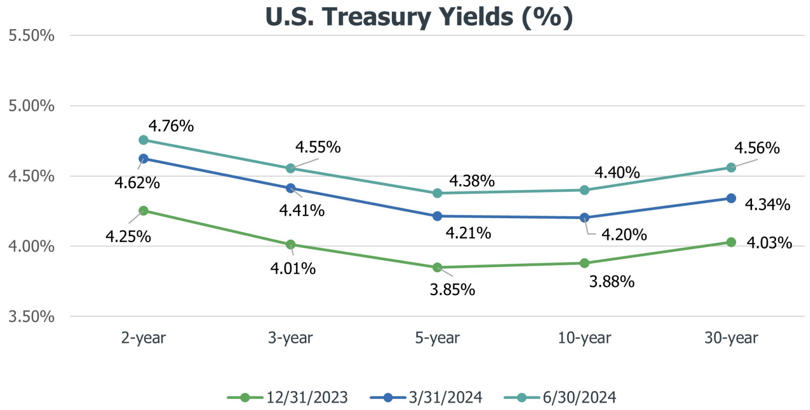
2Q 2024

SHORT DURATION INCOME FUND

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

The Short Duration Income Fund's Institutional Class returned +1.28% in the second quarter compared to a +0.95% return for the Bloomberg U.S. Aggregate 1-3 Year Index. Year-to-date, the Fund's Institutional Class returned +2.44% compared to a +1.41 return for the index. The Fund has delivered strong longer-term results (3-, 5-, 10-year), on both an absolute and a relative basis as it has continued to outpace the index.

U.S. Treasury interest rates continued to climb in the second quarter of 2024, although more modestly overall than they did in the first quarter. Large rate increases across the yield curve in April were mostly reversed in May and June, leaving overall base rates 10 to 20 basis points (bps) higher at quarter end. The chart below provides a view of rates across the yield curve.



FIXED INCOME INSIGHTS:

The Calm Before...

Today's landscape of low credit spreads creates a unique set of challenges for fixed income investors. In this type of environment, we believe our ability to cast a wide net and invest wherever we see the best risk-adjusted opportunities, serves as a meaningful advantage.

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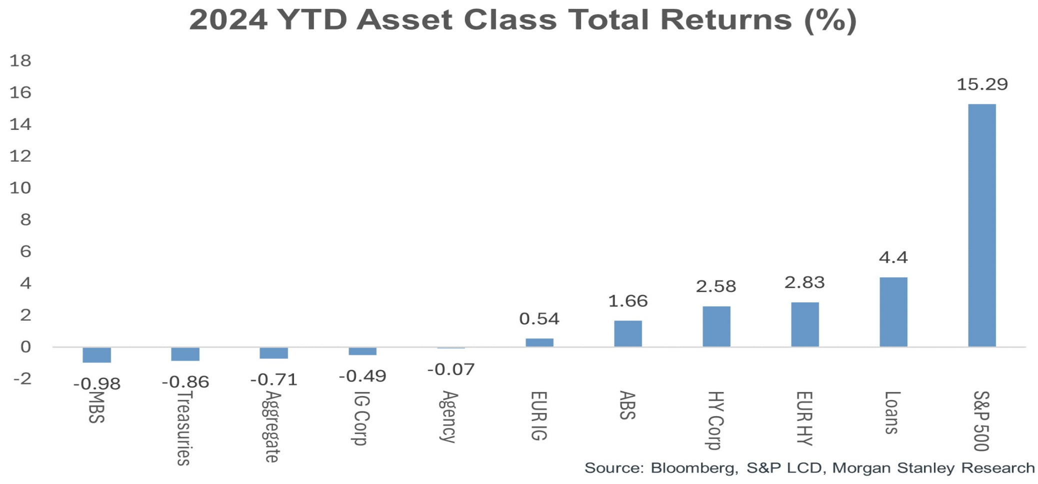
Credit spreads, particularly high yield, also widened in April — but finished the second quarter only slightly wider than where they began. The table below provides a year-to-date breakdown of total returns across various asset classes. High-yield, floating-rate loans (CLOs), and asset-backed securities (ABS) best weathered the base rate increases through higher coupon income and generally shorter average lives. The latter two categories are a meaningful component of the Short Duration Income Fund.



