrics as measured by average effective maturity and average effective duration changed modestly compared to the prior quarter. The average effective maturity increased to 5.1 years from 4.9 years, and the average effective duration increased to 4.4 years from 4.2 years. Consistent with the Fund's positioning since inception, we maintain a significantly lower average effective duration profile than the benchmark duration of 6.0 years for the Bloomberg Barclays U.S. Agg.

Overall, we continue to believe that a shorter duration profile is prudent, particularly from a credit risk management perspective. As of September 30, the duration of our credit-sensitive ABS and CMBS investments (representing 27% of Net Assets) was 1.2 years, while our corporate credit portfolio (representing 26% of Net Assets) had a duration of 2.9 years. We remain willing to increase our duration if interest rates and/or credit spreads increase to provide sufficient risk-adjusted returns.

Top Quarterly Contributors

Sector allocation and security selection were the key drivers of performance. Overall, the Fund benefited from its overweight position in ABS and high yield, as both benefited from a shorter duration profile and tightening credit spreads. Primary contributors included:

- **Asset-Backed Securities (ABS):** Our automobile, consumer and equipment ABS continued to perform at or above expectations with respect to credit performance and average life progression[2] while providing steady income and price appreciation.

- **Corporate Bonds:** Our diversified portfolio of investment-grade and high-yield corporate bonds across energy, financials, industrials and telecommunications benefited from solid coupon income and (unrealized) price appreciation as credit spreads contracted during the quarter.

- **Mortgage-Backed Securities:** Non-Agency Residential Mortgage-Backed (RMBS) and Commercial Mortgage-Backed (CMBS) securities generated positive contributions to Fund results as solid coupon income more than offset modest (unrealized) price depreciation.

Top Quarterly Detractors

- **U.S. Treasury Bonds:** Our portfolio of U.S. Treasury bonds, particularly longer maturity, were the largest detractor to performance during the third quarter. The size and duration of our Treasury portfolio ebbs and flows based on our view of market conditions. More target-rich investment conditions likely warrant a much smaller Treasury portfolio than we have today. At the same time, as interest rates continue to increase, the coupon income generation of Treasury bonds is becoming more attractive, as is the potential for price appreciation should market conditions suddenly change course and interest rates decline. Overall, we like the mix of coupon income, diversification, liquidity and optionality that Treasury bonds bring to the portfolio.

Investment Activity

Investment activity was weighted toward Treasuries (primarily 6- to 10-year maturities), followed by asset-backed securities and corporate credit. In ABS, we added to our auto and consumer ABS positions. All investment activity was targeted toward repeat issuers with whom we have existing lending relationships. Most of our new ABS investments are backed by seasoned collateral pools that we think have exhibited stable or better-than-expected credit performance. The investments have weighted average lives of 1-2 years, and we expect to earn 3-5% over our investment horizon.

As we lap the tenth anniversary of the cathartic phase of the Great Recession, some of the memories of those grim days in the financial markets appear to have faded a bit. The world's central banks have flooded their economies with liquidity and made credit available at artificially low interest rates. Over time, this has resulted in a gradual lowering of risk aversion as evidenced by current cycle-low credit spreads, particularly in high yield. Weaker security structures via covenant-light loans (i.e., lesser ongoing obligations on the part of the borrower) are also becoming more prevalent. We avoid making bold or specific predictions about the direction and pace interest rates or credit spreads might move in the future. But we do identify with the wise words of Oaktree Capital's founder and co-chairman Howard Marks when he says it's important to "take the temperature of the market." In that regard, we may not be at the extreme risk-taking levels that helped precipitate the Great Recession–but we are far from the "fat pitch" investments that were abundant in 2009. In Mr. Mark's words once again, we believe now is a time to "move forward, but with caution."

Caution has arguably always been our calling card in managing the Fund. Our overall goal is to invest in a portfolio of bonds of varying maturities that we believe represents attractive risk-adjusted returns, taking into consideration the general level of interest rates and the credit quality of each investment. Today we are exercising that caution by lowering duration in our credit-sensitive investments, particularly corporate bonds, and enhancing/improving overall credit quality.

We will patiently seek out areas of opportunity and invest one security at a time, relying on a fundamental research-based investment approach. Markets invariably do change, and given the Fund's abundant liquidity in the form of U.S. Treasuries, we stand ready to take advantage of any potential market weakness.

