

Muzinich & Co.

Muzinich Credit Opportunities Fund

**Muzinich U.S. High Yield
Corporate Bond Fund**

Muzinich Low Duration Fund

ANNUAL REPORT

December 31, 2017

Table of Contents

A Message to our Shareholders	1
Sector Allocations	8
Historical Performance	11
Schedules of Investments	17
Statements of Assets and Liabilities	50
Statements of Operations	52
Statements of Changes in Net Assets	54
Financial Highlights	60
Notes to Financial Statements	66
Report of Independent Registered Public Accounting Firm	86
Expense Examples	87
Approval of Investment Advisory Agreement	90
Trustees and Executive Officers	94
Additional Information	98
Privacy Notice	100

Muzinich Funds

Dear Investors:

The Muzinich Credit Opportunities Fund (“Credit Opportunities Fund”) finished the year with strong growth of net assets from \$251,619,768 to \$390,484,439 due to inflows and net investment returns of 4.70% for the Supra Institutional Class, 4.73% for the Institutional Class, and 4.35% for Class A. These returns lagged the 5.65% return of the GI00, the ICE BofA Merrill Lynch Global Corporate & High Yield Index, which is the Fund’s primary benchmark. Since inception from January 3, 2013, the Fund’s Supra Institutional Class has gained an annualized net return of 4.76%, net of fees and expenses, while the benchmark has returned a more modest 4.14% annualized.

The Muzinich U.S. High Yield Corporate Bond Fund (“U.S. High Yield Fund”) began the year with net assets of \$82,980,414, but contracted to \$22,030,380 due to outflows. The Fund’s Supra Institutional Class returned 6.30% net over this period vs. the 6.98% return of the benchmark JUC4, the ICE BofA Merrill Lynch BB-B U.S. Cash Pay High Yield Constrained Index. Institutional Class shares, which launched on March 27, 2017, finished their open period with a 5.47% net return vs. the benchmark’s 5.62% return, demonstrating the Fund’s growing competitiveness with (and gross basis outperformance of) the benchmark over the period.

The Muzinich Low Duration Fund (“Low Duration Fund”) grew from its year end closing balance of \$263,700,453 to \$705,842,069 due to inflows and investment gains. During the year, the Fund had a net return of 4.26%, outperforming a return of 0.86% in the ICE BofA Merrill Lynch 1-3 year U.S. Corporate & Government Index (B1A0) which serves as this Fund’s primary benchmark. Since inception on June 30, 2016, the Fund has produced an annualized net return of 3.63% vs. the benchmark’s annualized net return of 0.33%.

Market

Global corporate credit, as denoted by the GI00 index which serves as the benchmark for the Credit Opportunities Fund, generated attractive returns over the year even as some parts of the global spectrum slowed a bit or reversed modestly in November and/or December.

U.S. high yield (JUC4) came out on top, followed closely by emerging market corporate debt (EMCL) (denominated in USD and comprised of both investment grade and high yield paper), U.S. investment grade credit (C0A0), and European high yield (HEC0). European investment grade corporates (ER00) lagged, but if hedged back to USD, performed more competitively as hedging helped make up for the interest rate differential between the U.S. and Europe.

Corporate returns outpaced better quality governments, including both the ten year U.S. Treasury and the similar-duration German Bund, in a world generally awash in liquidity and speculative tendencies.

Muzinich Funds

The year began with a beta rally as oil prices stabilized and global markets began to issue constructive economic data. Political uncertainty in the U.S. challenged some optimism as the first quarter wore on, but subdued global inflation and continued, and increasingly synchronized, global growth continued to feed investors' hope through the second and third quarters.

Headline news, including tensions on the Korean peninsula, hurricanes in the U.S., and Brexit negotiations in Europe failed to ignite tradeable volatility in most asset classes (other than in crypto currencies where the market makers have created volatility they cannot find elsewhere).

The fourth quarter saw some slowing as U.S. lawmakers pushed on tax reform—an effort that ultimately proved successful and, in the immediate term at least, a stimulus for the economy.

The U.S. Federal Reserve pushed through an anticipated 25 bps rate increase in the month of December, to which investors have responded with a flattening of the yield curve. While the European Central Bank continues to hold rates steady, it has announced a January 2018 reduction of its monthly bond buying program in light of broader growth on the continent.

OPEC production cuts and increased Chinese demand for raw materials continue to support commodity prices, further fueling investor interest in more commodity-sensitive emerging markets right through to year end.

Performance Factors

Credit Opportunities Fund

Over 2017, the Credit Opportunities Fund delivered positive results which modestly trailed those of the benchmark on a gross performance basis over the period. This result reflects underperformance in the first half of the year, generated in February and May largely through conservative duration positioning as the Fund was significantly overweight the market in credit with duration below a year (both short duration and floating rate paper) and underweight every other market duration category. However, the Fund recouped part of this return gap in late June as the bid for duration suddenly weakened, and then performed almost exactly in line with the benchmark on a gross basis over the year's back half. Overall, low interest-rate sensitivity came at a price in 2017 with underperformance of the portfolio's shortest duration positions, which included loans and floating rate instruments where the Fund was overweight. However, as has been true since the Fund's inception, the Fund continues to deliver lower volatility than the market with close-to-market returns.

Quite notably in the Fund's return profile, rating made a difference in 2017 with the Fund's BBB- "sweet spot" generating significant contributions as both the portfolio's highest returning and highest concentration rating band. More

Muzinich Funds

broadly, high yield outperformed investment grade paper (outside of BBB-), and we had generally sought to balance high yield and investment grade paper more evenly throughout the year. U.S. companies, at over 50% of the portfolio on average through the year, performed well, but were overshadowed by both EUR and GBP returns—particularly after inclusion of the gains achieved on the forward transactions employed to hedge out the Fund’s currency risk. Investments in telecommunications and energy, the portfolio’s largest industry commitments, delivered outsized contributions. No sector detracted even a full basis point from returns.

Entering the New Year, we expect portfolio quality to minimize downside volatility while providing flexibility in anticipation of an increase in new issue announcements. We would buy more credit risk at a time we find it more discounted. We anticipate an ongoing commitment to floating rate loans and shorter duration paper generally as we anticipate both rate increases and modest inflation.

