Short Duration Income Fund

3Q 2018 Quarterly Commentary

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

The Short Duration Income Fund's Institutional Class returned +0.36% in the third calendar quarter compared to a +0.34% return for the Bloomberg Barclays 1-3 Year U.S. Aggregate Index (Bloomberg Barclays U.S. Agg 1-3), the Fund's primary benchmark. For the calendar year to date, the Fund's Institutional Class returned +0.54% compared to a +0.42% return for the benchmark.

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.

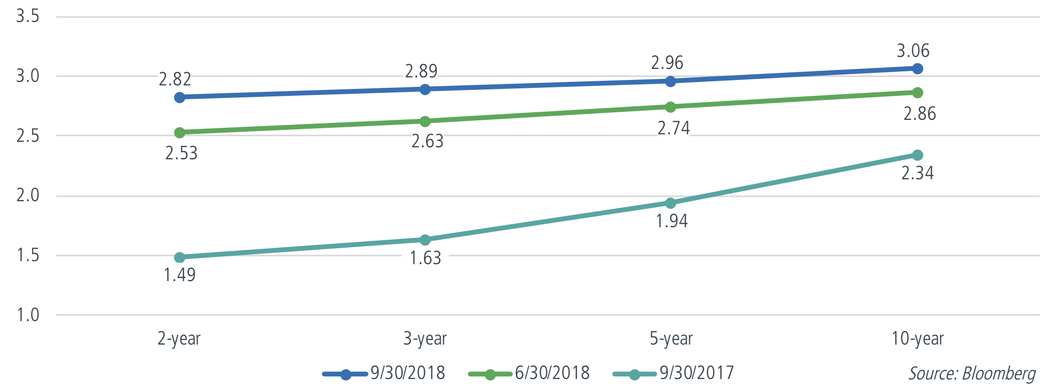
As a result, the difference between short- and longer-term bond yields continued to narrow in the quarter as the yield curve continued to "flatten." A flattening invariably occurs when the Fed embarks on a monetary-tightening campaign. An example of the yield curve flattening can be seen in the difference 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.

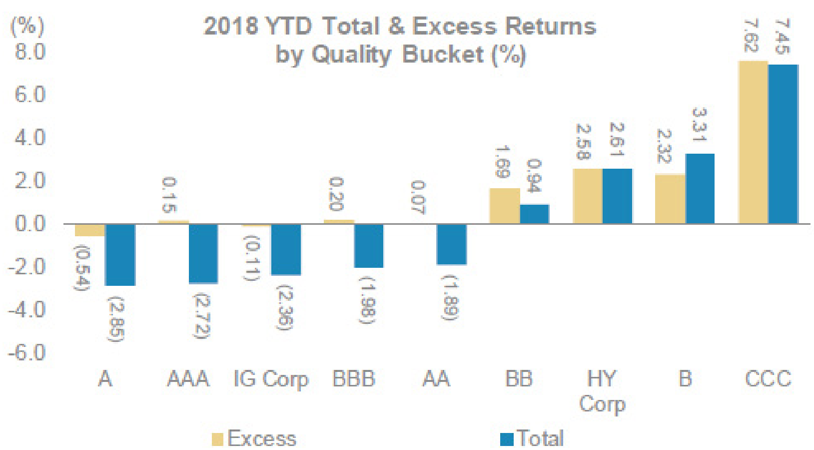
The chart on the following page provides an overview of select U.S. Treasury bond yields for the quarter and the past twelve months.