We thank you for your continued support, and we will work diligently to maintain your trust.

Performance data represents past performance, which does not guarantee future results. *The investment return and the principal value of an investment in the Fund will fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost. Current performance may be higher or lower than the performance data quoted. Performance data current to the most recent month end may be obtained at **weitzinvestments.com**.*

Average annual total returns for the Fund's Institutional and Investor Class for the one-year and since inception (7/31/14) periods ended September 30, 2018, were 0.27% and 2.79% and 0.07% and 2.59%, respectively. Returns assume reinvestment of dividends and redemption at the end of each period, and reflect the deduction of annual operating expenses, which as stated in the most recent Prospectus are 1.09% (gross) and 1.65% (gross) of the Fund's Institutional and Investor Class net assets, respectively. Returns also include fee waivers and/or expense reimbursements, if any; total returns would have been lower had there been no waivers or reimbursements. The Investment Adviser has agreed in writing to waive its fees 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 for Institutional Class shares and Investor Class shares to 0.40% and 0.60%, respectively, of each Class's average daily net assets through July 31, 2019.

Average annual total returns for the Bloomberg Barclays U.S. Aggregate Bond Index for the one-year and since Fund inception (7/31/14) periods ended September 30, 2018, were -1.22% and 1.75%, respectively. Index performance is hypothetical and is shown for illustrative purposes only. Comparative returns are the average returns for the applicable period of the reflected index. The Bloomberg Barclays U.S. Aggregate Bond Index is a broad-based benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market.

Portfolio composition is subject to change at any time. Current and future portfolio holdings are subject to risk.

[2]**Definitions: Investment Grade:** We consider investment grade to be those securities rated at least BBB- by one or more credit ratings agencies. **Option Adjusted Spread:** A "spread" compares the interest rate on a particular bond against a "base line" bond (typically a U.S. Treasury bond). When a bond issuer (or bondholder) has the option to exercise a right (for example, if the issuer can call a bond before its stated maturity date), then the "Option Adjusted Spread" takes into account the possibility that this option might be exercised—so a bond's Option Adjusted Spread may be more (or less) than its regular spread. **Average Life Progression:** A measure of repayment speed for a collateral pool (for example, a collection of mortgages may serve as the collateral pool for an issuance of mortgage-backed securities).

Investors should consider carefully the investment objectives, risks, and charges and expenses of the Fund before investing. The Fund's Prospectus contains this and other information about the Fund and should be read carefully before investing. The Prospectus is available from Weitz Investment Management, Inc. Weitz Securities, Inc. is the distributor of the Weitz Funds.

CORE PLUS INCOME FUND

Schedule of Investments

September 30, 2018

Corporate Bonds - 23.9%	$ Principal Amount	$ Value
Andeavor Logistics LP 6.25% 10/15/22	1,000,000	1,028,750
Anheuser-Busch InBev Finance Inc. 3.3% 2/01/23	200,000	197,645
Bank of America Corp. 2.25% 4/21/20	300,000	296,065
Berkshire Hathaway Inc. Finance Corp. 3.0% 5/15/22	200,000	198,777
Boardwalk Pipelines LLC 5.75% 9/15/19	225,000	230,552
Boston Properties LP 3.125% 9/01/23	555,000	540,107
Broadcom Corp. 3.125% 1/15/25	350,000	325,489
Calumet Specialty Products Partners LP		
6.5% 4/15/21	350,000	350,000
7.625% 1/15/22	357,000	359,677
Charter Communications Operating, LLC 4.2% 3/15/28	400,000	383,157
CNX Resources Corp. 5.875% 4/15/22	92,000	92,350
Computer Sciences Corp. 4.45% 9/15/22	500,000	507,727
Discovery, Inc. 2.95% 3/20/23	400,000	383,550
Dominion Resources, Inc. 2.962% 7/01/19	100,000	99,972
Donnelley Financial Solutions, Inc. 8.25% 10/15/24	108,000	114,277
Equifax Inc. 2.3% 6/01/21	100,000	96,499
Equity Commonwealth 5.875% 9/15/20	1,319,000	1,356,735
FLIR Systems, Inc. 3.125% 6/15/21	400,000	393,801
Invista B.V. 4.25% 10/15/19[c]	150,000	150,517
iStar Inc. 5.0% 7/01/19	161,000	161,370
JPMorgan Chase & Co. 2.87713% 3/09/21 Floating Rate (Qtrly LIBOR + 55)	150,000	150,461
L Brands, Inc. 5.625% 2/15/22	40,000	40,612
The Manitowoc Co., Inc. 12.75% 8/15/21[c]	550,000	603,625
Markel Corp.		
7.125% 9/30/19	125,000	129,388
4.9% 7/01/22	250,000	257,592
3.625% 3/30/23	200,000	196,393
3.5% 11/01/27	550,000	512,944
MPLX LP 4.875% 6/01/25	190,000	196,500
NGL Energy Partners LP		
5.125% 7/15/19	565,000	569,944
7.5% 11/01/23	148,000	149,480
NXP BV 4.625% 6/01/23[c] [d]	100,000	101,770
QVC, Inc. 3.125% 4/01/19	100,000	100,016
Range Resources Corp. 5.0% 8/15/22	301,000	299,495
RELX plc 3.5% 3/16/23	770,000	760,773
Sprint Spectrum Co. LLC 3.36% 3/20/23[c] [e]	187,500	187,266
STORE Capital Corp. 4.5% 3/15/28	503,000	491,495
TC PipeLines LP 4.65% 6/15/21	160,000	162,850
Wells Fargo & Co.		
4.6% 4/01/21	400,000	411,451
2.1% 7/26/21	200,000	192,649
Total Corporate Bonds (Cost $12,797,901)		**12,781,721**

