

NEBRASKA TAX FREE INCOME FUND

Portfolio Managers: Tom Carney, CFA®
Investment Style: Municipal-State Bond

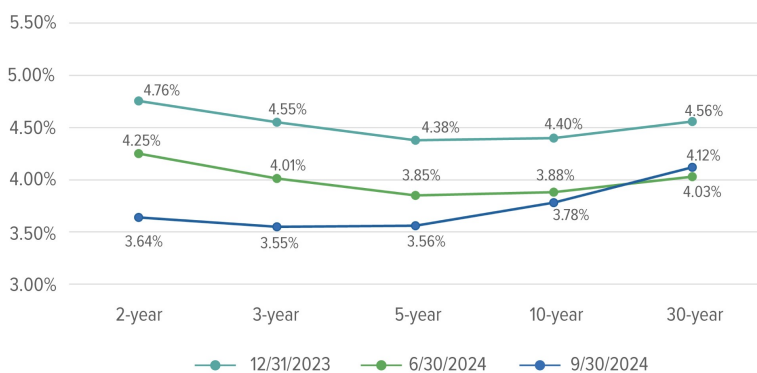
The Nebraska Tax-Free Income Fund returned +2.61% in the third quarter compared to a +3.04% return for the Bloomberg 5-Year Municipal Bond Index. Year-to-date, the Fund's total return was +1.79% compared to a +2.23% return for the index.

Overview

The long-awaited Fed cutting cycle is here. On September 18th, the Federal Reserve delivered a decisive 50-basis point cut to the Federal Funds rate. Moreover, by the power of its "dot plot" projections, the Fed expects short-term interest rates to decline an additional 200 basis points over the next two 2 years. Whether this comes to fruition or not is anybody's guess, but as markets often do, interest rates and credit spreads rallied ahead of the Fed's anticipated policy moves. This resulted in strong third-quarter returns across fixed income markets, leading to solid year-to-date results, with the highest credit risk categories leading the charge.

U.S. Treasury interest rates declined meaningfully in the third quarter of 2024, with the largest rate declines in the 2- and 3-year portion of the yield curve as the chart below highlights.

U.S. Treasury Yields (%)



Source: Bloomberg as of 9/30/24.

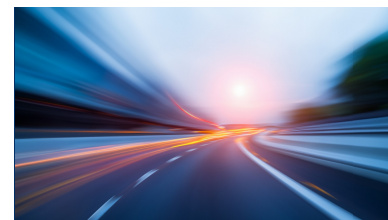
Municipal bonds modestly outperformed Treasuries in the third quarter as yield ratios of municipal bonds relative to comparable U.S. Treasuries moved lower. The ratio of the 5-year AAA-rated municipal bond to the 5-year Treasury (MT ratio), a metric we often use as a reasonable comparison to the makeup (average life and duration) of our Fund, decreased from 67.5% on June 30, 2024, to 66.6% on September 30, 2024. This ratio, which is below the 10-year monthly average, remains a reasonably useful tool in measuring the relative attractiveness of tax-free municipal bonds compared to U.S. Treasury bonds. All else equal, the higher the MT ratio, the more appealing municipal bonds become given their tax-advantaged status.

Top Quarterly Detractors

- No segment generated negative results in the quarter or year-to-date.

Top Quarterly Contributors

- School district general obligation bonds issued by Cass County, Nebraska (Weeping Water Public Schools), Douglas County, Nebraska (Omaha School District), and Papillion-La Vista, Nebraska, School District.
- Hospital revenue bonds issued by Douglas County, Nebraska, Hospital Authority #2 (Madonna Rehabilitation Hospital and Nebraska Medicine).
- Combined utility revenue bonds issued by Municipal Energy Agency of Nebraska, and Metropolitan Utilities District Omaha, Nebraska.
- City general obligation bonds issued by Norfolk, Bellevue, and Blair, Nebraska.
- All other segments also contributed to quarterly results (e.g. tax-supported lease revenue bonds, general revenue, country general obligation, general revenue, and single-family revenue bonds).



FIXED INCOME INSIGHTS: Not So Fast??

On September 18, the Federal Reserve delivered a decisive 50-basis point cut to the Federal Funds rate. By the power of its "dot plot" projections, the Fed expects short-term interest rates to decline an additional 200 basis points over the next two years. What does historical data tell us is likely to happen next?