U.S. High Yield Fund

The U.S. High Yield Fund delivered attractive 2017 returns in line almost with the benchmark on a net basis (and outperforming on a gross basis) after underperforming in the first quarter, but outperforming in the second through strong credit selection. Credit selection was, in fact, the dominant Fund strength demonstrated vs. the market over the year when viewing the Fund on both an industry and rating basis. Most notably, the portfolio had its best credit selection results compared to the benchmark in its overweight position in the metals & mining sector and in its underweight position in the energy sector. Over the year, however, our modest position in energy has been narrowing vs. the benchmark. The Fund underperformed through under-allocations to telecommunications and banking, although we have begun increasing bank exposure judiciously into what we believe will be an environment of growth and rising rates. We remain generally overweight B rated credit vs. the benchmark, underweight duration, and higher in yield than the benchmark, preferring credit risk to interest rate risk at this point on the cycle.

Low Duration Fund

In a continuation from the first half of the year, the Low Duration Fund’s corporate credit blend widely outpaced returns of the benchmark which leans more heavily to governments. Lower rated, high yield paper added considerably to returns over the period, although the portfolio gained the most vs. the benchmark in a nearly 30% overweighting split almost evenly between BBB and BBB- paper. Duration positioning mattered as well, with the portfolio benefitting from a kind of “bar-belling” that overweights both the shortest-duration positions with remaining exposure of less than a year and longer-

Muzinich Funds

duration positions in the three-to-five year range. This latter range represented an important pick-up for the Fund as portfolio managers were able to capture the “roll-down” in price of bonds of moderately longer duration and then replace them again rather than holding to maturity. These bonds had a total return profile greater than their average yield would suggest as their price changed in line with shorter duration positions further along the yield curve.

From a currency perspective, both EUR and GBP credits, averaging 46% and 12%, respectively, of the portfolio over the year widely outperformed once the benefit of hedging these positions back to the USD is incorporated into their total return. We reduced GBP exposure over the course of the year as we continue to watch BREXIT and develop some wariness around potential weakening of the increasingly isolated UK retail consumer. From an industry perspective, banking, energy, and diversified financial services produced the portfolio’s biggest absolute contributions on both good credit selection and high weighting conviction to the sectors. We note that our energy position has been underweight compared, for example, with a U.S. high yield portfolio, but we have carefully selected better quality names which performed well. We believe banks are in fundamentally strong shape at this time and poised to benefit from global growth and rising rates. We have found good value in this sector relative to risk.

Outlook

As we write with just a little distance from the end of the period covered by this report, volatility, which appeared to be setting record lows at year end, roared into risk markets in the first week of February. Rates pressures have continued to increase, weighing notably on the investment grade credit segment of the market, and this volatility has picked up steam into February, leading to a sharp correction in equity markets. In our view, this recent sharp correction is likely to be a result of a number of factors that had not previously been widely considered by market participants – namely the long-term impact of the U.S. tax reforms and the recent move higher in inflation expectations. As a result, bond yields have adjusted swiftly since the beginning of the year to the point they have placed equity market valuations at very expensive levels, despite the high quality of Q4 2017 corporate earnings results. In parallel, equity volatility has risen as the equity market fell and this has created potentially significant losses through some short volatility ETF products.

In our view the rise in yields is not a surprise. It is important however to reiterate that economic fundamentals remain strong, which in turn is having a positive impact on corporate fundamentals. Last quarter’s earnings were very encouraging and we continue to expect a low default rate for 2018. We maintain a preference for credit risk to interest rates. We also like the protection that high coupons offer in a rising yield environment. High yield assets generally offer

Muzinich Funds

more resilience to rising rates than investment grade credit. Duration of investment grade credit has extended significantly over the past two to three years. High yield bonds tend to be less volatile than U.S. Treasuries and/or equities. We also continue to believe loans appear attractive; the floating rate nature of these instruments provides protection against rises in base rates and their performance also tends to be less volatile due to their primarily institutional investor base. We have stressed for some time that valuations were tight, particularly in equity markets, while the low default rate continues to highlight strong fundamentals in credit. Our focus on quality continues to be an important factor in mitigating risk and providing downside protection during times of high volatility.

We appreciate the confidence and trust you have placed in Muzinich.

Sincerely,



Michael McEachern



Anthony DeMeo



Warren Hyland



Thomas Samson



Bryan Petermann



Clinton Comeaux



Tatjana Greil-Castro

Opinions expressed are subject to change at any time, are not guaranteed and should not be considered investment advice.

Past performance does not guarantee future results. Short-term performance in particular, is not a good indication of the Funds' future performance, and an investment should not be made solely on returns.

Mutual fund investing involves risk. Principal loss is possible. Investments in debt securities typically decrease in value when interest rates rise. This risk is usually greater for longer-term debt securities. Investment by the Funds in lower-rated and non-rated securities presents a greater risk of loss to principal and interest than higher-rated securities. Investments in foreign securities involve greater volatility and political, economic and currency risks and differences

Muzinich Funds

in accounting methods. These risks are greater for emerging markets. Derivatives involve risks different from, and in certain cases, greater than the risks presented by more traditional investments. These risks are fully disclosed in the prospectus. Floating rate loans may not be fully collateralized and therefore may decline significantly in value. Each Fund will bear its share of the fees and expenses of investments in underlying funds or exchange-traded funds (ETFs). Shareholders will pay higher expenses than would be the case if making direct investments in underlying funds or ETFs. Because the Funds invest in ETFs, they are subject to additional risks that do not apply to conventional mutual funds, including the risks that the market price of an ETF's shares may trade at a discount to its net asset value ("NAV"), an active secondary trading market may not develop or be maintained, or trading may be halted by the exchange in which they trade, which may impact a Fund's ability to sell its shares. The Funds invest in high yield debt instruments which tend to be less liquid than higher quality debt instruments. The Funds may make short sales of securities, which involves the risk that losses may exceed the original amount invested. Please note that while the Funds' prospectus states that the Funds may use leverage, and that they may make short sales of securities, which involve the risk that losses may exceed the original amount invested, the Funds' portfolio managers do not anticipate engaging in either practice. The Funds will endeavor to limit price fluctuations caused by the changing relative value of currencies in which the Funds invest, but hedging involves costs and there can be no guarantee that the Funds will be perfectly hedged or that the hedging will work as anticipated.

