4Q 2022

CORE PLUS INCOME FUND

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

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The Core Plus Income Fund's Institutional Class returned 1.43% for the fourth quarter compared to a 1.87% return for the Bloomberg U.S. Aggregate Bond Index (Agg). For the full year 2022, the Fund's Institutional Class returned -9.84% compared to -13.01% for the index. Negative absolute results are never pleasant to report despite solid relative results. Longer-term results (3-, 5-, and 7-year) continue to far outpace the index.

Portfolio Positioning

The table below shows the change in allocation to various sectors, from the prior quarter and from the prior year. 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.

SECTOR ALLOCATION (% of net assets)

	12/31/2022	9/30/2022	Qtr Over Qtr Change	12/31/2021	Yr Over Yr Change
Corporate Bonds	16.9	21.5	-4.6	28.5	-11.6
Corporate Convertible Bonds	0.4	0.5	-0.1	0.6	-0.2
Asset-Backed Securities (ABS)	26.0	29.4	-3.4	21.5	+4.5
*Corporate Collateralized Loan Obligations (CLOs)**	*10.8*	*12.5*	*-1.7*	*10.4*	*+0.4*
Commercial Mortgage-Backed Securities (CMBS)	9.2	10.3	-1.1	9.1	+0.1
Agency Mortgage-Backed (MBS)	0.8	1.1	-0.3	1.4	-0.6
Non-Agency Mortgage Backed (RMBS)	0.3	0.4	-0.1	0.6	-0.3
Municipal Bonds	0.2	0.3	-0.1	0.6	-0.4
Non-Convertible Preferred Stock	0.2	0.4	-0.2	0.6	-0.4
U.S. Treasury	40.7	34.5	+6.2	32.1	+8.6
Cash & Equivalents	5.3	1.6	+3.7	5.0	+0.3
TOTAL	100	100		100	
High Yield**	8.4	11.1	-2.7	13.5	-5.1

Average Effective Duration	5.0	5.2	-0.2	4.5	+0.5
Average Effective Maturity	8.2	8.3	-0.1	6.4	+1.8

*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. **For the current period, high-yield exposure consists of investments in the Corporate, Corporate Convertible, ABS, and CMBS sectors.

The largest change in sector allocation during the fourth quarter was in U.S. Treasuries. Treasury purchases were focused on shorter maturities (1-2 year) and longer maturities (20 year and longer). As intermediate (5-10 year) Treasuries rallied (and further inverted) during the fourth quarter, the best yield and relative value opportunity was, in our view, utilizing a short-term and long-term barbell strategy. We also added investment grade and non-investment grade corporate bonds, automobile and consumer asset backed securities, commercial real estate CLOs, and middle market corporate CLOs; and fund inflows more than offset investment activity in these areas. We look forward to making new investments in the first quarter of 2023, as many new bond issues have traditionally come to market in the first quarter. And with all of our investment activity, we maintain a patient, one security at a time investment approach.

In terms of overall portfolio metrics, the Fund's average effective maturity decreased to 8.2 years as of December 31, 2022, from 8.3 years as of September 30, 2022, while our average effective duration decreased to 5.0 years from 5.2 years over the same time period. These measures provide a guide to the Fund's interest rate sensitivity. A higher average effective maturity and longer average effective duration increase the Fund's price sensitivity to changes in interest rates (either up or down). As of December 31, 2022, the average effective duration of the Agg was 6.1 years.

FIXED INCOME INSIGHTS:

Bonds are Back / Return of Income

The past 12 months have been challenging for fixed income investors. But as we enter 2023, the bond landscape is no longer an environment of 'return-free risk.' Rather, it is filled with new opportunities to generate income from a portfolio of fixed income securities.

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As of December 31, our high-yield exposure as a percent of net assets was 8.4%, down from 11.1% on September 30, 2022. Given the Fund can invest up to 25% of net assets in high yield, we have ample capacity to take advantage of valuation discrepancies / opportunities in the high yield area.

The Fund's yield-to-worst (YTW) decreased from 6.1% on September 30, 2022, to 6.0% on December 31, 2022 — exceeding the index's YTW of 4.7% on December 31. As a reminder, YTW has historically been a reasonable predictor of forward returns. The positive variance is attributable to timely investments throughout 2022 and to the Fund's approximately 20% weight in floating-rate securities.

