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October 17, 2017

Dear Shareholder,

During the third quarter of 2017, the Osterweis Total Return Fund (the Fund) generated a total return of 1.12%, compared to 0.85% for the Bloomberg Barclays U.S. Aggregate Bond Index (the BC Agg). Since inception on December 30, 2016 the Fund returned a solid 4.67% compared to 3.14% for the BC Agg for the period ending September 30, 2017.

*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 2.62% and net expense ratio was 0.82% as of March 31, 2017. The Adviser has contractually agreed to waive fees through December 31, 2018. The net expense ratio is applicable to investors.*

The third quarter had a similar complexion to the second, with the broad bond market rallying in the first two months and selling off in the third; however, that is where the similarities end. The July and August rally reflected continued deterioration in headline inflation coupled with a flight to quality triggered primarily by geopolitical risk. The yield of the 10-year Treasury, which began the quarter at 2.30%, fell to a low of 2.06% on September 8th, when U.S./North Korea tensions were at their peak and Hurricane Irma was set to make landfall in Florida. For the remainder of September, the riskoff tone reversed sharply as worries eased about the rising global tensions and impact of the hurricane. In the same month, the Federal Open Market Committee moved forward with their well-telegraphed plan to taper official purchases of Treasuries and mortgage-backed securities (MBS). In sum, September saw bond prices retrace their two months of steady gains and the 10-year yield closed the month at 2.33%, up just 3 basis points (0.03%) over the quarter.

Focusing on economic data, markets continue to fixate on inflation. However, there are new questions about which figure is the one to watch. Thus far in 2017, the annual growth rate of the Consumer Price Index (CPI) troughed in June at 1.6% and has since recovered to 1.9% in August. In September, the Federal Reserve Bank of New York publicly released an alternative measure of inflation – the Underlying Inflation Gauge. This measure was up 2.74% in August and, through time, has demonstrated significantly less volatility than the headline CPI number. As an example, in 2015 when headline CPI was near zero, this measure remained near 2%. Consideration of broader (or at least different) measures of inflation might allow the Federal Reserve (the Fed) to continue its steady trajectory of tightening despite transient changes in the headline inflation figures found in the CPI that make it less reliable as predictor of monetary policy.

The Fund has been primarily composed of mortgage-backed and investment grade corporate bonds. We strategically used futures to help us maintain a relatively short duration given our longer term expectation for rising rates. This strategy was additive to performance in July and September. Overall, the Fund has generated positive performance every month this year while the BCAgg posted negative returns in March, June and September.

Looking ahead, we are a bit more guarded in our outlook. Mortgage and corporate bonds are now trading at the tightest spreads we have seen in several years, and uncertainty around the Fed's normalization program plus elevated geopolitical risk make Treasuries somewhat more attractive at this point. We have added some Treasuries and will likely continue to do so in the context of ever tightening spreads.

Best regards,

Eddy

Scott

Eddy Vataru                    Scott Ulaszek

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*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 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. 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 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.

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FUNDS

The Consumer Price Index (CPI) is a measure that examines the weighted average of prices of a basket of consumer goods and services excluding food and energy.

A basis point is a unit that is equal to 1/100th of 1%.

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.
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