Must be preceded or accompanied by a prospectus.

Bond ratings are grades given to bonds that indicate their credit quality as determined by a private independent rating service. The firm evaluates a bond issuer's financial strength, or its ability to pay a bond's principal and interest in a timely fashion. Ratings are expressed as letters ranging from 'AAA' which is the highest grade to 'D,' which is the lowest grade. In limited situations when the rating agency has not issued a formal rating, the Advisor will classify the security as non-rated.

Index Definitions:

The ICE BofA Merrill Lynch Global Corporate & High Yield Index (GI00) is an unmanaged index tracking the performance of fixed-rate investment grade and below investment grade corporate debt publicly issued in the major domestic and Eurobond markets. Qualifying currencies include AUD, CAD, EUR, JPY, GBP, and USD. Qualifying issues must meet minimum size requirements denominated in the currency of issue, and must have a remaining term of at least one year to maturity.

The ICE BofA Merrill Lynch BB-B U.S. Cash Pay High Yield Constrained Index (JUC4) contains all securities in The ICE BofA Merrill Lynch U.S. Cash Pay High Yield Index rated BB1 through B3, based on an average of Moody's, S&P and Fitch, but caps issuer exposure at 2%. Index constituents are capitalization-weighted, based on their current amount outstanding, provided the total allocation to an individual issuer does not exceed 2%.

The ICE BofA Merrill Lynch 1-3 Year U.S. Corporate & Government Index (B1A0) is a subset of The ICE BofA Merrill Lynch US Corporate & Government Index including all securities with a remaining term to final maturity less than 3 years.

The BofA Merrill Lynch U.S. Emerging Markets Liquid Corporate Plus Index (EMCL) tracks the performance of U.S. dollar denominated emerging markets non-sovereign debt publicly issued in the major domestic and Eurobond markets. Individual securities of qualifying issuers must be denominated in U.S. dollars, must have at least one year remaining term to final maturity, at least 18 months to final maturity at point of issuance, and a fixed coupon.

Muzinich Funds

The ICE BofA Merrill Lynch U.S. Corporate Index (COA0) tracks the performance of US dollar denominated investment grade corporate debt publicly issued in the U.S. domestic market. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch), at least 18 months to final maturity at the time of issuance, at least one year remaining term to final maturity as of the rebalancing date, a fixed coupon schedule and a minimum amount outstanding of \$250 million. Index constituents are capitalization-weighted based on their current amount outstanding times the market price plus accrued interest.

The ICE BofA Merrill Lynch Euro High Yield Constrained Index (HEC0) contains all securities in The ICE BofA Merrill Lynch Euro High Yield Index but caps issuer exposure at 3%. Index constituents are capitalization-weighted, based on their current amount outstanding, provided the total allocation to an individual issuer does not exceed 3%.

The ICE BofA Merrill Lynch Euro Corporate Index (ER00) tracks the performance of EUR denominated investment grade corporate debt publicly issued in the Eurobond or Euro member domestic markets.

It is not possible to invest directly in an index.

Glossary:

EUR – Euro

GBP – Great Britain Pound

U.S. Treasury is a fixed-interest U.S. government debt security with a maturity of more than 10 years.

Duration is a measure of the expected life of a fixed income security that is used to determine the sensitivity of a security's price to changes in interest rates.

Duration-to-worst measures the sensitivity of a fixed income holding, such as a bond, to changes in interest rates. The definition assumes that a bond issuer will pursue the path with the bond that is most advantageous to itself, even if that is the "worst" outcome for the investor.

Basis points (bps) are units of measure for interest rates and other percentages, commonly used to describe the percentage change in interest rates, bond yields, and other financial instruments. One basis point is equal to 1/100th of 1%, or 0.01% (0.0001).

Beta is a measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole.

Muzinich & Co. is a registered investment adviser. The Muzinich Funds are distributed by Quasar Distributors, LLC.

Credit Opportunities Fund

SECTOR ALLOCATION at December 31, 2017 (Unaudited)

Sector Allocation	% of Net Assets
Energy	12.9%
Banking	11.7%
Telecommunications	9.9%
Food/Beverage/Tobacco	5.3%
Healthcare	4.9%
Technology	4.9%
Utilities	4.2%
Automotive & Auto Parts	4.0%
Cable/Satellite TV	3.4%
Diversified Financial Services	3.3%
Homebuilders/Real Estate	3.2%
Metals/Mining	2.9%
Services	2.8%
Super Retail	2.5%
Diversified Media	2.1%
Chemicals	2.1%
Sovereign	1.9%
Containers	1.7%
Broadcasting	1.6%
Consumer Products	1.4%
Transportation Excluding Air/Rail	1.3%
Capital Goods	1.2%
Building Materials	1.1%
Steel	0.9%
Food & Drug Retail	0.9%
Paper	0.7%
Leisure	0.6%
Insurance	0.4%
Restaurants	0.2%
Environmental	0.1%
Cash & Equivalents*	5.9%
Total	100.0%

* Represents cash, short-term securities and other assets in excess of liabilities.

U.S. High Yield Fund

SECTOR ALLOCATION at December 31, 2017 (Unaudited)

Sector Allocation	% of Net Assets
Energy	12.9%
Telecommunications	9.6%
Cable/Satellite TV	9.2%
Healthcare	7.8%
Metals/Mining	6.9%
Exchange Traded Funds	6.7%
Diversified Financial Services	4.7%
Utilities	4.0%
Technology	3.9%
Services	3.7%
Automotive & Auto Parts	3.3%
Broadcasting	3.1%
Chemicals	3.1%
Containers	2.9%
Banking	2.3%
Steel	2.1%
Gaming	2.0%
Super Retail	1.9%
Aerospace/Defense	1.6%
Food/Beverage/Tobacco	1.5%
Building Materials	1.2%
Paper	1.2%
Capital Goods	1.1%
Diversified Media	0.8%
Homebuilders/Real Estate	0.8%
Consumer Products	0.6%
Restaurants	0.6%
Environmental	0.5%
Transportation Excluding Air/Rail	0.5%
Leisure	0.4%
Insurance	0.3%
Airlines	0.2%
Cash & Equivalents*	(1.4)%
Total	100.0%

* Represents cash, short-term securities and liabilities in excess of other assets.