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[1] 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[1] (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	36.6	37.1	41.4
Corporate Convertible Bonds	3.5	3.3	5.2
Asset-Backed Securities (ABS)	13.0	11.0	7.2
Commercial Mortgage-Backed Securities (CMBS)	1.3	1.4	0.5
Agency Mortgage-Backed (MBS)	11.9	12.0	12.8
Non-Agency Mortgage Backed (RMBS)	4.9	4.9	4.6
Taxable Municipal Bonds	0.2	0.3	0.4
U.S. Treasury	27.5	26.5	26.4
Common Stocks	0.4	0.4	0.7
Cash & Equivalents	0.7	3.1	0.8
Total	**100.0**	**100.0**	**100.0**
High Yield*	**7.9**	**8.1**	**10.0**

**High-yield exposure (as of 9/30/2018) consists of investments in the Corporate, Corporate Convertible, ABS and RMBS sectors.*

The most noteworthy changes in allocation over the past quarter, and 12 months, occurred in the corporate bond and asset-backed (ABS) segments. The Fund's corporate segment declined modestly in the quarter but decreased approximately 500 basis points in the past year. Lower corporate bond credit spreads, particularly in shorter-term securities, have resulted in a less favorable risk/reward setting. As corporate bonds have matured, proceeds have been increasingly allocated to the ABS segment, where portfolio allocation increases in the past quarter, and 12 months, have nearly mirrored the decline in the corporate segment. We continue to enhance our circle of competence in ABS via hands-on research (i.e., "boots on the ground" meetings with ABS sponsors/managements) and thorough bottom-up analysis of the structures of each security (e.g., collateral pool characteristics, seniority of payment, credit enhancement levels and more). Presently, we believe select ABS investments provide increased cash flow returns with shorter duration than comparable corporate bonds (See Investment Activity below for a specific discussion on our ABS investments).

As of September 30, our high-yield exposure was approximately 7.9%, down modestly from June 30 (our maximum threshold is 15%). Our high-yield exposure continues to be primarily concentrated in higher-quality, shorter-term bonds that we believe have attractive risk/reward profiles (e.g., companies with strong asset and liquidity positions).

Overall portfolio metrics as measured by average maturity and average effective duration were unchanged in the quarter at 2.1 and 1.9 years, respectively. These measures provide a guide to the Fund's interest rate sensitivity. A lower average effective maturity and shorter average effective duration reduce the Fund's price sensitivity to changes in interest rates (either up or down).

Top Quarterly Contributors

- **Asset-Backed Securities (ABS):** The segment was the largest contributor to results in the quarter. Investments within ABS continued to perform at or above expectations with respect to credit performance and average life progression[1], while providing steady/strong coupon income and minimal price volatility.
- **Corporate Bonds:** Coupon income and declining credit spreads offset modest (unrealized) price depreciation from rising base/Treasury interest rates. Primary contributors included the real estate investment trust (REIT), banks, insurance, and oil and gas segments.
- **Mortgage-Backed Securities:** Agency Mortgage-Backed (MBS), 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.
- **U.S. Treasury Bonds:** Despite the increase in U.S. Treasury rates in September (modest throughout the quarter), the Fund's laddered U.S. Treasury portfolio contributed positively to results.

Top Quarterly Detractors

- No segment or security detracted from Fund results in the quarter. Coupon or dividend income more than offset any (unrealized) price depreciation, and position sizing mitigated any single security price decline from impacting overall Fund results.

Investment Activity

Portfolio investment allocation was weighted toward the ABS segment in the quarter. We increased our investment in Marlette Funding by participating in the company's third securitization in 2018. Since its founding in 2013, Marlette has become a top 5 lender in online lending. The company has facilitated more than $5 billion in loans via their "Best Egg" platform to more than 350,000 people, who use the loans to finance large purchases or to consolidate and pay off debt. The company's leadership has incorporated decades of banking experience with deep customer knowledge and state-of-the-art technology to deliver products and services to consumers. We have met or spoken with management on numerous occasions and have come away exceedingly comfortable with the company's underwriting discipline. Our short average life (less than one year) investment during the quarter should generate coupon returns of more than three percent. It represents the senior-most layer of the company's securitization, where we believe credit support meaningfully exceeds expected losses for the pool of loans.

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-, five- and ten-year periods ended September 30, 2018, were 0.43%, 1.47%, 3.13% and 0.24%, 1.25%, 2.97%, 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 0.62% (gross) and 0.91% (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 0.48% and 0.68%, respectively, of each Class's average daily net assets through July 31, 2019.