Our floating rate securities are comprised of higher quality, investment grade collateralized loan obligations (CLOs). Our CLOs consist of diversified pools of floating rate commercial real estate loans (9%), middle market corporate loans (10%), and large corporate loans (1%). Eighteen distinct real estate sponsors manage our commercial real estate loans. The underlying real estate is most concentrated in multifamily and, to a lesser extent industrial, retail, office, and hospitality. Our corporate CLOs primarily consist of diversified portfolios of middle-market corporate loans, each originated by a private credit sponsor. Our corporate middle market CLO investments are diversified across eighteen distinct private credit managers, giving us exposure to a broad range of obligors categorized by size, industry, and geography. These investments provide attractive coupon income and diversification benefits that are not accessible in bond indexes or passive, index-tracking ETFs.

Yield to Worst / Duration Analysis				
	12/31/21	12/31/22	Change	% Change
Yield to Worst (%)				
Core Plus Income Fund	2.13	**6.22**	4.09	192%
U.S. Agg Index	1.75	**4.68**	2.93	167%
Average Duration (yrs)				
Core Plus Income Fund	4.5	**5.0**	0.5	11%
U.S. Agg Index	6.7	**6.1**	(0.6)	-9%

Top Quarterly Contributors

- **Corporate Bonds:** Investments in a wide variety of corporate bonds were the largest contributor to performance in the fourth quarter. High yield and longer maturity segments of our corporate bond portfolio outperformed the most.
- **Collateralized Loan Obligations (CLOs):** Our portfolio of floating rate commercial real estate and corporate CLOs were the second largest contributor to fund performance, as continued increases in coupon income from adjustable-rate investments were enhanced by increases in market value.
- **ABS:** Solid coupon income drove positive results in our ABS portfolio.

Top Quarterly Detractors

- No segment detracted from results in the quarter.

While it is particularly unpleasant to report on this year's absolute performance, we are pleased with the underlying fundamentals (credit quality) of our investments, and we believe the Fund is in a strong position to play offense should macroeconomic headwinds prevail in 2023.

Fund Strategy

Our approach consists primarily of investing in a diversified portfolio of high-quality bonds while maintaining an overall portfolio average duration of 3.5 to 7 years. We may seek to capture attractive coupon income and potential price appreciation by investing in longer-duration and lower-quality bonds when attractively priced. We may also invest up to 25% in fixed-income securities that are not considered investment-grade (such as high-yield and convertible bonds as well as preferred and convertible preferred stock), and we do so when we perceive the risk/reward characteristics to be favorable.

We do not, and will not, try to mimic any particular index as we construct our portfolio. We believe our flexible mandate and high-conviction portfolio will 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 our equity teammates conduct on companies and industries.

Overall, we strive to be adequately compensated for the risks assumed in order 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 index, particularly in very low-yield environments. Our shorter duration profile has benefited shareholders in periods of rising interest rates.

Maintaining a diversified portfolio and liquidity reserves is a key element of our risk management approach. As a result, we have not held back from owning U.S. Treasury bonds and, at times like now, ample cash reserves. We believe this approach has served our clients well, particularly in extreme market environments like the pandemic brought upon us in March 2020.

RETURNS (%)

	TOTAL RETURNS		AVERAGE ANNUAL TOTAL RETURNS				Since Inception		
	QTR	YTD	1-YR	3-YR	5-YR	7-YR	(7/31/2014)	Net Expense	Gross Expense
WCPBX Institutional Class	1.43	-9.84	-9.84	0.38	2.04	2.92	2.59	0.40	0.62
WCPNX Investor Class	1.40	-9.93	-9.93	0.28	1.91	2.77	2.43	0.50	0.89
Bloomberg U.S. Agg Bond Index	1.87	-13.01	-13.01	-2.71	0.02	0.89	1.07	-	-

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

Data is for the quarter ending 12/31/2022. 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 01/20/2023, 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 07/31/2023.

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.

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.

Credit ratings are assigned to underlying securities utilizing ratings from a Nationally Recognized Statistical Rating Organization (NRSRO) such as Moody's and Fitch, or other rating agencies and applying the following hierarchy: security is determined to be Investment Grade if it has been rated at least BBB- by one credit rating agency; once determined to be Investment Grade (BBB- and above) or Non-Investment Grade (BB+ and below) where multiple ratings are available, the lowest rating is assigned. Mortgage-related securities issued and guaranteed by government-sponsored agencies such as Fannie Mae and Freddie Mac are generally not rated by rating agencies. Securities that are not rated do not necessarily indicate low quality. Ratings are shown in the Fitch scale (e.g., AAA). Ratings and portfolio credit quality may change over time. The Fund itself has not been rated by a credit rating agency.

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.

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.

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