Low Duration Fund

SECTOR ALLOCATION at December 31, 2017 (Unaudited)

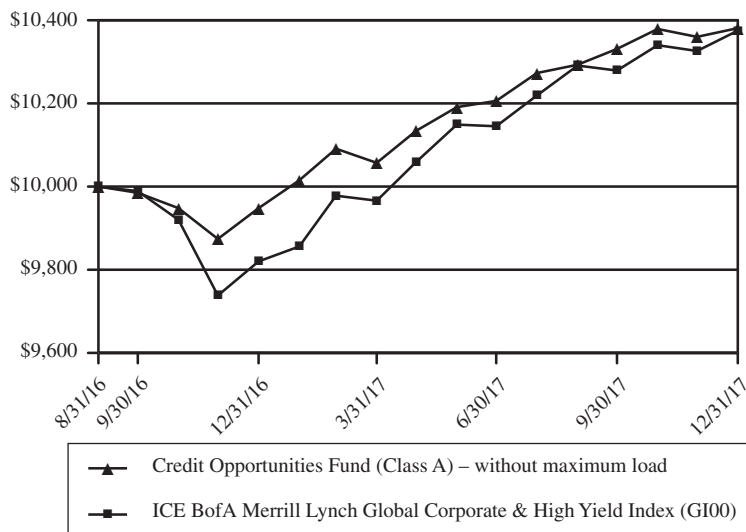
Sector Allocation	% of Net Assets
Banking	24.0%
Diversified Financial Services	10.2%
Energy	6.5%
Telecommunications	5.3%
Technology	4.7%
Automotive & Auto Parts	4.7%
Super Retail	4.6%
Healthcare	4.3%
Food/Beverage/Tobacco	3.8%
Utilities	3.6%
Chemicals	3.3%
Homebuilders/Real Estate	2.9%
Capital Goods	2.6%
Cable/Satellite TV	2.6%
Steel	2.2%
Gaming	1.9%
Services	1.4%
Quasi & Foreign Government	1.1%
Transportation Excluding Air/Rail	1.0%
Railroads	1.0%
Metals/Mining	1.0%
Food & Drug Retail	1.0%
Leisure	0.7%
Diversified Media	0.5%
Insurance	0.4%
Paper	0.4%
Airlines	0.4%
Consumer Products	0.2%
Cash & Equivalents*	3.7%
Total	100.0%

* Represents cash, short-term securities and other assets in excess of liabilities.

Credit Opportunities Fund

HISTORICAL PERFORMANCE – CLASS A

**Value of \$10,000 vs. ICE BofA Merrill Lynch Global Corporate & High Yield Index (GI00)
(Unaudited)**



Average Annual Returns for the year ended December 31, 2017

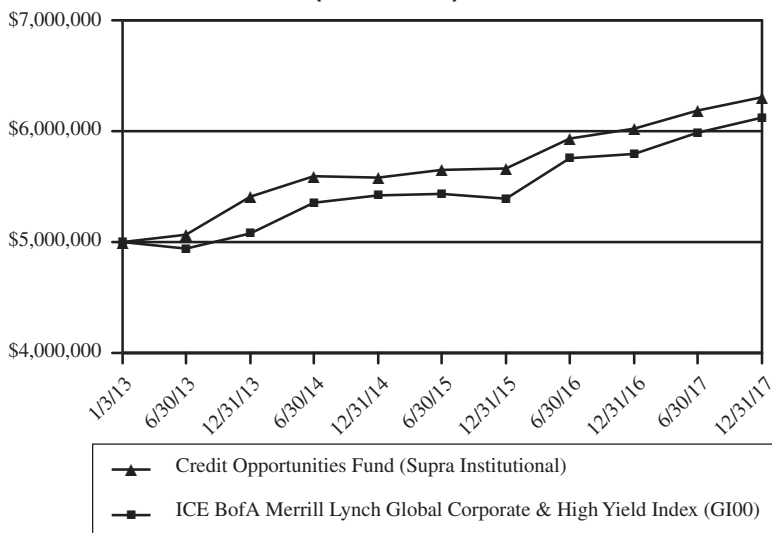
	<u>1 Year</u>	<u>Since Inception (8/31/2016)</u>	<u>Ending Value (12/31/2017)</u>
Credit Opportunities Fund (Class A) – without maximum load	4.35%	2.85%	\$10,381
Credit Opportunities Fund (Class A) – with maximum load	-0.12%	-0.44%	\$ 9,514
ICE BofA Merrill Lynch Global Corporate & High Yield Index (GI00)	5.65%	2.80%	\$10,375

This chart illustrates the performance of a hypothetical \$10,000 investment made on August 31, 2016, and is not intended to imply any future performance. The returns shown do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. The returns reflect fee waivers in effect. In the absence of such waivers, total return would be reduced. The chart assumes reinvestment of capital gains and dividends for the Fund and dividends for the index.

Credit Opportunities Fund

HISTORICAL PERFORMANCE – SUPRA INSTITUTIONAL CLASS

Value of \$5,000,000 vs. ICE BofA Merrill Lynch Global Corporate & High Yield Index (GI00) (Unaudited)



Average Annual Returns for the year ended December 31, 2017

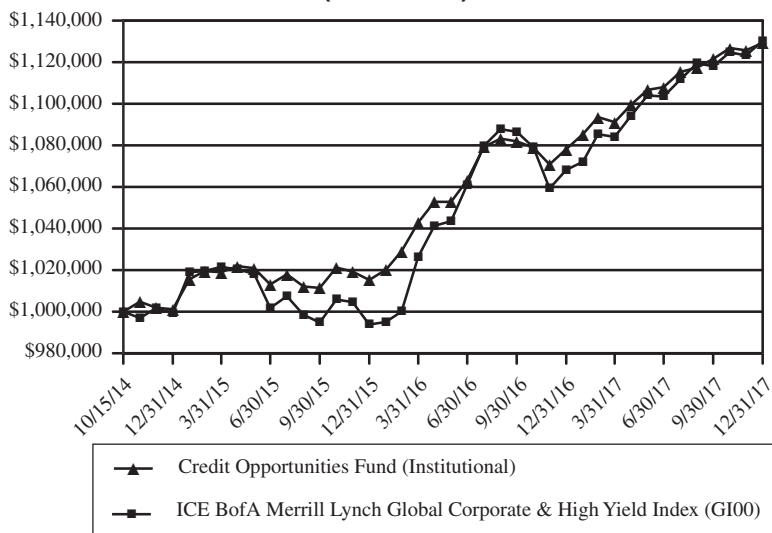
	<u>1 Year</u>	<u>3 Year</u>	<u>Since Inception (1/3/2013)</u>	<u>Ending Value (12/31/2017)</u>
Credit Opportunities Fund (Supra Institutional)	4.70%	4.15%	4.76%	\$6,306,148
ICE BofA Merrill Lynch Global Corporate & High Yield Index (GI00)	5.65%	4.14%	4.14%	\$6,122,135

