1Q 2023

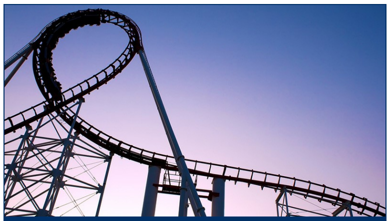
CORE PLUS INCOME FUND

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

The Core Plus Income Fund's Institutional Class returned +3.27% for the first quarter compared to a +2.96% return for the Bloomberg U.S. Aggregate Bond Index (Agg). For the fiscal year ended March 31, 2023, the Fund's Institutional Class returned -2.98% compared to a -4.78% return for the index. Given the investment challenges of the past year, we are pleased to report positive absolute results for the quarter and good relative results for the fiscal year.

Despite the dizzying ups and downs of an extremely volatile first quarter, fixed income investors generally posted solid gains (our Fund included), riding the strong performance of U.S. Treasury bonds (as they often do). Price gains for bonds in January resulting from weak economic data fueled speculation of a Fed pivot, or at least a pause, in its year-long pursuit of higher short-term interest rates to slow inflation. February brought a 'blowout' jobs report that undermined any thoughts of a slowdown and resulted in a violent reversal of January's interest rate rally (as rates decrease, bond prices increase). By early March, the yield curve had reached its deepest inversion (the difference between 2-year and 10-year U.S. Treasury rates) in over 40 years.

Recession fears eased and pundits began to believe the economy could grow despite the Fed's efforts to tame inflation. Then came the collapse of Silicon Valley Bank (and others) and overall turmoil in the banking industry. Rates plummeted during the final stretch of the first quarter in a classic flight to safety amid growing worries about tightening lending conditions and the attendant effects on future economic growth. 'Pause' or 'pivot' has been replaced by market expectations of rate *cuts* later this year. Overall, the first quarter of 2023 had echoes of 2022. Instead of calm after a tumultuous year, investors have received more volatility and choppy markets. However, overall forward returns in fixed income (tax-free and taxable) are where the echoes/comparisons end. For the first time in seemingly forever, forward (coupon) returns compensate for this year's volatile/choppy markets where the higher overall yield environment presents a much wider range of attractive investment opportunities for fixed-income investors.



FIXED INCOME INSIGHTS:

With Uncertainty Now the Norm, Bonds Remain Attractive

A year that began with headlines proclaiming "Bonds are Back" quickly changed course. While the rollercoaster ride in the bond markets may continue, the turbulence could bring about a changing opportunity set for fixed income investors.

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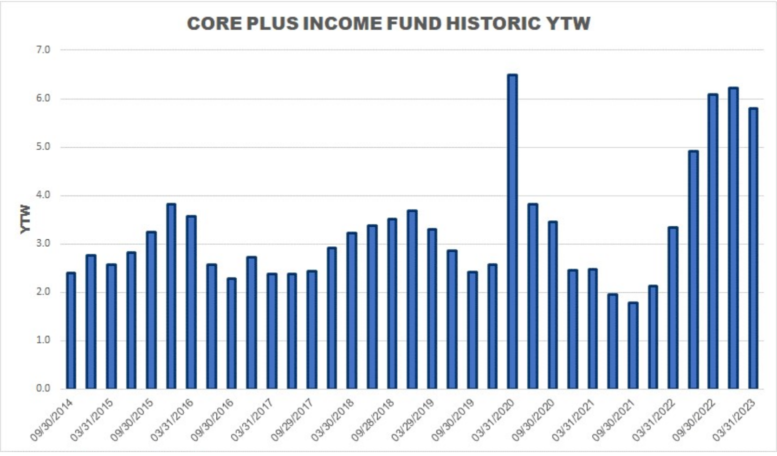
Whether the Fed does pause or pivot in its battle against inflation, we have been active in improving the forward return prospects for the Core Plus Income Fund. Part of this improvement can be seen in the Fund's improved yield-to-worst (YTW) metric. As a reminder, YTW has historically been a reasonable predictor of forward returns. The Fund's YTW increased from 3.32% on March 31, 2022, to 5.47% on March 31, 2023 — comparing favorably to the index's YTW of 4.40% as of March 31 (see table below). As important, or perhaps more so, the difference of percentage change between the Fund's and the index's YTW has widened over the past year, while our duration has increased relative to the Agg.

Yield to Worst / Duration Analysis				
	3/31/22	3/31/23	Change	% Change
Yield to Worst (%)				
Core Plus Income Fund	3.32	**5.47**	2.15	64.8%
U.S. Agg Index	2.90	**4.40**	1.50	51.7%
Average Duration (yrs)				
Core Plus Income Fund	4.8	**5.2**	0.4	8.3%
U.S. Agg Index	6.5	**6.3**	(0.2)	-3.1%

The chart below provides a longer-term view (since inception) of the Core Plus Income Fund's forward return prospects, or yield-to-worst (YTW). Until the first quarter of 2020 (right-hand side of the bar chart below), the Fund's YTW had never breached 4%. It has now exceeded 5.4% for three consecutive quarters. Given the average since September 30, 2014, of 3.3% of the time series below, today's forward return prospects as measured by a YTW of 5.47% on March 31, 2023, reinforce comments we made in the 2022 year-end Fixed Income Insights (Bonds' 'Great Reset' and the Return of Income), that we remain particularly optimistic about the role fixed-income has in an overall asset allocation framework.