Corporate Convertible Bonds - 1.8%	$ Principal Amount	$ Value
Redwood Trust, Inc.		
5.625% 11/15/19	150,000	152,136
4.75% 8/15/23	350,000	335,799
5.625% 7/15/24	500,000	494,687
Total Corporate Convertible Bonds (Cost $997,406)		**982,622**

Asset-Backed Securities - 25.4%[b]	$ Principal Amount	$ Value
AmeriCredit Automobile Receivables Trust (AMCAR)		
2015-2 CL D — 3.0% 2021 (0.9 years)	110,000	110,013
2017-1 CL D — 3.13% 2023 (2.2 years)	69,000	68,073
Ascentium Equipment Receivables Trust (ACER)[c]		
2015-2A CL B — 2.62% 2019 (0.1 years)	32,953	32,950
2016-2A CL E — 6.79% 2024 (2.0 years)	422,000	439,099
CarMax Auto Owner Trust (CARMX)		
2017-2 CL B — 2.41% 2022 (2.9 years)	90,000	87,780
Chrysler Capital Auto Receivables Trust (CCART)[c]		
2014-BA CL D — 3.44% 2021 (0.2 years)	108,000	108,134
Conn Funding II, LP (CONN)[c]		
2017-B CL A — 2.73% 2020 (0.1 years)	53,561	53,555
Credit Acceptance Auto Loan Trust (CAALT)[c]		
2015-2A CL C — 3.76% 2024 (0.2 years)	250,000	250,249
2016-2A CL C — 4.29% 2024 (0.9 years)	260,000	261,982
2016-3A CL B — 2.94% 2024 (1.2 years)	427,000	424,566
Drive Auto Receivables Trust (DRIVE)		
2017-AA CL D — 4.16% 2024 (1.6 years)[c]	290,000	293,007
2018-1 CL D — 3.81% 2024 (1.7years)	590,000	587,909
DT Auto Owner Trust (DTAOT)[c]		
2016-1A CL C — 3.54% 2021 (0.1 years)	42,986	43,023
2017-2A CL B — 2.44% 2021 (0.2 years)	168,207	168,047
2016-3A CL C — 3.15% 2022 (0.2 years)	65,143	65,184
2017-4A CL C — 2.86% 2023 (0.8 years)	140,000	139,421
2018-1A CL B — 3.04% 2022 (0.9 years)	300,000	299,392
2016-4A CL D — 3.77% 2022 (1.1 years)	85,000	85,480
Enterprise Fleet Financing LLC (EFF)[c]		
2017-2 CL A2 — 1.97% 2023 (0.7 years)	285,231	283,306