Investor Class shares became available for sale on August 1, 2011. For performance prior to that date, returns include the actual performance of the Fund's Institutional Class (and use the actual expenses of the Fund's Institutional Class), without adjustment. For any such period of time, the performance of the Fund's Investor Class would have been similar to the performance of the Fund's Institutional Class, because the shares of both classes are invested in the same portfolio of securities, but the classes bear different expenses.

Average annual total returns for the Bloomberg Barclays 1-3 Year U.S. Aggregate Index for the one-, five- and ten-year periods ended September 30, 2018, were 0.22%, 0.86% and 1.76%, 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 1-3 Year U.S. Aggregate is generally representative of the market for investment grade, U.S. dollar denominated, fixed-rate taxable bonds with maturities from one to three years.

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

[1]**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.

SHORT DURATION INCOME FUND

Schedule of Investments

September 30, 2018

Corporate Bonds - 36.6%	$ Principal Amount	$ Value
American Express Co. 8.125% 5/20/19	5,616,000	5,805,347
American Express Credit Corp. 2.25% 8/15/19	11,042,000	10,991,548
Andeavor Logistics LP 6.25% 10/15/22	210,000	216,038
Anheuser-Busch InBev Finance Inc. 3.3% 2/01/23	4,800,000	4,743,486
Apple Inc. 1.55% 2/08/19	1,000,000	996,971
AT&T Inc. 2.375% 11/27/18	5,368,000	5,366,273
Bank of America Corp.		
2.65% 4/01/19	6,175,000	6,175,971
2.25% 4/21/20	12,000,000	11,842,604
Berkshire Hathaway Inc.		
2.1% 8/14/19	2,750,000	2,736,371
Finance Corp.		
1.7% 3/15/19	2,400,000	2,391,923
2.65144% 1/10/20 Floating Rate (Qtrly LIBOR + 32)	7,000,000	7,015,071
2.9% 10/15/20	3,000,000	3,000,017
4.25% 1/15/21	4,200,000	4,308,517
Boardwalk Pipelines LLC 5.75% 9/15/19	11,008,000	11,279,652
Boston Properties LP		
5.875% 10/15/19	11,440,000	11,710,815
3.125% 9/01/23	9,560,000	9,303,464
Calumet Specialty Products Partners LP 7.625% 1/15/22	900,000	906,750
Capital One Bank USA, N.A.		
2.3% 6/05/19	7,000,000	6,976,637
8.8% 7/15/19	3,500,000	3,659,825
Capital One Financial Corp. 2.5% 5/12/20	5,000,000	4,939,581
Capital One N.A. 2.4% 9/05/19	2,000,000	1,989,655
Comcast Corp. 5.15% 3/01/20	3,000,000	3,084,934
Computer Sciences Corp. 4.45% 9/15/22	325,000	330,022
Dell Inc. 3.48% 6/01/19[c]	5,000,000	5,013,530
Discovery, Inc. 2.95% 3/20/23	1,600,000	1,534,200
Dominion Resources, Inc. 2.962% 7/01/19	9,883,000	9,880,268
eBay, Inc. 2.2% 8/01/19	3,000,000	2,985,348
Equifax Inc. 2.3% 6/01/21	2,900,000	2,798,482
Equity Commonwealth 5.875% 9/15/20	14,195,000	14,601,102
Express Scripts Holding Co.		
2.25% 6/15/19	8,955,000	8,915,283
7.25% 6/15/19	5,217,000	5,369,344
Fifth Third Bank 1.625% 9/27/19	2,000,000	1,974,758
First Republic Bank 2.375% 6/17/19	2,753,000	2,745,915
Flir Systems, Inc. 3.125% 6/15/21	2,600,000	2,559,705
Ford Motor Credit Co. LLC		
2.943% 1/08/19	2,000,000	2,002,172
2.021% 5/03/19	10,000,000	9,941,573
1.897% 8/12/19	1,000,000	989,463
Fortive Corp. 1.8% 6/15/19	750,000	742,989
General Motors Financial Co., Inc. 3.55% 4/09/21	1,250,000	1,250,173
Goldman Sachs Group, Inc.		
3.13425% 12/13/19 Floating Rate (Qtrly LIBOR + 80)	6,250,000	6,291,826
3.50706% 4/23/20 Floating Rate (Qtrly LIBOR + 116)	5,479,000	5,549,776
2.6% 12/27/20	1,500,000	1,476,644
Invista B.V. 4.25% 10/15/19[c]	4,980,000	4,997,181
JPMorgan Chase & Co.		
6.3% 4/23/19	2,500,000	2,549,740
2.87713% 3/09/21 Floating Rate (Qtrly LIBOR + 55)	1,850,000	1,855,686
JPMorgan Chase Bank, N.A. 2.95638% 9/23/19 Floating Rate (Qtrly LIBOR + 59)	12,000,000	12,055,728
Lennar Corp. 4.5% 6/15/19	3,977,000	4,011,799
The Manitowoc Co., Inc. 12.75% 8/15/21[c]	8,950,000	9,822,625
Markel Corp.		
7.125% 9/30/19	11,859,000	12,275,298
5.35% 6/01/21	10,000,000	10,427,575
4.9% 7/01/22	3,850,000	3,966,913
MetLife Global Funding I[c]		
1.75% 12/19/18	1,000,000	998,645
2.3% 4/10/19	2,000,000	1,996,238
NGL Energy Partners LP 5.125% 7/15/19	2,200,000	2,219,250
Omnicom Group, Inc. 6.25% 7/15/19	6,181,000	6,340,456
Plains All American Pipeline, LP 2.6% 12/15/19	1,345,000	1,334,871
QVC, Inc. 3.125% 4/01/19	1,611,000	1,611,259
Range Resources Corp. 5.0% 8/15/22	6,000,000	5,970,000
RELX plc 3.5% 3/16/23	1,800,000	1,778,430
Sprint Spectrum Co. LLC 3.36% 3/20/23[c] [e]	3,562,500	3,558,047
U.S. Bancorp 2.35% 1/29/21	14,000,000	13,735,534
U.S. Bank, N.A. 2.66156% 1/24/20 Floating Rate (Qtrly LIBOR + 32)	7,000,000	7,019,156
VEREIT, Inc. 3.0% 2/06/19	1,870,000	1,869,924
Walt Disney Co. 0.875% 7/12/19	1,000,000	986,211

