3Q 2026 | WMSB

Multisector Bond ETF

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Investment Style: Multisector Bond

Weitz | INVESTMENT MANAGEMENT

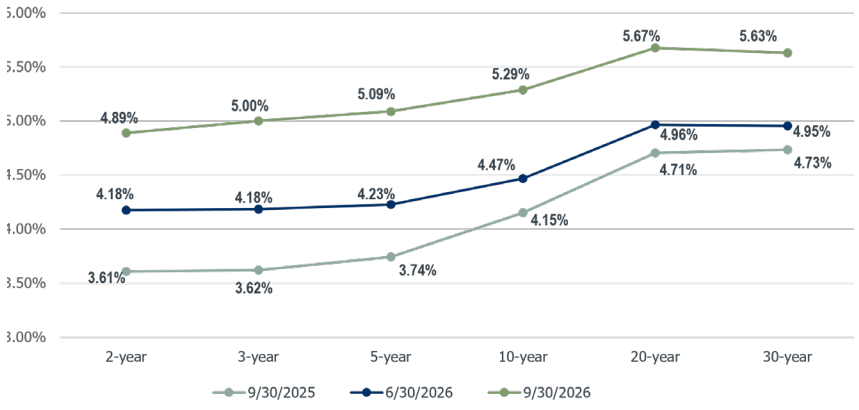
The Multisector Bond ETF returned -2.41% for NAV and -2.48% for Market Price for the third quarter versus -3.51% for the Bloomberg U.S. Aggregate Bond Index (Agg). Since the Fund's inception on November 4, 2025, the Fund returned +1.02% and +1.15% for NAV and Market Price, respectively, versus -2.49% for the Agg. The Fund's relative outperformance during the quarter benefited from its shorter duration profile and sector and security selection, particularly within corporate bonds and certain securitized assets. While we're in early innings, we have been pleased with the execution of our investment strategy and the results to date.

Overview

Rising interest rates and their effects on bond prices were the theme in the third quarter. The chart below provides a view of U.S. Treasury yields across the yield curve, comparing quarter-end and year-over-year levels. The 10-year Treasury yield, for example, climbed 82 basis points during the quarter, from 4.47% to 5.29%, its largest quarterly increase since 1994. The 2-year yield rose from 4.18% to 4.89%, while the 30-year yield increased from 4.95% to 5.63%. Unlike the bear flattening of the second quarter, yields rose sharply across the curve, with the long end also pressured by resilient growth, heavy government borrowing and substantial demand for capital to fund artificial-intelligence infrastructure.

While the move in yields was impressive, the composition of the move matters. Inflation expectations rose far less than nominal yields, leaving higher real yields to do much of the work. In other words, the market was not simply pricing an inflation accident. It was also pricing an economy capable of sustaining stronger real growth, heavier investment demand and a higher real cost of capital. That is an encouraging signal about the durability of U.S. economic growth, but a challenging one for holders of long-duration assets.

U.S. Treasury Yields



Source: Bloomberg

The rise in Treasury yields has not translated into broad credit weakness. Investment-grade corporate spreads ended September at approximately 84 basis points, still near historically tight levels. High-yield spreads finished near 312 basis points. Those levels were wider than at midyear, particularly in the riskier portions of the market, but the adjustment was modest relative to the sharp rise in Treasury yields.

This apparent disconnect is less surprising than it first appears. According to Wells Fargo Research, the absolute level of the 10-year Treasury yield has historically been a poor standalone predictor of corporate spreads. Credit markets tend to care more about the pace and volatility of rate changes, expectations for Federal Reserve policy, the shape of the yield curve, corporate fundamentals and the availability of financing. During much of the quarter, continued economic growth and strong demand for income helped keep credit spreads relatively stable despite rising Treasury yields.

Portfolio Positioning

The table below shows the change in allocation to various sectors, from the prior quarter to the current quarter. Over time, this summary will provide a broader view of how we have allocated capital quarter-over-quarter and year-over-year. Since our goal is to invest in sectors that we believe offer the best risk-adjusted returns, our allocations may change significantly over time.