	$ Principal Amount	$ Value
Exeter Automobile Receivables Trust (EART)(c)		
2016-3A CL A — 1.84% 2020 (0.1 years)	13,494	13,480
2018-2A CL A — 2.79% 2021 (0.4 years)	165,012	164,893
2017-3A CL A — 2.05% 2021 (0.4 years)	169,239	168,460
2016-3A CL B — 2.84% 2021 (0.6 years)	368,000	368,101
2017-2A CL B — 2.82% 2022 (0.9 years)	160,000	159,164
2016-2A CL C — 5.96% 2022 (1.0 years)	480,000	492,007
2017-1A CL C — 3.95% 2022 (1.5 years)	310,000	310,584
2017-3A CL C — 3.68% 2023 (2.0 years)	88,000	87,693
First Investors Auto Owners Trust (FIAOT)(c)		
2015-2A CL D — 4.22% 2021 (1.3 years)	287,000	289,141
2017-1A CL B — 2.67% 2023 (1.5 years)	187,000	184,975
2016-2A CL C — 2.53% 2022 (1.6 years)	116,000	113,898
Flagship Credit Auto Trust (FCAT)(c)		
2014-2 CL C — 3.95% 2020 (0.4 years)	460,000	461,908
2015-2 CL B — 3.08% 2021 (0.4 years)	315,000	315,048
Hertz Fleet Lease Funding LP (HFLF)(c)		
2018-1 CL A2 — 3.23% 2032 (1.6 years)	370,000	369,840
Honor Automobile Trust Securitization (HATS)(c)		
2016-1A CL A — 2.94% 2019 (0.1 years)	14,425	14,425
Marlette Funding Trust (MFT)(c)		
2016-1A CL B — 4.78% 2023 (0.2 years)	412,378	414,554
2017-1A CL A — 2.827% 2024 (0.2 years)	65,568	65,569
2016-1A CL C — 9.09% 2023 (0.5 years)	100,000	103,690
2017-1A CL B — 4.114% 2024 (0.7 years)	350,000	351,338
2018-2A CL A — 3.06% 2028 (0.8 years)	136,756	136,732
2018-3A CL A — 3.2% 2028 (0.9 years)	372,148	372,159
OneMain Direct Auto Receivables Trust (ODART)(c)		
2017-1A CL B — 2.88% 2021 (0.7 years)	200,000	198,947
2017-2A CL D — 3.42% 2024 (2.3 years)	100,000	98,532
OneMain Financial Issuance Trust (OMFIT)(c)		
2015-2A CL C — 4.32% 2025 (0.0 years)	200,000	200,861
2015-1A CL A — 3.19% 2026 (0.0 years)	90,288	90,515
2015-1A CL D — 6.63% 2026 (0.0 years)	400,000	408,489
2015-2A CL D — 5.64% 2025 (1.4 years)	280,000	282,459
2016-2A CL C — 5.67% 2028 (1.5 years)	510,000	519,490
Santander Drive Auto Receivables Trust (SDART)		
2016-3 CL B — 1.89% 2021 (0.3 years)	253,873	253,187
2015-5 CL C — 2.74% 2021 (0.3 years)	111,616	111,607
2014-5 CL D — 3.21% 2021 (0.5 years)	80,000	80,163
2017-1 CL C — 2.58% 2022 (0.9 years)	131,000	130,169
2015-5 CL D — 3.65% 2021 (1.1 years)	245,000	246,010
2015-4 CL D — 3.53% 2021 (1.1 years)	100,000	100,330
2016-3 CL D — 2.8% 2022 (1.9 years)	400,000	395,714
SoFi Consumer Loan Program LLC (SCLP)(c)		
2016-2 CL A — 3.09% 2025 (0.9 years)	266,258	265,791
2016-3 CL A — 3.05% 2025 (0.9 years)	73,004	72,708
2017-1 CL A — 3.28% 2026 (1.2 years)	42,792	42,748
Springleaf Funding Trust (SLFT)(c)		
2015-AA CL C — 5.04% 2024 (0.0 years)	200,000	199,301
2015-AA CL A — 3.16% 2024 (0.4 years)	84,493	84,505
Upstart Securitization Trust (UPST)(c)		
2018-1 CL A — 3.015% 2025 (0.3 years)	222,968	222,972
2017-2 CL C — 5.59% 2025 (2.2 years)	500,000	506,335
Westlake Automobile Receivables Trust (WLAKE)(c)		
2017-1A CL C — 2.7% 2022 (0.8 years)	117,000	116,651
2018-1A CL C — 2.92% 2023 (1.4 years)	188,000	186,370
Total Asset-Backed Securities (Cost $13,575,123)		**13,572,683**