	$ Principal Amount	$ Value
Wells Fargo & Co.		
2.15% 1/15/19	4,531,000	4,526,125
2.125% 4/22/19	2,800,000	2,791,387
4.6% 4/01/21	5,745,000	5,909,459
2.1% 7/26/21	10,100,000	9,728,780
3.5% 3/08/22	7,900,000	7,890,883
Wells Fargo Bank, N.A. 2.15% 12/06/19	10,000,000	9,905,271
Total Corporate Bonds (Cost $359,902,316)		**358,526,494**

Corporate Convertible Bonds - 3.5%

Redwood Trust, Inc.		
5.625% 11/15/19	14,850,000	15,061,464
4.75% 8/15/23	14,650,000	14,055,576
5.625% 7/15/24	5,500,000	5,441,563
Total Corporate Convertible Bonds (Cost $34,954,928)		**34,558,603**

Asset-Backed Securities - 13.0%[b]

ARI Fleet Lease Trust (ARIFL)[c]		
2018-B CL A2 — 3.22% 2027 (1.8 years)	1,000,000	999,974
Ascentium Equipment Receivables Trust (ACER)[c]		
2018-1A CL A1 — 2.5% 2019 (0.2 years)	1,685,486	1,685,590
2018-1A CL A2 — 2.92% 2020 (0.9 years)	4,300,000	4,296,718
2016-2A CL E — 6.79% 2024 (2.0 years)	1,600,000	1,664,830
Commercial Credit Group Receivables Trust (CCG)[c]		
2018-1 CL A1 — 1.85% 2019 (0.1 years)	1,052,661	1,052,305
Conn Funding II, LP (CONN)[c]		
2017-B CL A — 2.73% 2020 (0.1 years)	549,004	548,942
2018-A CL A — 3.25% 2023 (0.3 years)	1,589,805	1,590,139
Credit Acceptance Auto Loan Trust (CAALT)[c]		
2016-2A CL B — 3.18% 2024 (0.7 years)	1,185,000	1,185,461
2016-2A CL C — 4.29% 2024 (0.9 years)	300,000	302,287
Drive Auto Receivables Trust (DRIVE)		
2018-4 CL A3 — 3.04% 2021 (0.9 years)	2,500,000	2,500,606
2017-1 CL D — 3.84% 2023 (1.3 years)	6,000,000	6,026,086
Exeter Automobile Receivables Trust (EART)[c]		
2016-3A CL A — 1.84% 2020 (0.1 years)	458,805	458,335
2018-2A CL A — 2.79% 2021 (0.4 years)	6,105,439	6,101,045
2015-1A CL C — 4.1% 2020 (0.4 years)	445,412	447,529
2017-3A CL A — 2.05% 2021 (0.4 years)	1,734,704	1,726,711
2016-2A CL C — 5.96% 2022 (1.0 years)	5,100,000	5,227,570
2018-3A CL A — 2.9% 2022 (1.0 years)	3,536,798	3,529,989
Hertz Fleet Lease Funding LP (HFLF)[c]		
2018-1 CL A1 — 2.56344% 2032 Floating Rate (Mthly LIBOR + 50) (1.6 years)	4,000,000	4,010,715
2018-1 CL A2 — 3.23% 2032 (1.6 years)	1,900,000	1,899,177
Honor Automobile Trust Securitization (HATS)[c]		
