

OSTERWEIS

FUNDS

October 14, 2020

Dear Shareholder,

During the third quarter of 2020, the Osterweis Total Return Fund (the Fund) generated a total return of 0.87% compared to 0.62% for the Bloomberg Barclays U.S. Aggregate Bond Index (the BC Agg).

Returns as of 9/30/2020	QTR	YTD	1 YR.	3 YR.	Since Inception (12/30/2016)
Osterweis Total Return Fund	0.87%	3.23%	4.64%	3.91%	4.38%
Bloomberg Barclays U.S. Aggregate Bond Index	0.62%	6.79%	6.98%	5.24%	5.03%
Bloomberg Barclays U.S. Aggregate 1-3 Year Index	0.16%	2.85%	3.44%	2.76%	2.49%
ICE BofA 3 Month Treasury Bill	0.04%	0.64%	1.10%	1.69%	1.50%

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 expense ratio was 0.67% as of March 31, 2020.

In the third quarter, risk markets continued to recover steadily from their first quarter lows. Most economic data troughed in March and April and has since shown substantial recovery over the past few months. Corporate spreads have retraced most of the widening they experienced in the first quarter, while current coupon mortgage-backed securities (MBS) have reverted to pre-pandemic levels. Markets have largely brushed off the recent uptick in virus cases, and virus headlines are now split between regional outbreaks and potential vaccine/therapeutic developments. Heading into the fourth quarter, we believe the greatest risk the market faces is volatility around the upcoming election cycle.

During the third quarter, the Fund outperformed the BC Agg primarily due to security selection within corporates and MBS. Additionally, the Fund was slightly overweight corporates and substantially underweight Treasuries, which also boosted its relative performance. The Fund concluded the quarter with a significant overweight to MBS, a moderate overweight to corporates, and a significant underweight to Treasuries.

We thank you for your continued confidence in our management.

Best regards,



Eddy Vataru



John Sheehan



Daniel Oh

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.

Mutual Fund investing involves risk. Principal loss is possible. The Osterweis Total Return Fund may invest fixed income securities which are subject to credit, default, extension, interest rate and prepayment risks. It may also make investments in derivatives that may involve certain costs and risks such as liquidity, interest rate, market, credit, management and the risk that a position could not be closed when most advantageous. 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 foreign and emerging market securities involve greater volatility and political, economic and currency risks and differences in accounting methods. These risks may increase for emerging markets. Leverage may cause the effect of an increase or decrease in the value of the portfolio securities to be magnified and the fund to be more volatile than if leverage was not used. Investments in preferred securities have an inverse relationship with changes in the prevailing interest rate. Investments in Asset Backed and Mortgage-Backed Securities include additional risks that investors should be aware of such as credit risk, prepayment risk, possible illiquidity and default, as well as increased susceptibility to adverse economic developments. 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 which is widely regarded as the standard for measuring U.S. investment grade bond market performance. This index does not incur expenses and is not available for investment. The index includes reinvestment of dividends and/or interest income.

The Bloomberg Barclays U.S. Aggregate Bond 1 - 3 Year Index is the 1-3 Year segment of the Bloomberg Barclays U.S. Aggregate Bond Index.

The ICE Bank of America 3-Month Treasury Bill Index is a monthly-rebalanced index that consists of a single Treasury Bill issue that matures closest to, but not beyond, three months.

Coupon is the interest rate stated on a bond when it's issued. The coupon is typically paid semiannually.

Spread is the difference in yield between a risk-free asset such as a U.S. Treasury bond and another security with the same maturity but of lesser quality.

Duration measures the potential volatility of the price of a debt security, or the aggregate market value of a portfolio of debt securities, prior to maturity. Securities with longer durations generally have more volatile prices than securities of comparable quality with shorter durations.

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-20201009-0025]