Commercial Mortgage-Backed Securities - 1.8%(b)

	$ Principal Amount	$ Value
TPG Real Estate Finance (TRTX)(c) (d)		
2018-FL1 CL AS — 3.01% 2035 Floating Rate (Mthly LIBOR + 95) (1.1 years)	400,000	400,893
VMC Finance LLC (VMC)(c)		
2018-FL1 CL AS — 3.26269% 2035 Floating Rate (Mthly LIBOR + 120) (1.6 years)	400,000	401,251
VSD LLC (VSD)(c)		
2017-PLT1 CL A — 3.6% 2043 (0.3 years)	154,804	154,762
Total Commercial Mortgage-Backed Securities (Cost $954,804)		**956,906**

Mortgage-Backed Securities - 3.2%(b)

	$ Principal Amount	$ Value
Federal National Mortgage Association		
Pass-Through Securities		
932836 — 3.0% 2025 (2.8 years)	76,842	76,393
Non-Government Agency		
Collateralized Mortgage Obligations		
COLT Funding LLC (COLT)(c) (f)		
2017-2 CL A1A — 2.415% 2047 (1.5 years)	221,603	220,647
Flagstar Mortgage Trust (FSMT)(c) (f)		
2017-1 CL 2A2 — 3.0% 2047 (3.4 years)	290,192	284,891
J.P. Morgan Mortgage Trust (JPMMT)(c) (f)		
2017-3 CL 2A2 — 2.5% 2047 (4.7 years)	291,155	279,388
2016-3 CL 2A1 — 3.0% 2046 (5.4 years)	289,206	283,765
2018-6 CL 2A2 — 3.0% 2048 (5.4 years)	291,573	290,958
Sequoia Mortgage Trust (SEMT)(c) (f)		
2017-CH1 CL A11 — 3.5% 2047 (2.6 years)	300,342	299,506
		1,659,155
Total Mortgage-Backed Securities (Cost $1,765,491)		**1,735,548**

Taxable Municipal Bonds - 0.8%

	$ Principal Amount	$ Value
Alderwood Water and Wastewater District, Washington, Water & Sewer Revenue, Series B, 5.15% 12/01/25 (Cost $413,904)	400,000	412,820

U.S. Treasury - 39.6%

	$ Principal Amount	$ Value
U.S. Treasury Notes/Bonds		
2.75% 11/15/23	710,000	703,413
2.5% 5/15/24	1,000,000	975,664
2.0% 5/31/24	1,600,000	1,519,188
2.0% 2/15/25	970,000	913,827
2.125% 5/15/25	2,500,000	2,368,262
2.25% 11/15/25	3,500,000	3,327,871
1.625% 5/15/26	1,500,000	1,357,441
1.5% 8/15/26	850,000	759,157
2.0% 11/15/26	1,650,000	1,527,217
2.25% 2/15/27	1,875,000	1,765,503
2.375% 5/15/27	2,000,000	1,899,453
2.75% 2/15/28	2,250,000	2,194,717

	$ Principal Amount or Shares	$ Value
2.5% 5/15/46	2,100,000	1,830,855
Total U.S. Treasury (Cost $21,878,004)		**21,142,568**

Common Stocks - 0.5%

Redwood Trust, Inc. (Cost $192,471)	14,850	241,164

Cash Equivalents - 2.4%

State Street Institutional U.S. Government Money Market Fund - Premier Class 1.97%[(a)]	1,295,792	1,295,792
Total Cash Equivalents (Cost $1,295,792)		**1,295,792**
Total Investments in Securities (Cost $53,870,896)		**53,121,824**
Other Assets Less Other Liabilities — 0.6%		325,001
Net Assets - 100%		**53,446,825**
Net Asset Value Per Share - Investor Class		**10.02**
Net Asset Value Per Share - Institutional Class		**10.02**

(a) Rate presented represents the annualized 7-day yield at September 30, 2018.
(b) Number of years indicated represents estimated average life.
(c) 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.
(d) Foreign domiciled entity
(e) Annual sinking fund
(f) The interest rate resets periodically based on the weighted average coupons of the underlying mortgage-related or asset-backed obligations.

This schedule of portfolio holdings is unaudited and is presented for informational purposes only. Portfolio holdings are subject to change at any time and references to specific securities are not recommendations to purchase or sell any particular security. Current and future portfolio holdings are subject to risk.