2016-1A CL A — 2.94% 2019 (0.1 years)	173,100	173,103

	$ Principal Amount	$ Value
Marlette Funding Trust (MFT)[c]		
2016-1A CL B — 4.78% 2023 (0.2 years)	2,061,890	2,072,770
2017-1A CL A — 2.827% 2024 (0.2 years)	983,521	983,534
2017-2A CL A — 2.39% 2024 (0.2 years)	1,365,691	1,363,699
2017-3A CL A — 2.36% 2024 (0.4 years)	1,379,502	1,374,750
2018-1A CL A — 2.61% 2028 (0.6 years)	2,770,599	2,762,657
2017-1A CL B — 4.114% 2024 (0.7 years)	1,650,000	1,656,306
2018-2A CL A — 3.06% 2028 (0.8 years)	2,793,730	2,793,230
2017-2A CL B — 3.19% 2024 (0.8 years)	3,000,000	2,994,257
2018-3A CL A — 3.2% 2028 (0.9 years)	8,466,373	8,466,620
OneMain Direct Auto Receivables Trust (ODART)[c]		
2017-2A CL B — 2.55% 2023 (1.6 years)	7,000,000	6,898,965
OneMain Financial Issuance Trust (OMFIT)[c]		
2015-2A CL C — 4.32% 2025 (0.0 years)	4,800,000	4,820,660
2015-1A CL D — 6.63% 2026 (0.0 years)	1,600,000	1,633,956
2016-2A CL B — 5.94% 2028 (1.1 years)	1,195,000	1,219,518
2015-2A CL D — 5.64% 2025 (1.4 years)	6,000,000	6,052,700
2016-2A CL C — 5.67% 2028 (1.5 years)	2,500,000	2,546,520
Prestige Auto Receivables Trust (PART)[c]		
2018-1A CL A2 — 2.97% 2021 (0.9 years)	4,000,000	3,998,125
SoFi Consumer Loan Program LLC (SCLP)[c]		
2017-6 CL A1 — 2.2% 2026 (0.5 years)	2,139,771	2,127,833
2018-1 CL A1 — 2.55% 2027 (0.6 years)	874,954	871,081
2016-2 CL A — 3.09% 2025 (0.9 years)	3,225,530	3,219,869
2016-3 CL A — 3.05% 2025 (0.9 years)	657,035	654,371
2017-1 CL A — 3.28% 2026 (1.2 years)	599,085	598,477
Springleaf Funding Trust (SLFT)[c]		
2015-AA CL C — 5.04% 2024 (0.0 years)	6,800,000	6,776,237
2015-AA CL A — 3.16% 2024 (0.4 years)	3,189,617	3,190,045
Upstart Securitization Trust (UPST)[c]		
2018-1 CL A — 3.015% 2025 (0.3 years)	1,449,295	1,449,319
2018-2 CL A — 3.33% 2025 (0.6 years)	3,242,000	3,243,936
2017-1 CL C — 6.35% 2024 (1.5 years)	3,000,000	3,057,604
2017-2 CL C — 5.59% 2025 (2.2 years)	2,500,000	2,531,674
Westlake Automobile Receivables Trust (WLAKE)[c]		
2018-3A CL A2A — 2.98% 2022 (1.5 years)	3,000,000	2,999,240
Total Asset-Backed Securities (Cost $128,004,723)		**127,785,065**