This chart illustrates the performance of a hypothetical \$5,000,000 investment made on January 3, 2013, and is not intended to imply any future performance. The returns shown do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. The returns reflect fee waivers in effect. In the absence of such waivers, total return would be reduced. The chart assumes reinvestment of capital gains and dividends for the Fund and dividends for the index.

Credit Opportunities Fund

HISTORICAL PERFORMANCE – INSTITUTIONAL CLASS

**Value of \$1,000,000 vs. ICE BofA Merrill Lynch Global Corporate & High Yield Index (GI00)
(Unaudited)**



Average Annual Returns for the year ended December 31, 2017

Credit Opportunities Fund (Institutional)

1 Year

4.73%

3 Year

4.09%

Since Inception (10/15/2014)

3.86%

Ending Value

\$1,129,269

ICE BofA Merrill Lynch Global Corporate & High Yield Index (GI00)

5.65%

4.14%

3.84%

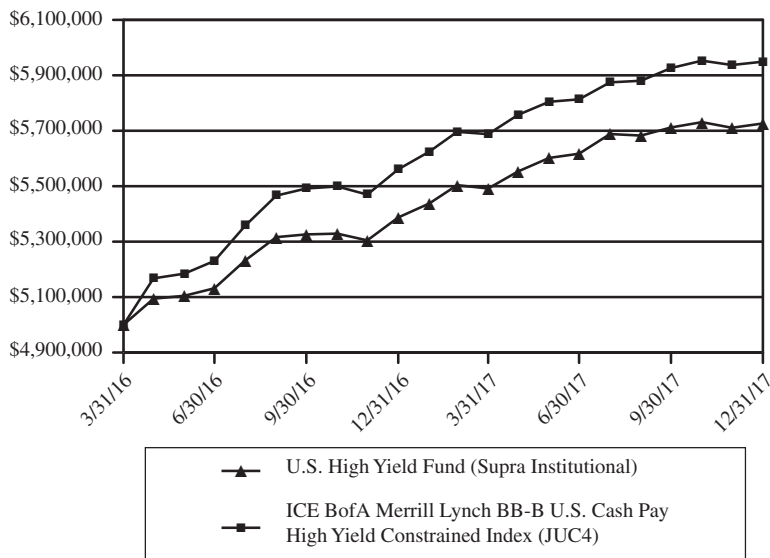
\$1,130,290

This chart illustrates the performance of a hypothetical \$1,000,000 investment made on October 15, 2014, and is not intended to imply any future performance. The returns shown do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. The returns reflect fee waivers in effect. In the absence of such waivers, total return would be reduced. The chart assumes reinvestment of capital gains and dividends for the Fund and dividends for the index.

U.S. High Yield Fund

HISTORICAL PERFORMANCE – SUPRA INSTITUTIONAL CLASS

Value of \$5,000,000 vs. ICE BofA Merrill Lynch BB-B U.S. Cash Pay High Yield Constrained Index (JUC4) (Unaudited)



Average Annual Returns for the year ended December 31, 2017

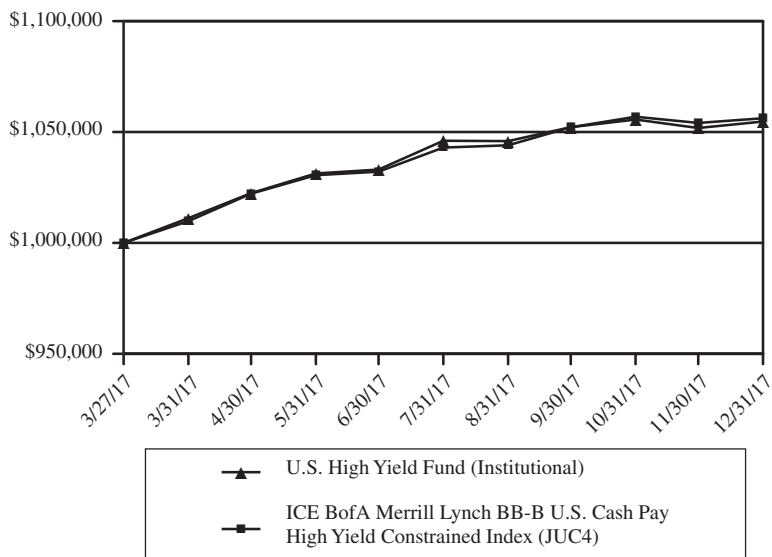
	1 Year	Since Inception (3/31/2016)	Ending Value (12/31/2017)
U.S. High Yield Fund (Supra Institutional)	6.30%	8.05%	\$5,726,381
ICE BofA Merrill Lynch BB-B U.S. Cash Pay High Yield Constrained Index (JUC4)	6.98%	10.42%	\$5,949,158

This chart illustrates the performance of a hypothetical \$5,000,000 investment made on March 31, 2016, and is not intended to imply any future performance. The returns shown do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. The returns reflect fee waivers in effect. In the absence of such waivers, total return would be reduced. The chart assumes reinvestment of capital gains and dividends for the Fund and dividends for the index.