Sector Allocation (%)

	9/30/2026	6/30/2026	Qtr Over Qtr Change	9/30/2025	Yr Over Yr Change
Corporate Bonds	26.7	31.6	-5.0		
Asset-Backed Securities (ABS)	13.8	18.5	-4.7		
Corporate Collateralized Loan Obligations (CLOs) [1,3]	*3.2*	*2.3*	*0.9*		
Commercial Mortgage-Backed Securities (CMBS)[3]	6.8	10.8	-4.1		
Agency Mortgage-Backed (MBS)	48.2	36.5	11.7		
Non-Agency Mortgage Backed (RMBS)	4.9	1.3	3.7		
Cash & Equivalents	-0.4	1.2	-1.6		
TOTAL (not including CLO line)	100.0	100.0			
High Yield[2]	24.6	29.9	-5.3		
Average Effective Duration	4.4	3.2	1.2		
Average Effective Maturity	7.3	5.9	1.4		

[1]Corporate CLOs are included in the ABS segment in the Fund's schedule of investments but are additionally called out separately for the purposes of the discussion. [2]High-Yield exposure (as of 9/30/2026) consists of investments in the Corporate and ABS sectors. [3]Corporate CLOs and CMBS may include private credit investments.

The most notable changes in sector allocation during the third quarter were within agency MBS, corporate bonds, ABS and CMBS. We meaningfully increased our allocation to agency MBS while reducing exposure to corporate bonds, ABS and CMBS. At the same time, we increased our exposure to non-agency RMBS.

We believe high-quality investments currently offer attractive income opportunities, particularly within agency MBS, without requiring us to assume additional credit risk. While we continue to find selective opportunities across credit sectors, we remain disciplined in evaluating the compensation available for assuming additional credit risk. While we currently favor high-quality income opportunities, we expect high yield to play a larger role in the portfolio over a full credit cycle as valuations become more attractive. The portfolio maintains meaningful exposure to a broad range of fixed income sectors, and we believe our flexible mandate positions us to take advantage of attractive risk-adjusted opportunities as they emerge.

In terms of overall portfolio metrics, the Fund's average effective maturity increased to 7.3 years as of September 30, from 5.9 years at June 30, while average effective duration increased to 4.4 years from 3.2 years the previous quarter, compared to the Agg's average effective duration of 5.7 years as of September 30. The increase in duration was primarily attributable to our greater allocation to agency MBS rather than increased exposure to high-yield credit. These measures provide an indication of the Fund's interest rate sensitivity. A higher average effective duration increases the Fund's price sensitivity to changes in interest rates (either up or down).

As of September 30, our high-yield exposure as a percentage of net assets was 24.6%, down from 29.9% as of June 30. The Fund can invest substantially all net assets in high yield; therefore, we have ample capacity to take advantage of valuation discrepancies and opportunities in the high yield area.

The Fund's yield to worst (YTW) ended the quarter at 7.4%, remaining higher than the Agg's 5.6%, while the Fund's interest rate risk (duration) continues to be lower. Constructing a portfolio that produces 'carry'—income achieved through regular coupon payments (see the YTW measurement)—while maintaining lower interest rate sensitivity (through lower duration) is a feature of our flexible mandate and ability to invest in securities that reside outside of the benchmark. The Fund's SEC yield was 5.95% (subsidized) and 5.17% (unsubsidized) as of September 30.

Top Quarterly Contributors

Collateralized loan obligations (CLOs): CLOs were the largest positive contributor to performance, supported by their floating-rate structure and relatively high coupon income.

Commercial mortgage-backed securities (CMBS): CMBS contributed positively to performance during the quarter.

Asset-backed securities (ABS): ABS also contributed positively to performance during the quarter.

Top Quarterly Detractors

Agency mortgage-backed securities (MBS): Agency MBS were the largest detractor from performance, as rising Treasury yields and wider mortgage spreads led to unrealized losses on our holdings.

Collateralized mortgage obligations (CMOs): CMOs also detracted from performance during the quarter.

Fund Strategy

Our investment approach is to allocate across a broad range of fixed income sectors and credit qualities in pursuit of a high level of current income. The strategy has flexibility to allocate meaningfully to below investment grade bonds and other spread sectors when we believe the risk/reward tradeoff is attractive. The portfolio may invest in securities of any maturity, and portfolio duration and allocations will vary over time based on our assessment of relative value and opportunity across the fixed income universe.