Commercial Mortgage-Backed Securities - 1.3%[b]

GPMT (GPMT)[c] [d]		
2018-FL1 CL A — 2.97% 2035 Floating Rate (Mthly LIBOR + 90) (1.6 years)	5,000,000	5,007,500
TPG Real Estate Finance (TRTX)[c] [d]		
2018-FL1 CL A — 2.81% 2035 Floating Rate (Mthly LIBOR + 75) (0.8 years)	3,500,000	3,502,331
VMC Finance LLC (VMC)[c]		
2018-FL1 CL A — 2.88269% 2035 Floating Rate (Mthly LIBOR + 82) (1.0 years)	1,901,188	1,902,854
VSD LLC (VSD)[c]		
2017-PLT1 CL A — 3.6% 2043 (0.3 years)	2,554,264	2,553,582
Total Commercial Mortgage-Backed Securities (Cost $12,955,452)		**12,966,267**

Mortgage-Backed Securities - 16.8%[b]

Federal Home Loan Mortgage Corporation	$ Principal Amount	$ Value
Collateralized Mortgage Obligations		
3844 CL AG — 4.0% 2025 (0.2 years)	110,328	110,405
4281 CL AG — 2.5% 2028 (2.2 years)	1,208,677	1,177,881
3649 CL BW — 4.0% 2025 (2.3 years)	1,624,261	1,633,316
2952 CL PA — 5.0% 2035 (3.0 years)	440,861	451,426
3620 CL PA — 4.5% 2039 (3.9 years)	1,114,703	1,149,622
4107 CL LA — 2.5% 2031 (4.8 years)	6,957,653	6,480,685
3842 CL PH — 4.0% 2041 (4.8 years)	1,205,119	1,232,213
3003 CL LD — 5.0% 2034 (4.9 years)	1,176,284	1,249,882
4107 CL LW — 1.75% 2027 (7.1 years)	3,920,541	3,443,778
		16,929,208
Pass-Through Securities		
G18190 — 5.5% 2022 (1.5 years)	16,711	17,191
G13300 — 4.5% 2023 (1.8 years)	105,386	108,996
G18296 — 4.5% 2024 (2.0 years)	276,552	286,054
G18306 — 4.5% 2024 (2.1 years)	575,859	595,653
G18308 — 4.0% 2024 (2.1 years)	595,562	609,766
G13517 — 4.0% 2024 (2.1 years)	388,633	397,897
J13949 — 3.5% 2025 (2.7 years)	3,629,432	3,657,411
J14649 — 3.5% 2026 (2.8 years)	2,799,686	2,817,389
E02804 — 3.0% 2025 (2.8 years)	2,225,909	2,210,713
E02948 — 3.5% 2026 (2.9 years)	6,267,326	6,306,939
J16663 — 3.5% 2026 (2.9 years)	5,973,583	6,011,314
E03033 — 3.0% 2027 (3.1 years)	3,462,531	3,438,796
E03048 — 3.0% 2027 (3.1 years)	6,586,683	6,541,517
G01818 — 5.0% 2035 (5.1 years)	1,381,477	1,467,533
		34,467,169
Structured Agency Credit Risk Debt Notes		
2013-DN1 CL M1 — 5.46475% 2023 Floating Rate (Mthly LIBOR + 340) (0.1 years)	68,440	68,604
		51,464,981