U.S. High Yield Fund

HISTORICAL PERFORMANCE – INSTITUTIONAL CLASS

Value of \$1,000,000 vs. ICE BofA Merrill Lynch BB-B U.S. Cash Pay High Yield Constrained Index (JUC4) (Unaudited)



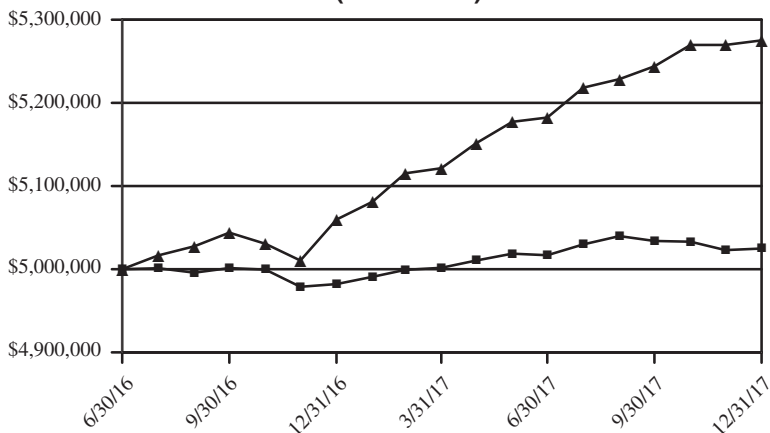
Return for the period ended December 31, 2017	Since Inception (3/27/2017)	Ending Value (12/31/2017)
U.S. High Yield Fund (Institutional)	5.47%	\$1,054,720
ICE BofA Merrill Lynch BB-B U.S. Cash Pay High Yield Constrained Index (JUC4)	5.62%	\$1,056,203

This chart illustrates the performance of a hypothetical \$1,000,000 investment made on March 27, 2017, and is not intended to imply any future performance. The returns shown do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. The returns reflect fee waivers in effect. In the absence of such waivers, total return would be reduced. The chart assumes reinvestment of capital gains and dividends for the Fund and dividends for the index.

Low Duration Fund

HISTORICAL PERFORMANCE – SUPRA INSTITUTIONAL CLASS

**Value of \$5,000,000 vs. ICE BofA Merrill Lynch
1-3 Year U.S. Corporate & Government Index (B1A0)
(Unaudited)**



Low Duration Fund (Supra Institutional)
 ICE BofA Merrill Lynch 1-3 Year U.S. Corporate & Government Index (B1A0)

**Average Annual
Returns for the year ended
December 31, 2017**

	1 Year	Since Inception (6/30/2016)	Ending Value (12/31/2017)
Low Duration Fund – Supra Institutional	4.26%	3.63%	\$5,275,035
ICE BofA Merrill Lynch 1-3 Year U.S. Corporate & Government Index (B1A0)	0.86%	0.33%	\$5,024,845

This chart illustrates the performance of a hypothetical \$5,000,000 investment made on June 30, 2016, and is not intended to imply any future performance. The returns shown do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. The returns reflect fee waivers in effect. In the absence of such waivers, total return would be reduced. The chart assumes reinvestment of capital gains and dividends for the Fund and dividends for the index.

Credit Opportunities Fund

SCHEDULE OF INVESTMENTS at December 31, 2017

Principal Amount†	Value	Principal Amount†	Value
CORPORATE BONDS: 74.6%		Banking: 11.5% (Continued)	
Automotive & Auto Parts: 2.8%			
	Adient Global Holdings Ltd.	EUR 1,350,000	Bank of Ireland 7.375%, 6/18/66 ⁶ \$ 1,820,007
EUR 350,000	3.500%, 8/15/24		Bank of Ireland Group PLC
1,350,000	4.875%, 8/15/26 ¹	GBP 1,150,000	3.125%, 9/19/27 ⁶ 1,553,444
	Fiat Chrysler Finance Europe S.A.	EUR 1,400,000	Bankia S.A. 4.000%, 5/22/24 ⁶ 1,750,029
EUR 1,275,000	6.750%, 10/14/19	EUR 900,000	Bankinter S.A. 2.500%, 4/6/27 ⁶ 1,111,765
	IHO Verwaltungs GmbH	EUR 1,400,000	CaixaBank S.A. 3.500%, 2/15/27 ⁶ 1,781,232
EUR 675,000	3.750% Cash or 4.500% PIK, 9/15/26	EUR 1,200,000	2.750%, 7/14/28 ⁶ 1,467,481
	Peugeot S.A.	EUR 1,175,000	Credit Suisse AG 5.750%, 9/18/25 ⁶ 1,602,037
EUR 1,125,000	2.000%, 3/23/24		Credit Suisse Group AG
	Schaeffler Finance B.V.	825,000	7.500%, 12/29/49 ⁶ 944,584
EUR 1,000,000	3.500%, 5/15/22		Erste Group Bank AG
	Volkswagen International Finance NV	1,400,000	5.500%, 5/26/25 ⁶ 1,473,500
EUR 500,000	5.125%, 9/4/65 ⁶	900,000	Global Bank Corp. 5.125%, 10/30/19 932,580
EUR 900,000	3.875%, 6/14/66 ⁶		Goldman Sachs Group, Inc.
	ZF North America Capital, Inc.	3,850,000	2.160% (3 Month LIBOR USD + 0.780%), 10/31/22 ² 3,857,109
708,000	4.500%, 4/29/22 ¹		Ibercaja Banco S.A.
EUR 900,000	2.750%, 4/27/23	EUR 1,300,000	5.000%, 7/28/25 ⁶ 1,624,142
	10,782,723		ICBC Standard Bank PLC
		2,445,000	8.125%, 12/2/19 2,690,600
Banking: 11.5%		EUR 1,500,000	Intesa Sanpaolo SpA 6.625%, 9/13/23 2,262,618
	AK Finansal Kiralama A/S		JPMorgan Chase & Co.
615,000	4.125%, 4/17/18	1,735,000	2.267% (3 Month LIBOR USD + 0.900%), 4/25/23 ² 1,755,773
	Akbank Turk A/S		Nationwide Building Society
1,100,000	6.500%, 3/9/18	GBP 1,300,000	6.875%, 3/11/49 ⁶ 1,843,725
	Alfa Bank AO Via Alfa Bond Issuance PLC		
1,300,000	5.000%, 11/27/18		
	Allied Irish Banks PLC		
EUR 1,225,000	7.375%, 12/29/49 ⁶		
	Banco Santander Mexico S.A.		
3,129,000	4.125%, 11/9/22		

The accompanying notes are an integral part of these financial statements.

