

OSTERWEIS

FUNDS

July 27, 2017

Dear Shareholder,

During the second quarter of 2017, the Osterweis Institutional Equity Fund (the Fund) generated a total return of 2.70%, versus 3.09% for the S&P 500 Index (the S&P 500). The Fund's annualized total returns over the one year, three year and since inception (July 31, 2012) periods ending June 30, 2017 were 13.58%, 1.78% and 9.92%, respectively, compared to 17.90%, 9.61% and 14.58% 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 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 1.86% and the Net Expense Ratio was 1.01% as of March 31, 2017.*

As was widely expected, the Federal Reserve (the Fed) raised rates modestly in June, the fourth time since December 2015. What was somewhat surprising was the Fed's announcement that it plans to normalize (i.e., shrink) its portfolio of Treasury and mortgage securities. Markets digested the news and remained relatively stable in response. As discussed in the attached Investment Outlook, we believe the current low inflation environment is likely to persist as a result of durable counter-inflationary trends affecting consumers, technology and business. With inflation tame and employment rising, the outlook could continue to be favorable for equities, particularly if the Fed follows the current path of slow and deliberate increases.

We continue to focus our stock selection on attractively priced, rock solid companies that we think can continue to grow independent of broader economic trends. At this point in the late stages of a bull market, we don't want to chase momentum. As always, we are sticking with our conservative equity selection which should serve us well in the event of a market correction.

We thank you for your continued confidence in our management.

Sincerely,



John Osterweis & Team

Enclosure

**Osterweis Capital Management, LLC has contractually agreed to wave certain fees through at least June 30, 2018.*

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 Institutional Equity 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. From time to time, the Fund may have concentrated positions in one or more sectors subjecting the Fund to sector emphasis risk.

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 index does not incur expenses, is not available for investment, and includes the reinvestment of dividends.

Fund holdings are subject to change and should not be considered a recommendation to buy or sell any security.

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.
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