Federal National Mortgage Association	$ Principal Amount	$ Value
Collateralized Mortgage Obligations		
2010-145 CL PA — 4.0% 2024 (1.3 years)	434,454	436,605
2010-54 CL WA — 3.75% 2025 (1.9 years)	705,394	705,942
		1,142,547
Pass-Through Securities		
254907 — 5.0% 2018 (0.0 years)	53	53
MA0464 — 3.5% 2020 (0.7 years)	575,119	578,593
357985 — 4.5% 2020 (0.9 years)	24,491	24,805
888595 — 5.0% 2022 (1.2 years)	77,131	79,660
888439 — 5.5% 2022 (1.2 years)	82,831	84,784
AD0629 — 5.0% 2024 (1.5 years)	313,192	323,810
995960 — 5.0% 2023 (1.5 years)	278,050	288,415
AL0471 — 5.5% 2025 (1.8 years)	1,338,662	1,386,195
AR8198 — 2.5% 2023 (1.8 years)	3,811,383	3,770,673
995693 — 4.5% 2024 (1.8 years)	555,604	576,297
AE0031 — 5.0% 2025 (1.9 years)	534,876	554,947
MA1502 — 2.5% 2023 (1.9 years)	3,186,301	3,152,279
995692 — 4.5% 2024 (2.0 years)	463,161	478,405
890112 — 4.0% 2024 (2.1 years)	372,732	380,642
995755 — 4.5% 2024 (2.1 years)	721,574	748,755
AA4315 — 4.0% 2024 (2.1 years)	780,584	797,278
MA0043 — 4.0% 2024 (2.1 years)	304,204	310,701
AA5510 — 4.0% 2024 (2.1 years)	183,257	187,177
930667 — 4.5% 2024 (2.1 years)	454,501	471,597
931739 — 4.0% 2024 (2.3 years)	200,893	205,172
AD7073 — 4.0% 2025 (2.5 years)	648,226	662,203
310139 — 3.5% 2025 (2.6 years)	4,304,990	4,330,995
AH3429 — 3.5% 2026 (2.7 years)	11,388,293	11,474,722
AB1769 — 3.0% 2025 (2.8 years)	2,078,460	2,066,299
AB2251 — 3.0% 2026 (2.8 years)	2,573,277	2,558,221
AB3902 — 3.0% 2026 (3.1 years)	1,637,776	1,628,183
AK3264 — 3.0% 2027 (3.2 years)	4,198,100	4,173,505
AB4482 — 3.0% 2027 (3.2 years)	3,885,304	3,862,538
AL1366 — 2.5% 2027 (3.3 years)	2,919,797	2,841,617
MA0587 — 4.0% 2030 (4.4 years)	4,229,575	4,306,107

	$ Principal Amount	$ Value
555531 — 5.5% 2033 (4.6 years)	2,772,009	3,004,895
725232 — 5.0% 2034 (4.8 years)	250,751	266,365
995112 — 5.5% 2036 (5.0 years)	1,201,198	1,301,032
		56,876,920
		58,019,467

Government National Mortgage Association		
Pass-Through Securities		
G2 5255 — 3.0% 2026 (3.1 years)	7,489,838	7,439,142

