

OSTERWEIS

FUNDS

January 13, 2021

Dear Shareholder,

During the fourth quarter of 2020, the Osterweis Strategic Income Fund (the Fund) generated a total return of 4.97% compared to 0.67% for the Bloomberg Barclays U.S. Aggregate Bond Index (BC Agg). The Fund's annualized total returns over the one-year, five-year, and ten-year periods ending December 31, 2020 were 9.02%, 6.06%, and 4.95%, respectively, compared to 7.51%, 4.44%, and 3.84% for the BC Agg 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 0.87% as of March 31, 2020.

Confidence rose in the fourth quarter as we moved past the election and vaccine approvals reassured investors. The S&P 500 Index was up 12.15% and the Bloomberg Barclays U.S. High Yield Bond Index returned 6.45%. As we discuss in our Investment Outlook, we think the key question going forward is whether the extensive Fed support during the pandemic has created a disconnect between the markets and the economy.

Looking ahead, we see signs of a stronger recovery, but given near-term concerns about valuation levels and potential market corrections, we believe it is sensible to take a more cautious approach. We continue to invest in bonds that offer reasonable income streams issued by companies with stable or rising earnings and improving fundamentals. As you would expect, we are maintaining healthy cash and short-term bond reserves so we'll have dry powder when buying opportunities present themselves.

We thank you for your continued confidence in our management.

Sincerely,



Carl Kaufman



Bradley Kane



Craig Manchuck

Enclosure

This commentary contains the current opinions of the authors 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.

The Osterweis Strategic Income 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. 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. Investments in debt securities typically decrease in value when interest rates rise. This risk is usually greater for longer-term debt securities. Small- and mid-capitalization companies tend to have limited liquidity and greater price volatility than large-capitalization companies. 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 municipal securities which are subject to the risk of default.

The Bloomberg Barclays U.S. Aggregate Bond Index (BC Agg) is an unmanaged index that is widely regarded as a standard for measuring U.S. investment grade bond market performance.

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 Bloomberg Barclays U.S. High Yield Bond Index measures the USD-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below. Bonds from issuers with an emerging markets country of risk, based on Barclays EM country definition, are excluded.

This index does not incur expenses and is not available for investment. This index includes reinvestment of dividends and/or interest income.

Yield curve is a line that plots the interest rates, at a set point in time, of bonds having equal credit quality but differing maturity dates. The most frequently reported yield curve compares the three-month, two-year, five-year, 10-year and 30-year U.S. Treasury debt.

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.

Osterweis Capital Management is the adviser to the Osterweis Funds, which are distributed by Quasar Distributors, LLC. [OSTE-20210111-0110]