

OSTERWEIS

FUNDS

January 22, 2021

Dear Shareholder,

During the fourth quarter of 2020, the Osterweis Strategic Investment Fund (the Fund) generated a total return of 10.96%, outperforming the 7.54% return of the blended benchmark (60% S&P 500 Index/40% Bloomberg Barclays U.S. Aggregate Bond Index).

Returns as of 12/31/2020	QTR	YTD	1 YR.	3 YR.	5 YR.	10 YR.	Since Inception (8/31/2010)
Osterweis Strategic Investment Fund	10.96%	17.54%	17.54%	10.01%	10.53%	9.10%	9.97%
60% S&P 500 Index/40% Bloomberg Barclays U.S. Aggregate Bond Index	7.54%	14.73%	14.73%	11.03%	11.11%	10.02%	10.85%
S&P 500 Index	12.15%	18.40%	18.40%	14.18%	15.22%	13.88%	15.49%
Bloomberg Barclays U.S. Aggregate Bond Index	0.67%	7.51%	7.51%	5.34%	4.44%	3.84%	3.59%

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 the original investment. Current performance of the Fund may be lower or higher 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 1.21% as of March 31, 2020.

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 are looking for similar opportunities in fixed income, but we are taking a patient approach as yields have returned to their pre-pandemic lows. We have also trimmed our convertible bond holdings as they have performed very well and we want to lock in the gains.

We thank you for your continued confidence in our management.

Sincerely,



John Osterweis



Carl Kaufman

Enclosure

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.

The Osterweis Strategic Investment Fund may invest in small- and mid-capitalization companies, which tend to have limited liquidity and greater price volatility than large-capitalization companies. 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. 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 also make investments in derivatives that may involve certain costs and risks such as those related to liquidity, interest rate, market, credit, management and the risk that a position could not be closed when most advantageous. Leverage may cause 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 typically 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 S&P 500 Index is an unmanaged index that is widely regarded as the standard for measuring large-cap U.S. stock market performance.

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.

These indices do not incur expenses and are not available for investment. These indices include reinvestment of dividends and/or interest income.

Duration measures the sensitivity of a fixed income security's price (or the aggregate market value of a portfolio of fixed income securities) to changes in interest rates. Fixed income securities with longer durations generally have more volatile prices than those 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.

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.
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