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)	**3/31/2023**	**12/31/2022**	Qtr Over Qtr Change	**3/31/2022**	Yr Over Yr Change
Corporate Bonds	15.6	16.9	-1.3	22.9	-7.3
Corporate Convertible Bonds	0.3	0.4	-0.1	0.6	-0.3
Asset-Backed Securities (ABS)	28.9	26.0	+2.9	21.3	+7.6
*Corporate Collateralized Loan Obligations (CLOs)**	*10.9*	*10.8*	*+0.1*	*10.4*	*+0.5*
Commercial Mortgage-Backed Securities (CMBS)	7.0	9.2	-2.2	10.9	-3.9
Agency Mortgage-Backed (MBS)	0.6	0.8	-0.2	1.2	-0.6
Non-Agency Mortgage Backed (RMBS)	0.2	0.3	-0.1	0.6	-0.4
Municipal Bonds	0.2	0.2	0.0	0.6	-0.4
Non-Convertible Preferred Stock	0.1	0.2	-0.1	0.7	-0.6
U.S. Treasury	39.7	40.7	-1.0	37.0	+2.7
Cash & Equivalents	7.4	5.3	+2.1	4.2	+3.2
TOTAL	100	100		100	
High Yield**	6.6	8.4	-1.8	12.9	-6.3
Average Effective Duration	5.2	5.0	+0.2	4.8	+0.4
Average Effective Maturity	7.9	8.2	-0.3	7.3	+0.6

*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 first quarter was an increase in asset-backed securities (ABS). We added new-issue automobile and consumer ABS, as well as middle-market collateralized loan obligations (CLOs). We continue to view the risk/reward in ABS as attractive despite the continued macro volatility. These new-issue transactions include collateral pools consisting of primarily newly originated loans that incorporate tighter underwriting standards and higher pricing.

We also reduced our exposure to commercial mortgage-backed securities (CMBS) as our ongoing surveillance work suggests that financial pressures continue to build across all commercial property types due to rising interest rates, despite generally strong operating performance. Should weakening fundamentals provide better entry points over the next several quarters, we have ample capacity to add CMBS exposure.

In terms of overall portfolio metrics, the Fund's average effective maturity decreased to 7.9 years as of, March 31, 2023, from 8.2 years as of December 31, 2022, while our average effective duration increased to 5.2 years from 5.0 years over the same time period. These measures provide a guide to 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 March 31, 2023, the average effective duration of the Agg was 6.3 years.

As of March 31, our high-yield exposure as a percent of net assets was 6.6%, down from 8.4% on December 31, 2022. Given that 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.

A key differentiator for the Fund relative to the Agg is our approximately 18% exposure to floating rate securities (versus no exposure for the Agg). Our floating rate securities primarily consist of A-rated to AAA-rated CLOs. Our CLOs consist of diversified pools of floating rate commercial real estate loans (7%), 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 twenty 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 broadly accessible in bond indexes or passive, index-tracking ETFs.

Top Quarterly Contributors

- **Treasury Bonds:** U.S. Treasuries were the largest positive contributor to performance. With a duration of approximately 10 years, our Treasury book benefited most from the decline in interest rates during the quarter.
- **Corporate Bonds:** Investments in a wide variety of corporate bonds were the second-largest contributor to performance in the first quarter. High yield and longer maturity segments of our corporate bond portfolio outperformed the most.
- **Asset Backed Securities:** Our ABS portfolio contributed solid coupon income to the portfolio and modest increases in market value.

Top Quarterly Detractors

- No segment detracted from results in the quarter.

Fiscal Year Contributors

- **Asset Backed Securities:** Our ABS portfolio contributed strong coupon income to the portfolio and modest increases in market value.
  CLOs: Our CLO portfolio provided positive returns due to strong coupon income which more than offset market value declines.

Fiscal Year Detractors

- **Treasury Bonds:** U.S. Treasuries were the largest detractor to performance for the fiscal year. With a duration of approximately 10 years, our Treasury book suffered market value declines due to rising interest rates.
  Corporate Bonds: Investments in a wide variety of corporate bonds were the second-largest detractor to performance as rising interest rates detracted from performance.

Before revisiting our Fund strategy, we thought it would be timely to include a portion of the Fund's inaugural shareholder letter from the third quarter of 2014. While we have increased the Fund's duration which has brought us more in line with the Agg, we believe more compelling times lie ahead, particularly in longer-duration corporate bonds, for us to utilize longer-duration corporates more fully.

Core Plus Income Fund — Why Now? (Q3 2014)

“Frequent readers of either Wally's quarterly shareholder letters or management discussions in our other bond-oriented Funds (Balanced or Short Duration Income Fund) would know we are not making any market timing, particularly bullish, call about the direction of interest rates in launching our new Core Plus Income Fund at this time. If anything, our recent commentaries have pointed out how challenging the fixed-income landscape has become since the peak of the credit crisis (i.e. low credit spreads on top of arguably suppressed 'risk-free', base rates). However, we do believe there will come a time when opportunities will present themselves to invest longer-term with the broader tool kit our Core Plus Income Fund possesses. In the meantime, your management team will invest within the Fund's flexible mandate and patiently await more favorable investment circumstances.”

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	3.27	3.27	-2.98	2.50	2.81	2.87	2.90	0.40	0.62
WCPNX Investor Class	3.25	3.25	-3.06	2.44	2.69	2.72	2.74	0.50	0.89
Bloomberg U.S. Agg Bond Index	2.96	2.96	-4.78	-2.77	0.90	0.88	1.38	-	-

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

Data is for the quarter ending 3/31/2023. 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 04/20/2023, 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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