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Turning to portfolio metrics, the average effective duration of the Fund decreased in the quarter to 2.7 years on September 30, 2024, from 3.2 years on June 30, 2024. During the same time period, average effective maturity decreased to 2.9 years from 3.9 years. Overall asset quality remains high, with approximately 93% rated A or better by one or more of the nationally recognized statistical rating organizations.

The following are additional details regarding the breakdown of our holdings. Our investments are broad, and they are all backed by a consistent philosophy: we strive to own only those investments we believe compensate us for the incremental credit risk. Our overall goal is to invest in a portfolio of bonds of varying maturities that we believe offer attractive risk-adjusted returns, taking into consideration the general level of interest rates and the credit quality of each investment.

Portfolio Allocation (% of Portfolio)		
Revenue		63.2
Power	17.1	
Hospital	11.9	
Water/Sewer	7.2	
General	6.6	
Lease	5.9	
Certificates of Participation	5.1	
Airport/Transportation	3.6	
Housing	3.3	
Higher Education	2.5	
General Obligation		27.7
School District	14.0	
City/Subdivision	10.2	
County	2.6	
State/Commonwealth	0.9	
Escrow/Pre-Refunded		3.3
Cash Equivalent/Other		5.8

CREDIT QUALITY (% of Portfolio)	
AAA	5.8
AA	60.7
A	26.1
BBB	0.6
BB	0.0
B	0.0
CCC	0.0
Not Rated	2.1
Cash Equivalents	4.8

	TOTAL RETURNS		AVERAGE ANNUAL TOTAL RETURNS								Since Inception (10/1/1985)	Net Expense	Gross Expense
	QTR	YTD	1-YR	3-YR	5-YR	10-YR	20-YR	30-YR	35-YR				
WNTFX	2.61	1.79	7.46	0.31	0.97	1.12	2.09	3.21	3.65	4.04	0.46	1.08	
Bloomberg 5-Year Municipal Bond Index	3.04	2.23	7.56	0.35	1.32	1.79	2.91	3.83	4.35	n/a	-	-	

	30-DAY SEC YIELD		
	Subsidized	Unsubsidized	Distribution Yield
	WNTFX	2.55	1.86

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 09/30/2024. 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 10/10/2024, 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 07/31/2025.

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.

On 12/29/2006, the Nebraska Tax-Free Income Fund succeeded to substantially all of the assets of Weitz Income Partners Limited Partnership. The investment objectives, policies and restrictions of the Fund is materially equivalent to those of the Partnership, and the Partnership was managed at all times with full investment authority by the Investment Adviser. The performance information includes performance for the Partnership. The Partnership was not registered under the Investment Company Act of 1940 and, therefore, were not subject to certain investment or other restrictions or requirements imposed by the 1940 Act or the Internal Revenue Code. If the Partnership had been registered under the 1940 Act, the Partnership's performance might have been adversely affected.

Index performance is hypothetical and is shown for illustrative purposes only. You cannot invest directly in an index. The **Bloomberg 5-Year Municipal Bond** index is a capitalization weighted bond index generally representative of major municipal bonds of all quality ratings with an average maturity of approximately five years. The Fund has also selected a broad-based index for regulatory requirements, the **Bloomberg Municipal Bond Index**. This index is a broad-based securities market index generally representative of the market for investment grade, U.S. dollar-denominated, tax-exempt municipal bonds. See the Fund's [Prospectus](#) for additional information.

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

Income from municipal securities is generally free from federal taxes and state taxes for residents of the issuing state. While the interest income is tax-free, capital gains, if any, will be subject to taxes. Income for some investors may be subject to the federal Alternative Minimum Tax (AMT).

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.

Consider these risks before investing: All investments involve risks, including possible loss of principal. These risks include market risks, such as political, regulatory, economic, social and health risks (including the risks presented by the spread of infectious diseases). In addition, because the Fund may have a more concentrated portfolio than certain other mutual funds, the performance of each holding in the Fund has a greater impact upon the overall portfolio, which increases risk. See the Fund's prospectus for a further discussion of risks related to the Fund.

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.

Weitz Securities, Inc. is the distributor of the Weitz Funds.