Non-Government Agency		
Collateralized Mortgage Obligations		
Citigroup Mortgage Loan Trust, Inc. (CMLTI)[c] [f]		
2014-A CL A — 4.0% 2035 (4.6 years)	1,333,969	1,345,959
COLT Funding LLC (COLT)[c] [f]		
2017-2 CL A1A — 2.415% 2047 (1.5 years)	3,134,873	3,121,356
Flagstar Mortgage Trust (FSMT)[c] [f]		
2017-1 CL 2A2 — 3.0% 2047 (3.4 years)	3,026,286	2,971,005
J.P. Morgan Mortgage Trust (JPMMT)[c] [f]		
2014-2 CL 2A2 — 3.5% 2029 (3.7 years)	3,434,525	3,427,010
2014-5 CL A1 — 2.9878% 2029 (4.3 years)	6,512,865	6,396,745
2017-3 CL 2A2 — 2.5% 2047 (4.7 years)	11,355,035	10,896,122
2016-3 CL 2A1 — 3.0% 2046 (5.4 years)	2,780,713	2,728,397
2018-6 CL 2A2 — 3.0% 2048 (5.4 years)	4,567,983	4,558,345
Sequoia Mortgage Trust (SEMT)[f]		
2012-1 CL 1A1 — 2.865% 2042 (1.5 years)	597,015	601,551
2017-CH1 CL A11 — 3.5% 2047 (2.6 years)[c]	3,078,503	3,069,935
2013-4 CL A3 — 1.55% 2043 (3.4 years)	6,316,482	6,009,370
2012-4 CL A1 — 3.5% 2042 (10.5 years)	2,443,508	2,381,486
		47,507,281
Total Mortgage-Backed Securities (Cost $165,765,105)		**164,430,871**

Taxable Municipal Bonds - 0.2%

Kansas Development Finance Authority Revenue, Series 2015H		
2.258% 4/15/19	1,000,000	997,700
2.608% 4/15/20	500,000	497,115
2.927% 4/15/21	750,000	740,355
Total Taxable Municipal Bonds (Cost $2,250,000)		**2,235,170**

U.S. Treasury - 27.5%

U.S. Treasury Notes		
1.5% 12/31/18	10,000,000	9,982,086
1.25% 1/31/19	15,000,000	14,947,448
0.875% 5/15/19	25,000,000	24,755,859
1.625% 6/30/19	10,000,000	9,935,111
1.5% 10/31/19	15,000,000	14,813,672
1.375% 1/31/20	15,000,000	14,738,379
1.625% 3/15/20	15,000,000	14,763,281
1.375% 8/31/20	10,000,000	9,733,594
2.125% 8/31/20	15,000,000	14,808,105
2.0% 11/30/20	20,000,000	19,648,828
1.125% 2/28/21	15,000,000	14,398,828
2.25% 3/31/21	12,000,000	11,826,094
1.375% 4/30/21	10,000,000	9,632,812
2.625% 6/15/21	10,000,000	9,936,328
1.125% 7/31/21	15,000,000	14,290,137
2.0% 7/31/22	17,000,000	16,437,539
2.0% 2/15/23	7,500,000	7,213,623
1.5% 2/28/23	15,000,000	14,112,012

	$ Principal Amount or Shares	$ Value
2.0% 5/31/24	15,000,000	14,242,383
2.25% 10/31/24	10,000,000	9,591,602
Total U.S. Treasury (Cost $275,425,074)		**269,807,721**

Common Stocks - 0.4%

Redwood Trust, Inc. (Cost $2,221,259)	250,000	4,060,000

Cash Equivalents - 0.2%

State Street Institutional U.S. Government Money Market Fund - Premier Class 1.97%[(a)]	2,281,499	2,281,499
Total Cash Equivalents (Cost $2,281,499)		**2,281,499**
Total Investments in Securities (Cost $983,760,356)		976,651,690
Other Assets Less Other Liabilities — 0.5%		4,349,231
Net Assets - 100%		**981,000,921**
Net Asset Value Per Share - Investor Class		**12.04**
Net Asset Value Per Share - Institutional Class		**12.06**

(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.