

# Core Plus Income Fund

For period ended December 31, 2018

## Fund Overview

The Core Plus Income Fund is a bond fund with primary investment objectives of current income and capital preservation. A secondary investment objective is long-term capital appreciation. Under normal circumstances, the Fund invests at least 80% of its net assets in debt securities, which may include U.S. Government and agency securities, corporate bonds, mortgage-backed securities, asset-backed securities and securities issued by foreign governments. The Fund may invest up to 25% of its total assets in debt securities which are non-investment grade or unrated. The Fund may invest in derivative instruments. The Fund may also invest in common stocks, preferred stocks and securities convertible into stocks.

The dollar-weighted average maturity of the portfolio is expected to be less than 10 years and the minimum duration is expected to be at least 3½ years. The Fund's primary benchmark is the Bloomberg Barclays U.S. Aggregate Bond Index.

## Investment Strategy

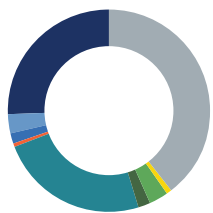
At Weitz we cast a wide net to find fixed income investment opportunities that meet our stringent criteria. Instead of focusing solely on yield, we search for investments that we think will provide a reasonable risk-adjusted return. We examine potential opportunities until we find what we believe is the right investment at the right price.

## Characteristics & Volatility Measures<sup>1</sup>

Fund vs. Bloomberg Barclays U.S. Agg. Bond Index	1-year	3-year		
R-Squared	94.2	64.8	Number of Holdings	136
Standard Deviation	0.6	0.7	Number of Fixed Income Issuers	71
Sharpe Ratio	-0.09	1.24	Number of Equity Companies	1
Information Ratio	1.52	1.14	6-Month Turnover (9/30/18) (%)	18
			Annual Turnover (3/31/18) (%)	43

Source: FactSet

## Asset Allocation (% of Net Assets)



Asset-Backed Securities	21.8	Corporate Convertible Bonds	1.6
Cash Equivalents/Other	4.3	Mortgage-Backed Securities	4.6
Commercial Mortgage-Backed Securities	5.4	Taxable Municipal Bonds	0.7
Common Stocks	0.4	U.S. Treasury	36.8
Corporate Bonds	24.4		

## Portfolio Summary

	Core Plus Income	Bloomberg Barclays U.S. Agg. Bond Index	Duration Distribution	Portfolio (%)
Average Maturity	5.8 years	8.2 years	0-1 year	23.1
Average Effective Maturity	5.7 years	8.2 years	1-3 years	22.2
Average Duration	4.6 years	6.1 years	3-5 years	12.7
Average Effective Duration	4.6 years	5.8 years	5-7 years	16.5
Yield to Worst (%) <sup>1</sup>	3.6	3.3	7-10 years	17.1
Yield to Maturity (%) <sup>1</sup>	3.7	3.3	10+ years	8.0
Average Coupon (%)	3.5	3.2	Common Stocks	0.4
30-Day SEC Yield-Investor Class (%)	3.18			
30-Day SEC Yield-Institutional Class (%)	3.38			

Source: Bloomberg Analytics

## Maturity Distribution

	Portfolio (%)
Cash Equivalents	3.7
Less than 1 year	15.9
1-3 years	25.0
3-5 years	9.2
5-7 years	18.0
7-10 years	19.8
10+ years	8.0
Common Stocks	0.4

Source: Bloomberg Analytics

## Fund Facts

	Investor Class	Institutional Class
Ticker	WCPNX	WCPBX
Investment Minimum	\$2,500	\$1,000,000
CUSIP	94904P823	94904P831
Fund Expense Ratio (%) 6 mos. ended 9/30/18	1.57   0.60 Gross   Net	1.01   0.40 Gross   Net
Portfolio Managers	Tom Carney, CFA Nolan Anderson	
Investment Style	Intermediate-Term Bond Average weighted maturity expected to be less than 10 years.	
Inception Date	July 31, 2014	
Net Assets	\$57.6 Million	
Dividends/Capital Gains	Paid Quarterly (March, June, September & December)	

## 5 Largest Corporate Bond Issuers Securities (%)

Equity Commonwealth	2.4
Markel Corp.	1.9
Andeavor Logistics LP	1.8
NGL Energy Partners LP	1.7
Redwood Trust, Inc.	1.6

## Credit Quality<sup>(a)</sup>

	Portfolio (%)
U.S. Treasury	37.0
U.S. Government Agency MBS <sup>(b)</sup>	1.9
Aaa/AAA	7.2
Aa/AA	9.3
A/A	10.3
Baa/BBB	18.9
Ba/BB	4.7
B/B	3.9
Caa/CCC	1.0
Not Rated	1.7
Common Stocks	0.4
Cash Equivalents	3.7

Source: Bloomberg Analytics

(a) The Fund receives credit quality ratings on underlying securities of the Portfolio when available from credit rating agencies. The Fund will use one rating for an underlying security if that is all that is provided. Ratings and portfolio credit quality may change over time. The Fund itself has not been rated by an independent rating agency.

(b) Mortgage related securities issued and guaranteed by government-sponsored entities such as Fannie Mae and Freddie Mac are generally not rated by ratings agencies. Securities which are not rated do not necessarily indicate low quality. Fannie Mae's and Freddie Mac's senior long-term debt are currently rated Aaa and AAA by Moody's and Fitch, respectively.

For more information

Returns (%)	ANNUALIZED			
	Since Inception	3-year	1-year	Quarter
WCPNX-Investor Class	2.80	3.78	1.48	1.58
WCPBX-Institutional Class	3.00	3.98	1.68	1.63
Bloomberg Barclays U.S. Aggregate Bond Index	2.02	2.05	0.01	1.64

Fund inception: 7/31/2014

## Summary of Returns (%)

	2014 (7/31/14)	2015	2016	2017	2018 (12/31/18)
WCPBX-Institutional Class	1.17	0.21	7.32	3.03	1.68
Bloomberg Barclays U.S. Agg. Bond Index	2.22	0.55	2.65	3.54	0.01
Relative Results <sup>1</sup>	-1.05	-0.34	4.67	-0.51	1.67

**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](http://weitzinvestments.com).

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 1.65% (gross) and 1.09% (gross) of the Fund's Investor and Institutional 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 Investor Class shares and Institutional Class shares to 0.60% and 0.40%, respectively, of each Class's average daily net assets through July 31, 2019.

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.

## Investment Risks

An investment in the Fund involves certain risks, such as: when interest rates rise, bond prices generally fall, and the Fund's share prices can fall. The Fund may purchase lower-rated and unrated fixed-income securities, which involve an increased possibility that the issuers of these may not be able to make payments of interest and principal. See the Fund's Prospectus for a further discussion of risks.

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

**Definitions:** **R-Squared:** portfolio's movements that can be explained by movements in its benchmark. **Standard Deviation:** measure of how widely the returns varied over a certain period of time from the average. **Sharpe Ratio:** measure to determine reward per unit of risk. **Information Ratio:** portfolio's excess return (over its benchmark), divided by the amount of excess risk taken relative to the benchmark. **Yield to Worst (YTW):** lowest potential yield that can be received on a bond portfolio without the issuers actually defaulting. **Yield to Maturity (YTM):** total return anticipated on a bond portfolio if the bonds are held until the end of their lifetime. **Relative Results:** difference between the Fund's performance and the performance of the reflected benchmark.

**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.**