Portfolio Positioning

The table on the following page 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)

	6/30/2024	3/31/2024	Qtr Over Qtr Change	6/30/2023	Yr Over Yr Change
Corporate Bonds	9.1	10.4	-1.3	12.7	-3.6
Corporate Convertible Bonds	1.0	1.1	-0.1	1.1	-0.1
Asset-Backed Securities (ABS)	38.8	39.9	-1.1	41.9	-3.1
Corporate Collateralized Loan Obligations (CLOs)+*	*11.0*	*11.6*	*-0.6*	*13.2*	*-2.2*
Commercial Mortgage-Backed Securities (CMBS)+	6.4	6.8	-0.4	9.3	-2.9
Agency Mortgage-Backed (MBS)	8.4	5.1	+3.3	3.3	+5.1
Non-Agency Mortgage Backed (RMBS)	9.7	7.8	+1.9	5.4	+4.3
U.S. Treasury	25.4	26.1	-0.7	24.5	+0.9
Cash & Equivalents	1.2	2.8	-1.6	1.8	-0.6
TOTAL	100.0	100		100	
High Yield**	2.7	2.7	0.0	3.8	-1.1
Average Effective Duration	1.5	1.4	+0.1	1.4	+0.1
Average Effective Maturity	3.6	3.6	0.0	2.8	+0.8

**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. **High-Yield exposure (as of 06/30/2024) consists of investments in the Corporate, Corporate Convertible, ABS and CMBS sectors. +Corporate CLOs and CMBS may include private credit investments.*

Investment activity remained strong in the second quarter as we sourced a little more than $140 million of new investments for the Fund, offsetting the Fund's monthly/quarterly paydowns and maturities of securities of approximately the same amount. By design, the Short Duration Income Fund has a distinct feature of having about a quarter of its holdings paydown or mature in any given year. This allows for frequent reinvestment of investor capital into areas of the fixed-income market that we believe provide the best current relative-value opportunities. While this continuous reinvestment has been an occasional headwind as rates fell to historic lows in recent years, it has provided return upside as interest rates, particularly short-term rates, have moved higher over the last couple years.

Noteworthy investment activity:

- **U.S. Treasuries.** During the quarter, we rotated from shorter-term Treasuries with maturities in 2024 into approximately 2-year Treasuries to take advantage of the higher rates (around 5%) available in the early part of the quarter.
- **Agency mortgage-backed securities (MBS)** and residential mortgage-backed securities (RMBS). New investments included non-agency RMBS from J.P. Morgan Mortgage Trust (JPMMT), Sequoia Mortgage Trust (SEMT), Chase (CHASE), and Goldman Sachs Mortgage-Backed Securities (GSMBS) with shorter-average lives from loan pools of high-quality, prime-jumbo, borrowers. Key loan underwriting characteristics include loan-to-value ratio, income, FICO scores, and other attributes. Additionally, the Fund added to agency 15-year pass-through MBS and collateralized mortgage obligations (CMOs) with shorter average lives. We believe MBS and RMBS currently represents good relative value compared to corporate bonds.
- **Asset-backed securities (ABS).** ABS continues to be a key segment of the fixed income market where we're finding good relative value versus shorter-term corporate bonds. We maintain a heavy focus on sponsor quality, structural protection, and straightforward collateral. Securities backed by auto receivables — United Auto Credit (UACST), Element Fleet Management (CFII), and Lendbuzz (LBZZ); fleet — Wheels Fleet Lease Funding (WFLF) and Ari Fleet Lease (ARIFL); and equipment — Octane Receivables Trust (OCTL) and Crossroads Asset Trust (XROAD) were the largest addition in the quarter.
- **Commercial real estate CLOs (CRE CLOs).** CRE CLOs issued by Argentic Real Estate Investment Trust (AREIT). The Fund invested in the second-most-senior part of a securitization representing a pool of 15 loans on 22 distinct properties. All the loans are new/newer origination that were underwritten in today's higher short-term interest rate environment. Multifamily (58%) and industrial (24%) are the property types with the highest concentration in the securitization. AREIT is an example of our willingness and ability to source select investment opportunities, which are outside of the index, where we can identify strong sponsors, apply our knowledge of the underlying collateral, and invest with a "margin of safety"* within the capital structure.