Credit Opportunities Fund

SCHEDULE OF INVESTMENTS at December 31, 2017 (Continued)

Principal Amount†		Value		Principal Amount†		Value
CORPORATE BONDS: 74.6% (Continued)				Cable/Satellite TV: 2.1% (Continued)		
Banking: 11.5% (Continued)				CCO Holdings LLC /		
	Raiffeisen Bank				CCO Holdings	
	International AG				Capital Corp.	
EUR 800,000	4.500%, 2/21/25 ²	\$ 1,037,267		1,250,000	5.125%, 5/1/23 ¹	\$ 1,278,125
	Royal Bank of				Charter	
	Scotland				Communications	
	Group PLC				Operating LLC /	
EUR 1,500,000	3.625%, 3/25/24 ²	1,859,042			Charter	
	UBS AG				Communications	
EUR 2,000,000	4.750%, 2/12/26 ⁶	2,693,643			Operating Capital	
	UBS Group AG			1,360,000	4.908%, 7/23/25	1,448,155
EUR 675,000	5.750%, 2/19/67 ⁶	923,784			Midcontinent	
	Volksbank Wien AG				Communications /	
EUR 1,800,000	2.750%, 10/6/27 ⁶	2,148,880			Midcontinent	
		<u>45,073,648</u>		1,775,000	6.875%, 8/15/23 ¹	1,892,594
					Ziggo Bond Co. B.V.	
				EUR 450,000	7.125%, 5/15/24	<u>594,790</u>
						<u>8,101,796</u>
Broadcasting: 1.4%				Capital Goods: 0.6%		
	EW Scripps Co.				Hutchison	
250,000	5.125%, 5/15/25 ¹	249,375			Whampoa Europe	
	Lions Gate				Finance 13 Ltd.	
	Entertainment Corp.			EUR 630,000	3.750%, 5/10/66 ⁶	766,335
1,125,000	5.875%, 11/1/24 ¹	1,193,906			NEW Areva	
	Netflix, Inc.				Holding S.A.	
850,000	5.500%, 2/15/22	897,813		EUR 1,400,000	3.250%, 9/4/20	1,773,144
	Sirius XM					<u>2,539,479</u>
	Radio, Inc.					
1,725,000	3.875%, 8/1/22 ¹	1,737,937				
1,375,000	5.000%, 8/1/27 ¹	1,385,313				
		<u>5,464,344</u>				
Building Materials: 0.8%				Chemicals: 1.5%		
	Cemex S.A.B. de CV				Blue Cube	
882,000	5.700%, 1/11/25	932,715			Spinco, Inc.	
	Jeld-Wen, Inc.			425,000	9.750%, 10/15/23	503,625
125,000	4.625%, 12/15/25 ¹	126,250			Phosagro OAO Via	
125,000	4.875%, 12/15/27 ¹	126,562			Phosagro Bond	
	Standard				Funding DAC	
	Industries, Inc.			925,000	4.204%, 2/13/18	926,649
1,725,000	5.500%, 2/15/23 ¹	1,802,625		1,368,000	3.950%, 11/3/21	1,380,812
		<u>2,988,152</u>			PQ Corp.	
Cable/Satellite TV: 2.1%				1,350,000	6.750%, 11/15/22 ¹	1,446,188
	Altice Finco S.A.				Solvay Finance S.A.	
EUR 1,275,000	9.000%, 6/15/23	1,625,608		EUR 975,000	5.869%, 6/29/49 ⁶	1,407,850
EUR 1,100,000	4.750%, 1/15/28	1,262,524				<u>5,665,124</u>

The accompanying notes are an integral part of these financial statements.

Credit Opportunities Fund

SCHEDULE OF INVESTMENTS at December 31, 2017 (Continued)

Principal Amount†	Value		Principal Amount†	Value
CORPORATE BONDS: 74.6% (Continued)			Diversified Media: 1.6%	
Consumer Products: 1.4%			Belo Corp.	
			1,050,000	7.250%, 9/15/27 \$ 1,176,000
				Clear Channel
1,375,000	5.000%, 7/1/25 ¹	\$ 1,405,937		Worldwide
			700,000	Holdings, Inc.
2,530,000	3.850%, 4/1/23	2,620,956		6.500%, 11/15/22 708,750
			1,550,000	Lamar Media Corp.
				5.375%, 1/15/24 1,627,500
1,250,000	6.625%, 11/15/22	1,296,875	375,000	Match Group, Inc.
		5,323,768		6.375%, 6/1/24 407,812
Containers: 0.4%			Outfront Media	
				Capital LLC /
				Outfront Media
			750,000	Capital Corp.
			75,000	5.625%, 2/15/24 795,937
1,550,572	5.750%, 10/15/20	1,575,769		5.875%, 3/15/25 79,594
Diversified Financial Services: 2.8%				TEGNA, Inc.
			750,000	5.125%, 7/15/20 768,750
			675,000	Videotron Ltd.
				5.125%, 4/15/27 ¹ 707,063
				6,271,406
			Energy: 12.6%	
				Andeavor
				Logistics LP /
				Tesoro Logistics
860,000	5.000%, 10/1/21	917,532		Finance Corp.
2,415,000	3.950%, 2/1/22	2,491,302	1,575,000	6.375%, 5/1/24 1,710,844
			1,625,000	4.250%, 12/1/27 1,642,175
1,325,000	5.000%, 8/1/24 ¹	1,311,750	1,100,000	5.200%, 12/1/47 1,151,648
				Cheniere Corpus
500,000	5.250%, 10/15/24	501,250		Christi
				Holdings LLC
			825,000	5.875%, 3/31/25 895,641
GBP 1,200,000	8.500%, 11/1/22	1,701,185		CrownRock LP /
				CrownRock
			425,000	Finance, Inc.
				5.625%, 10/15/25 ¹ 428,187
				Delek & Avner
			1,620,000	Tamar Bond Ltd.
				3.839%, 12/30/18 ¹ 1,624,933
			775,000	Devon Energy Corp.
				5.850%, 12/15/25 906,380
EUR 875,000	4.125% Cash or			
	4.875% PIK,			
	8/15/24	1,075,850		
	Lincoln Finance Ltd.			
EUR 1,775,000	6.875%, 4/15/21	2,240,154		
		11,129,961		

The accompanying notes are an integral part of these financial statements.

