1Q 2024

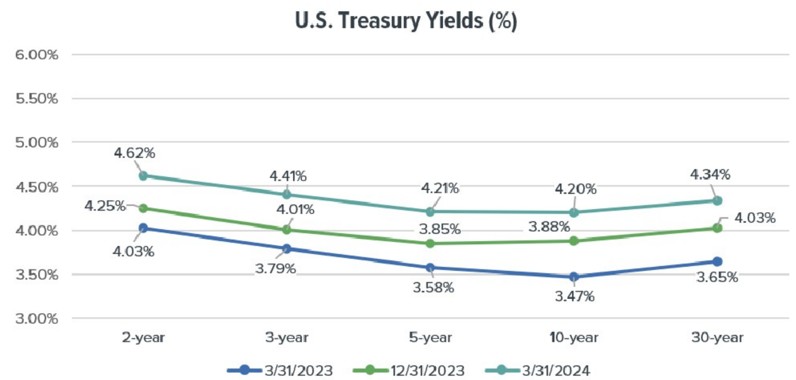
CORE PLUS INCOME FUND

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

The Core Plus Income Fund's Institutional Class returned +0.30% for the first quarter compared to a -0.78% return for the Bloomberg U.S. Aggregate Bond Index (Agg). For the one-year period ended March 31, 2024, the Fund's Institutional Class returned +3.97% compared to +1.70% for the index. While we are pleased with positive absolute and strong relative results for the quarter and year, our focus remains on longer-term results (3-, 5-, and 7-year), which continue to outpace the index.

LSEG Lipper Fund Awards 2024 Winner United States | OVER 3 & 5 YEARS CORE PLUS BOND FUNDS CATEGORY

After a stunning "everything rally" in the fourth quarter, U.S. fixed income markets took a breather to start 2024. As illustrated in the chart below, interest rates increased across the yield curve, as investors dialed back expectations of significant Federal Reserve interest rate cuts in 2024. The result was modest gains for shorter-duration and more credit-sensitive sectors of the market and small to moderate losses for intermediate and longer-duration bonds.



Source: Bloomberg

FIXED INCOME INSIGHTS:

Great Expectations

In a fixed income environment defined by volatility and uncertainty, we continue to approach the bond markets with a wide net and aim to take advantage of the best risk-adjusted opportunities wherever we can find them.

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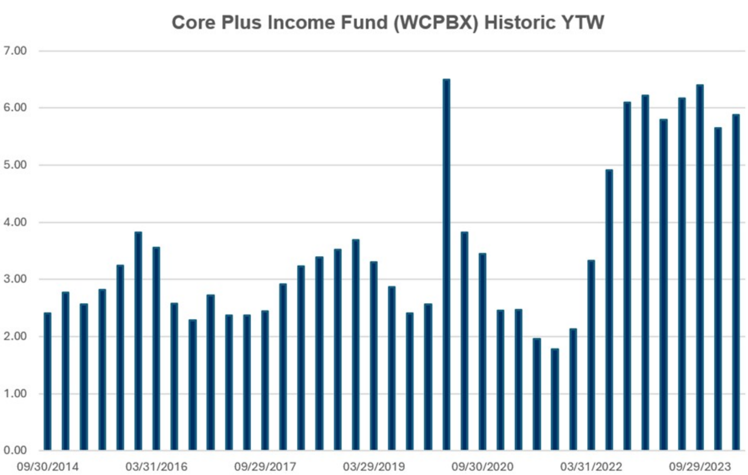
While interest rates increased during the first quarter, risk assets continued their torrid rally. In hindsight, last November's long-awaited Fed 'pivot' or pause in its monetary tightening policy, was akin to the Fed announcing the "all-clear" signal, giving investors confidence that everything is (finally) just right. The U.S. Treasury added to the excitement by aggressively shifting the expected mix of government funding toward T-Bills, and away from longer-term coupon issuance (lower-than-expected coupon issuance may provide technical support for longer-term yields). Interestingly, the announcement coincided with 10-year and 30-year Treasury bond rates briefly eclipsing 5% for the first time in more than 16 years.

As previously mentioned, credit spreads continued their descent in the first quarter and now sit near 10-year lows. Broad investment-grade spreads declined from 106 basis points to 93 basis points. High yield spreads declined from 339 basis points to 312 basis points. Investor behavior in both the primary and secondary markets suggests there is simply not enough supply of credit to keep up with demand. We are witnessing signs of investor complacency with indiscriminate buying, record levels of new issue subscription (both in corporate bonds and securitized products), and significant flattening in credit curves (i.e., the extra compensation you receive to lend further out the interest rate curve).