We do not, and will not, try to mimic any index as we construct our portfolio. We believe our flexible mandate and high-conviction portfolio can benefit investors over the long term. We utilize a bottom-up, research-driven approach and select portfolio assets one security at a time based on our view of opportunities in the marketplace. Our fixed income research is not dependent on, but often benefits from, the due diligence work that our equity teammates conduct on companies and industries.

Overall, we strive to be adequately compensated for the risks assumed to maximize investment (or reinvestment) yield and to avoid making interest rate bets, particularly those that depend on interest rates going down. We have often maintained a lower duration profile than the Agg, particularly in very low-yield environments. Our shorter duration profile has benefited shareholders in periods of rising interest rates.

We believe that maintaining liquidity (e.g. cash and agency MBS) and an overall up-in-quality portfolio—focused on generating strong income—positions us well in the current environment. While conditions could become messy in unpredictable ways, they may also create opportunities for us to lean in and act as liquidity providers when more favorable risk/reward dynamics emerge.

We are thankful for the trust and partnership so many have placed in our firm and our investment process.

Returns (%) AS OF 9.30.2026

	TOTAL RETURNS		AVERAGE ANNUAL TOTAL RETURNS		Since Inception		
	QTR	YTD	1 YR	5 YR	(11/04/2025)	Net Expense	Gross Expense
WMSB NAV	-2.41	-0.54	N/A	N/A	1.02	0.65	3.13
WMSB MARKET PRICE	-2.48	-0.46	N/A	N/A	1.15	-	-
Bloomberg U.S. Agg Bond Index	-3.51	-2.91	N/A	N/A	-2.49	-	-

Yields (%) AS OF 9.30.2026

	30-DAY SEC YIELD		
	Subsidized	Unsubsidized	Distribution Yield
WMSB	5.95	5.17	5.61

IMPORTANT DISCLOSURES

This material must be preceded or accompanied by a prospectus or summary prospectus.

For additional details, including the fund's most recently reported holdings, please visit our website, weitzinvestments.com, then click Products and ETFs via the top navigation.

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. NAV Return represents the closing price of underlying securities. Market Return is calculated using the price which investors buy and sell ETF shares in the market. Please visit weitzinvestments.com for the most recent month-end performance.

Data is for the quarter ending 9/30/2026. 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 10/28/2026, 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.

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** measures the annualized cash distributions paid by a fund relative to its NAV. This rate does not represent the total return of a fund. Distribution Yield is calculated by annualizing the fund's most recent distribution and dividing it by the fund's NAV as of the date of the distribution. Because the calculation is based on the most recent distribution, it may not be indicative of future distributions or the fund's long-term yield. The distribution yield calculation does not include long-term or short-term capital gains distributions.

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 9/30/2027.

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, if any; total returns would have been lower had there been no waivers or reimbursements.

Index performance is hypothetical and is shown for illustrative purposes only. You cannot invest directly in an index. The Bloomberg U.S. Aggregate Bond Index is a broad-based benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market.

Holdings are subject to change and may not be representative of the Fund's current or future investments.

Definitions: 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. **Average effective maturity** is the weighted average of the maturities of a fund's underlying bonds. **CRE CLOs** refer to commercial real estate collateralized loan obligations backed by a pool of commercial loans. **Investment Grade Bonds** are those securities rated at least BBB- by one

or more credit ratings agencies. **Middle market CLOs** refer to collateralized loan obligations backed by loans made to smaller companies, which companies generally have earnings before interest, taxes, and amortization of less than $75 million. **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. **Yield to worst (YTW)** is the lowest potential yield that can be received on a bond portfolio without the underlying issuers defaulting. **Basis point (bps)** refers to a unit of measurement that is equal to 1/100th of 1%, or 0.01%. **Mark-to-market gains** are the increase in an asset's value that is calculated at its current market price, even if it hasn't been sold yet. **Preferred stock** is a type of equity that represents ownership in a company but combines features of both stocks and bonds. **Convertible preferred stock** is a hybrid investment that combines the steady income of preferred stock with the growth potential of common stock.

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. 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.

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.

The Weitz Multisector Bond ETF is distributed by Northern Lights Distributors, LLC. which is unaffiliated with Weitz Securities, Inc. and Weitz Investment Management.