

OSTERWEIS

FUNDS

January 22, 2021

Dear Shareholder,

During the fourth quarter of 2020, the Osterweis Emerging Opportunity Fund (the Fund) generated a total return of 28.32% while the Russell 2000 Growth Index (the Index) returned 29.61%. The Fund's annualized total returns over the one-year, five-year, and since inception (10/1/2012) periods ending December 31, 2020 were 83.24%, 27.04%, and 21.47%, respectively, compared to 34.63%, 16.36%, and 15.10% for the Index 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 Adviser has contractually agreed to waive certain fees through June 30, 2021. Performance prior to December 1, 2016 is that of another investment vehicle (the Predecessor Fund) before the commencement of the Fund's operations. The Predecessor Fund was converted into the Fund on November 30, 2016. The Predecessor Fund's performance shown includes the deduction of the Predecessor Fund's actual operating expenses. In addition, the Predecessor Fund's performance shown has been recalculated using the management fee that applies to the Fund, which has the effect of reducing the Predecessor Fund's performance. The Predecessor Fund was not a registered mutual fund and so was not subject to the same operating expenses or investment and tax restrictions as the Fund. If it had been, the Predecessor Fund's performance may have been lower. The Fund's gross expense ratio was 1.27% and net expense ratio was 1.16% as of March 31, 2020. The net expense ratio is applicable to investors. The Adviser has contractually agreed to waive certain fees through June 30, 2021.

2020 was an extraordinary year, headlined by Covid-19. The coronavirus was much more than a health care crisis. It redefined societal and commercial norms in real time, jolting the economy and creating a tidal wave of demand for products and services that were compatible with social distancing protocols.

We identified this trend early in the pandemic and were fortunate that several of our existing holdings were perfectly positioned to take advantage of the historic opportunity. We also added technology names to the portfolio that supported eCommerce and remote working arrangements, two areas that became essential components of the economy almost overnight. As expected, these were some of our best performers.

Additionally, we invested in stocks we felt had been oversold during the Feb/March correction and companies that continued to expand their top line growth rates during the pandemic but that the market was reluctant to reward. These stocks also performed quite well in 2020.

Overall, our strategy proved effective. Our four largest sectors by weight (information technology, consumer discretionary, health care, and industrials), which comprised 85% of the portfolio, each returned over 96% for the year. And fifteen of the companies in our portfolio returned more than 100%.

Looking ahead to 2021, we don't expect a repeat of last year's supercharged returns. The economic distortions created by the pandemic will likely recede as the vaccine becomes widely available, creating a natural pause in growth for some of our biggest winners. At the same time, we believe some of the secular trends from 2020 will become permanent, and we will be focusing on them in the new year. (To read more about our thoughts for 2021, please visit our recent blog post at osterweis.com/insights/secular_growth_trends_2021.)

We thank you for your continued confidence in our management.

Regards,



Jim Callinan

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 Osterweis Emerging Opportunity Fund may invest in unseasoned companies, which involve additional risks such as abrupt or erratic price movements. The Fund may invest in small and mid-sized companies, which may involve greater volatility than large-sized companies. The Fund may invest in IPOs and unseasoned companies that are in the early stages of their development and may pose more risk compared to more established companies. The Fund may invest in ETFs, which involve risks that do not apply to conventional funds. Higher turnover rates may result in increased transaction costs, which could impact performance. From time to time, the Fund may have concentrated positions in one or more sectors subjecting the Fund to sector emphasis risk. 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 Russell 2000 Growth Index is a market capitalization weighted index representing those stocks within the approximately 2000 smallest companies in the universe of U.S. equities that exhibit growth characteristics.

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

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FUNDS

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.

Osterweis Capital Management is the adviser to the Osterweis Funds, which are distributed by Quasar Distributors, LLC. [ID OSTE-20210121-0129]