The chart to the right provides a long-term view of the Core Plus Income Fund's forward return prospects as measured by yield to worst (YTW). From inception through mid-2022, the Fund's YTW only breached 4% during the teeth of COVID. It has now exceeded 5.5% for seven consecutive quarters. Given the average of 3.6% for the time series below, today's forward return prospects as measured by a YTW of 5.8% on March 31, 2024, as compared to 4.8% for the index, reinforce the improved 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)

	3/31/2024	12/31/2023	Qtr Over Qtr Change	3/31/2023	Yr Over Yr Change
Corporate Bonds	12.2	13.1	-0.9	15.6	-3.4
Corporate Convertible Bonds	0.1	0.1	0.0	0.3	-0.2
Asset-Backed Securities (ABS)	23.1	21.7	+1.4	28.9	-5.8
*Corporate Collateralized Loan Obligations (CLOs)**	*10.1*	*7.2*	*+2.9*	*10.9*	*-0.8*
Commercial Mortgage-Backed Securities (CMBS)	5.0	4.6	+0.4	7.0	-2.0
Agency Mortgage-Backed (MBS)	22.8	14.0	+8.8	0.6	+22.2
Non-Agency Mortgage Backed (RMBS)	3.7	2.0	+1.7	0.2	+3.5
Non-Convertible Preferred Stock	0.1	0.1	0.0	0.1	0.0
Municipal Bonds	0.0	0.0	0.0	0.2	-0.2
U.S. Treasury	31.2	33.9	-2.7	39.7	-8.5
Cash & Equivalents	1.8	10.5	-8.7	7.4	-5.6
TOTAL	100	100		100	
High Yield**	2.8	3.0	-0.2	6.6	-3.8
Average Effective Duration	5.5	5.3	+0.2	5.2	+0.3
Average Effective Maturity	9.4	8.7	+0.7	7.9	+1.5

*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 most notable change in sector allocation during the first quarter (and for the fiscal year) was a significant increase in mortgage-backed securities (MBS). The Fund had not had a meaningful investment in MBS in its almost 10-year life, but that all changed in 2023. Most of our MBS investments occurred over the past three quarters, where over 27% of Fund assets were deployed, primarily in agency (Fannie Mae and Freddie Mac) MBS, but also in prime jumbo MBS (mortgages too large to be eligible for inclusion in agency MBS). We believe the combination of higher coupon income on newer production mortgages and wider MBS spreads have made the relative value proposition versus other higher-quality investment grade corporate bonds quite compelling.

In addition to MBS, we added two new and unique investments during the first quarter, highlighted below.

Starwood Infrastructure/Project Finance CLOs. In 2018, Starwood Property Trust acquired a vertically integrated energy infrastructure platform from General Electric for $2.5 billion and renamed it Starwood Infrastructure Finance (SIF). Since the acquisition, SIF has invested over $3.6 billion and currently has an approximately $2.6 billion portfolio of first lien senior secured loans diversified across energy infrastructure and power generation assets within the U.S. As part of its long-term financing strategy, SIF has issued three infrastructure/project finance CLOs, the latest of which priced in the first quarter. We are pleased to partner with a high-quality sponsor like Starwood for our first infrastructure/project finance CLO investment. We believe this serves as yet another example of our ability to source high quality bonds in off-benchmark sectors that generate attractive coupon income and provide diversification benefits to shareholders.

New Mountain Rated Feeder. While only a few broadly syndicated, publicly rated transactions have been issued in the capital markets, rated feeders have been in existence for a number of years and serve to provide investors access to direct lending credit funds. In the case of our investment, we partnered with New Mountain Capital for their second broadly syndicated rated feeder transaction that priced in the first quarter. Founded in 1999, New Mountain Capital is an alternative investment manager with approximately $50 billion in assets under management (AUM). New Mountain Capital has a long-term track record of investing in "defensive growth" businesses, utilizing deep fundamental research. Established in 2008, New Mountain Capital's credit platform has approximately $11 billion in AUM. Much like a CLO, rated feeder transactions invest primarily in senior secured floating rate loans and utilize tranched-out capital structures, which helps make the fund accessible to a broad range of investors depending on their risk/return objectives. Importantly, New Mountain's general partner equity commitment in the fund will serve as the equity in the transaction, which creates a strong alignment of interest. In addition, unlike many direct lending vehicles, the New Mountain fund is unlevered, which we believe is a significant credit positive.

In terms of overall portfolio metrics, the Fund's average effective maturity increased to 9.4 years as of March 31, 2024, from 8.7 years as of December 31, 2023, while the average effective duration increased to 5.5 years from 5.3 years over the same time period, compared to the Agg's average effective duration of 6.1 years on March 31, 2024. 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, our high-yield exposure as a percent of net assets was 2.8%, down from 3.0% on December 31, 2023. The Fund can invest up to 25% of net assets in high yield, therefore we have ample capacity to take advantage of valuation discrepancies/opportunities in the high yield area.

Top Quarterly Contributors

- **Collateralized loan obligations (CLOs).** Our CLO portfolio was the largest contributor to performance during the quarter. Positive returns were driven by strong coupon income and modest price appreciation.
- **Asset-backed securities.** Positive returns in our ABS portfolio were driven by strong coupon income and modest price appreciation due to strong sector and security selection.
- **Agency mortgage-backed securities (MBS).** Our agency MBS portfolio generated positive returns due to strong coupon income and moderate declines in MBS spreads during the quarter.
- **Corporate bonds.** Corporate bonds — led by REITS, consumer cyclical, and financials — generated strong absolute returns as credit spreads meaningfully tightening.

