

# OSTERWEIS

FUNDS

January 22, 2021

Dear Shareholder,

During the fourth quarter of 2020, the Osterweis Fund (the Fund) generated a total return of 13.35% compared to 12.15% for the S&P 500 Index (the S&P 500). The Fund's annualized total returns over the one-year, five-year, ten-year, and twenty-year periods ending December 31, 2020 were 23.13%, 12.77%, 10.14%, and 7.62%, respectively, compared to 18.40%, 15.22%, 13.88%, and 7.47% for the S&P 500 over the same periods.

*Performance data quoted represent past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the Fund may be higher or lower than the performance quoted. Performance data current to the most recent month end may be obtained by calling (866) 236-0050. An investment should not be made solely on returns. The Fund's gross expense ratio was 1.20% and net expense ratio was 0.96% as of March 31, 2020. The Adviser has contractually agreed to waive certain fees through June 30, 2021.*

Investors are expecting 2021 to be a year of broad economic recovery, and several pundits have suggested that we may be entering a boom reminiscent of the Roaring '20s. As we discuss in the attached outlook, we think that view is a bit too optimistic, but we do expect the economy to improve this year.

We believe inflation is the biggest unknown facing investors in 2021, as the combination of increased commercial activity and a spike in the money supply (due to the Fed's massive bond buying program) has the potential to trigger a rise in prices. On the other hand, there are multiple deflationary forces that we believe should keep prices in check, including globalization, technology, and demographics – namely aging populations in the U.S., Europe, and Asia.

Assuming inflation remains under control, interest rates should remain low, which should extend the favorable backdrop for equities. We believe the key to success in the new year will be finding companies with improving fundamentals, and we will continue to invest in dominant firms riding secular tailwinds. We also expect "real economy" stocks such as financials, industrials, and commodities to perform well.

We thank you for your continued confidence in our management.

Sincerely,



John Osterweis



Larry Cordisco

Enclosure

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*This commentary contains the current opinions of the author as of the date above, which are subject to change at any time. This commentary has been distributed for informational purposes only and is not a recommendation or offer of any particular security, strategy or investment product. Information contained herein has been obtained from sources believed to be reliable, but is not guaranteed.*

**Mutual Fund investing involves risk. Principal loss is possible. The Fund may invest in medium and smaller sized companies, which involve additional risks such as limited liquidity and greater volatility. The Fund may invest in foreign and emerging market securities, which involve greater volatility and political, economic and currency risks and differences in accounting methods. These risks may increase for emerging markets. The Fund may invest in Master Limited Partnerships, which involve risk related to energy prices, demand and changes in tax code. The Fund may invest in debt securities that are un-rated or rated below investment grade. Lower-rated securities may present an increased possibility of default, price volatility or illiquidity compared to higher-rated securities. Investments in debt securities typically decrease in value when interest rates rise. This risk is usually greater for longer-term debt securities.**

The S&P 500 Index is an unmanaged index that is widely regarded as the standard for measuring large-cap U.S. stock market performance. One cannot invest directly in an index.

*The Osterweis Funds are available by prospectus only. The Funds' investment objectives, risks, charges and expenses must be considered carefully before investing. The summary and statutory prospectuses contain this and other important information about the Funds. You may obtain a summary or statutory prospectus by calling toll free at (866) 236-0050, or by visiting osterweis.com. Please read the prospectus carefully before investing to ensure the Fund is appropriate for your goals and risk tolerance.*

Earnings growth is not representative of the fund's future performance.

Osterweis Capital Management is the adviser to the Osterweis Funds, which are distributed by Quasar Distributors, LLC. [OSTE-20210121-0126]