In terms of overall portfolio metrics, from March 31, 2024, to June 30, 2024, average effective maturity stayed steady at 3.6 years and average effective duration increased from 1.4 years to 1.5 years. These measures provide a guide to the Fund's interest rate sensitivity. A lower average effective maturity and shorter average effective duration reduce the Fund's price sensitivity to changes in interest rates (either up or down).

*"Margin of safety" refers to purchasing a bond at a price that is less than it is believed to be worth. A potential "margin of safety" may limit downside risk and optimize the potential for growth.

Top Quarterly Contributors

- **Floating rate securities**, principally middle-market (MM) and commercial real estate (CRE) commercial mortgage-backed securities (CMBS), were the primary contributors to performance in the quarter as their coupon cash flow/returns remainedstrong due to higher levels of short-term interest rates. Prices also improved in these segments as overall credit spreads narrowed/declined. The ABS segment, broadly, also helped results as prices were mostly stable and coupon returns were strong. The Treasury and residential mortgage-backed securities (RMBS) segments also aided performance in the quarter.

Top Quarterly Detractors

- No portfolio segment provided a negative contribution in the quarter.

Fund Strategy

Our approach consists primarily of investing in a diversified portfolio of high-quality bonds while maintaining an overall portfolio average effective duration of 1.0 to 3.5 years. We may invest up to 15% in fixed-income securities that are not considered investment-grade (such as high-yield and convertible bonds), and we do so when we perceive the risk/reward characteristics to be favorable.

Overall, we strive to be adequately compensated for the risks assumed while seeking to maximize investment (or reinvestment) income and avoid making interest-rate bets, particularly ones that depend on interest rates going down.

Our goals remain the same. Namely (a) preserve capital, (b) maintain a strong liquidity position, (c) understand evolving risks and opportunities, (d) conduct consistent/thorough credit surveillance, and (e) selectively take advantage of favorable risk/reward opportunities.

We believe our ability to cast a wider net across the fixed-income landscape, particularly across securitized products that have meaningful structural enhancements and where higher income relative to indexes is available, remains a meaningful advantage in today's environment. As we've mentioned before, caution is and will remain our calling card, and we remain constructive about now being a good time for investors to consider adding to their fixed income allocation.

RETURNS (%)

	TOTAL RETURNS		AVERAGE ANNUAL TOTAL RETURNS									
										Since Inception		
	QTR	YTD	1-YR	3-YR	5-YR	10-YR	20-YR	30-YR	35-YR	(12/23/1988)	Net Expense	Gross Expense
WEFIX Institutional Class	1.28	2.44	6.09	1.90	2.30	2.09	3.04	4.19	4.57	4.65	0.45	0.53
WSHNX Investor Class	1.26	2.40	6.02	1.81	2.21	1.94	2.93	4.11	4.51	4.59	0.65	0.95
Bloomberg U.S. Agg 1-3 YR Index	0.95	1.41	4.92	0.56	1.20	1.34	2.19	3.43	n/a	n/a	-	-

YIELDS (%)

	30-DAY SEC YIELD		
	Subsidized	Unsubsidized	Distribution Yield
WEFIX	5.23	5.10	4.57
WSHNX	5.13	4.84	4.48

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 06/30/2024. 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 07/20/2024, 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 07/31/2025.

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.

Short Duration Income Fund's inception date is 12/28/1988. Performance quoted for Investor Class shares before their inception (08/01/2011) is derived from the historical performance of the Institutional Class shares and has not been adjusted for the expenses of the Investor Class shares, had they, returns would have been different.

Effective 12/16/2016, the Fund revised its principal investment strategies. Since that time the Fund has generally maintained an average effective duration between one to three and a half years. Prior to that date, the Fund maintained a dollar-weighted average maturity of between two to five years. Performance prior to 12/16/2016 reflects the Fund's prior principal investment strategies and may not be indicative of future performance results.

Index performance is hypothetical and is shown for illustrative purposes only. You cannot invest directly in an index. **The Bloomberg 1-3 Year U.S. Aggregate index** is generally representative of the market for investment grade, U.S. dollar denominated, fixed-rate taxable bonds with maturities from one to three years.

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. **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. 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. **Investment Grade Bonds** are those securities rated at least BBB- by one or more credit ratings agencies. **Middle market** refers to smaller companies, generally with earnings before interest, taxes, and amortization of generally 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. 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. **Credit spread** is the difference in yield between two debt instruments with different credit ratings but the same maturity.

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.

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