Top Quarterly Detractors

- **U.S. Treasury bonds.** U.S. Treasuries were the primary detractor from performance. With a duration of over 10 years, our Treasury portfolio experienced unrealized mark-to-market losses as interest rates increased during the quarter.

Top Contributors for the Past Year

- **Collateralized loan obligations (CLOs).** Our CLO portfolio was the largest contributor to performance during the past year. Positive returns were driven by strong coupon income and modest price appreciation.
- **Asset-backed securities.** Positive returns in our ABS portfolio were driven by strong coupon income and moderate price appreciation due to strong sector and security selection.
- **Agency mortgage-backed securities (MBS).** Our agency MBS generated positive returns as a result of our exposure to higher coupon pass-throughs and modestly benefitted from a decline in MBS spreads.
- **Corporate bonds.** Corporate bonds — led by retail, financials, and REITs — generated strong absolute returns as credit spreads meaningfully tightening during the past 12 months.

Top Detractors for the Past Year

- **U.S. Treasury bonds.** U.S. Treasuries were the primary detractor from performance. With a duration of over 10 years, our Treasury portfolio experienced unrealized mark-to-market losses as interest rates increased during the past year.

The Value of Diversification in Fixed Income

Our investment approach focuses on casting a wider net across the fixed income landscape, seeking out the most attractive risk-adjusted opportunities both within and outside the benchmark categories. We believe a diversified portfolio encompassing broad market exposure, including benchmark and non-benchmark, fixed and floating rate, is a competitive advantage in today's environment. How so? Our current asset allocation reflects not only our efforts to focus on sector and security selection, investing in assets one at a time in those areas that we believe have the most favorable risk/reward outcomes, but to weather different macro environments.

For example, if continued economic strength results in a steepening yield curve/increase in term premiums and higher longer-term yields, allocations to newer vintage agency and non-agency mortgages (our coupon stack consists of newer vintage 4.5% to 6.5% coupons) should benefit from attractive coupon income and slower prepayment speeds. Moreover, these MBS investments differ from what is broadly represented in the benchmark indices like the Agg, which largely consists of low coupon (2-3%), lower dollar price MBS that was originated during the post COVID/Fed QE 2020-2022 period. A scenario where inflation remains stickier than expected, forcing the Federal Reserve to hold short-term interest rates higher than what is discounted in the front end of the Treasury curve, may benefit floating rate securities (commercial mortgage-backed securities, corporate and infrastructure CLOs). Higher for longer short-term rates may also benefit shorter duration asset-backed securities (auto, consumer, equipment) given their 1-2 year weighted average life profile and amortization feature, allowing for the reinvestment of monthly interest and principal payments. Conversely, should the U.S. economy suffer unexpected weakness or experience an exogenous shock, U.S. Treasuries may provide downside protection, serve as a natural hedge to MBS exposures, and provide a key source of liquidity to take advantage of market opportunities that may arise from unexpected economic turbulence. Regardless of the macro environment to come, we believe our active, flexible approach will allow us to deliver value to shareholders.

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, 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 Fund Inception		
	QTR	YTD	1-YR	3-YR	5-YR	7-YR	(7/31/2014)	Net Expense	Gross Expense
WCPBX Institutional Class	0.30	0.30	3.97	-0.28	2.60	2.77	3.01	0.45	0.59
WCPNX Investor Class	0.28	0.28	3.88	-0.34	2.51	2.64	2.85	0.55	0.82
Bloomberg U.S. Agg Bond Index	-0.78	-0.78	1.70	-2.45	0.36	1.06	1.41	-	-

YIELDS (%)

	30-DAY SEC YIELD		
	Subsidized	Unsubsidized	Distribution Yield
WCPBX	5.33	5.11	5.22
WCPNX	5.23	4.86	5.12

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

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** is a measure of yield calculated by taking a fund's most recent income distribution payment divided by its net asset value (NAV) and expressed as an annual rate.

Data is for the quarter ending 03/31/2024. 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 04/20/2024, 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 07/31/2024.

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.

CORE PLUS INCOME FUND

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. **Basis point (BPS)** refers to a unit of measurement that is equal to 1/100th of 1%, or 0.01%. **Commercial real estate collateralized loan obligations (CRE CLOs)** are a type of asset-backed security backed by a pool of commercial loans. **Investment Grade Bonds** are those securities rated at least BBB- by one or more credit ratings agencies. Spreads are measured by **ICE BofA** which is a group of indexes that track the performance of U.S. dollar-denominated debt issued in the U.S. domestic market. **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 agen**cies. A Rated Feeder** is a type of a traditional feeder fund (an investment fund that collects investor capital and invests it into a master fund) that issues both rated debt and equity. In each case, the equity provides the subordination required to support the ratings of the debt. **Yield to worst (YTW)** is the lowest potential yield that can be received on a bond portfolio without the underlying issuers defaulting.

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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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