Credit Opportunities Fund

SCHEDULE OF INVESTMENTS at December 31, 2017 (Continued)

Principal Amount†	Value	Principal Amount†	Value
CORPORATE BONDS: 74.6% (Continued)		Energy: 12.6% (Continued)	
Energy: 12.6% (Continued)		Plains All American Pipeline LP / PAA Finance Corp.	
175,000	5.500%, 1/30/26 ¹ \$ 178,500	1,130,000	2.600%, 12/15/19 \$ 1,124,107
175,000	5.750%, 1/30/28 ¹ 180,381	Sabine Pass Liquefaction LLC	
1,450,000	4.250%, 3/15/23 1,442,750	1,300,000	5.625%, 4/15/23 1,429,270
	Energy Transfer Equity LP	2,275,000	5.000%, 3/15/27 2,442,978
	Gazprom OAO Via Gaz Capital S.A.	1,050,000	4.200%, 3/15/28 1,064,475
3,685,000	3.375%, 11/30/18 3,895,069	Sinopec Group Overseas Development 2016 Ltd.	
1,350,000	9.250%, 4/23/19 1,458,791	2,075,000	2.750%, 5/3/21 2,069,952
1,000,000	5.999%, 1/23/21 1,076,110	Southern Star Central Corp.	
1,340,000	4.000%, 6/15/22 1,377,521	4,325,000	5.125%, 7/15/22 ¹ 4,498,000
1,620,000	6.125%, 11/9/20 1,750,370	Sunoco Logistics Partners	
1,000,000	5.375%, 1/1/26 1,062,500	1,825,000	4.000%, 10/1/27 1,793,078
	Parsley Energy LLC / Parsley Finance Corp.	900,000	5.400%, 10/1/47 909,411
325,000	5.625%, 10/15/27 ¹ 333,125	Tengizchevroil Finance Co. International Ltd.	
750,000	5.250%, 5/23/21 805,393	775,000	4.000%, 8/15/26 779,456
1,650,000	5.750%, 1/20/20 1,723,689	Tupras Türkiye Petrol Rafinerileri A/S	
1,070,000	7.375%, 1/17/27 1,180,210	1,850,000	4.500%, 10/18/24 1,831,844
1,800,000	6.875%, 1/20/40 1,824,750	49,207,257	
416,000	4.875%, 1/24/22 434,616	Environmental: 0.1%	
630,000	4.875%, 1/24/22 658,192	GFL Environmental, Inc.	
1,600,000	5.186% (3 Month LIBOR USD + 3.650%), 3/11/22 ² 1,760,789	422,000	5.625%, 5/1/22 ¹ 439,935
EUR 685,000	3.750%, 2/21/24 892,891	Food & Drug Retail: 0.9%	
765,000	6.875%, 8/4/26 869,231	Tesco PLC	
		GBP 975,000	6.125%, 2/24/22 1,521,274
		Tesco Property Finance 3 PLC	
		GBP 1,170,343	5.744%, 4/13/40 1,879,571
		3,400,845	

The accompanying notes are an integral part of these financial statements.

Credit Opportunities Fund

SCHEDULE OF INVESTMENTS at December 31, 2017 (Continued)

Principal Amount†	Value	Principal Amount†	Value
CORPORATE BONDS: 74.6% (Continued)		Healthcare: 3.0% (Continued)	
Food/Beverage/Tobacco: 3.6%		MPT Operating Partnership LP / MPT Finance Corp.	
850,000	Anheuser-Busch InBev Finance, Inc. 4.900%, 2/1/46 \$ 989,088	EUR 1,325,000	4.000%, 8/19/22 \$ 1,763,431
555,000	Coca-Cola Icecek A/S 4.215%, 9/19/24 564,824	Teva Pharmaceutical Finance Netherlands III B.V.	
1,200,000	Constellation Brands, Inc. 4.250%, 5/1/23 1,270,946	2,225,000	1.700%, 7/19/19 2,162,615
2,425,000	4.750%, 11/15/24 2,661,242		11,581,041
2,008,000	4.500%, 5/9/47 2,211,744	Homebuilders/Real Estate: 2.9%	
3,430,000	Grupo Bimbo S.A.B. de CV 3.875%, 6/27/24 3,547,502	ATF Netherlands B.V.	
475,000	Minerva Luxembourg S.A. 6.500%, 9/20/26 489,844	EUR 1,900,000	3.750%, 1/20/66 ² 2,434,728
525,000	Pilgrim's Pride Corp. 5.875%, 9/30/27 ¹ 542,062	EUR 525,000	CPI Property Group S.A. 2.125%, 10/4/24 632,350
1,800,000	Post Holdings, Inc. 5.750%, 3/1/27 ¹ 1,836,000	EUR 1,150,000	DEMIRE Deutsche Mittelstand Real Estate AG 2.875%, 7/15/22 1,413,684
	14,113,252	Immobiliare Grande Distribuzione SIIQ SpA	
Healthcare: 3.0%		EUR 629,000	2.500%, 5/31/21 796,780
650,000	Avantor, Inc. 6.000%, 10/1/24 ¹ 649,187	Kennedy Wilson Europe Real Estate PLC	
1,375,000	Becton Dickinson and Co. 2.894%, 6/6/22 1,367,808	EUR 2,200,000	3.250%, 11/12/25 2,747,329
1,500,000	Centene Corp. 6.125%, 2/15/24 1,590,000	NE Property Cooperatief UA	
1,000,000	HCA Healthcare, Inc. 6.250%, 2/15/21 1,062,500	EUR 1,685,000	1.750%, 11/23/24 1,975,346
750,000	Hill-Rom Holdings, Inc. 5.750%, 9/1/23 ¹ 788,437	EUR 825,000	RESIDOMO Sro 3.375%, 10/15/24 1,012,621
900,000	Molina Healthcare, Inc. 5.375%, 11/15/22 942,750	EUR 392,000	SATO Oyj 2.375%, 3/24/21 495,318
1,175,000	MPH Acquisition Holdings LLC 7.125%, 6/1/24 ¹ 1,254,313		11,508,156

The accompanying notes are an integral part of these financial statements.

Credit Opportunities Fund

SCHEDULE OF INVESTMENTS at December 31, 2017 (Continued)

Principal Amount†	Value		Principal Amount†	Value
CORPORATE BONDS: 74.6% (Continued)			Services: 1.0%	
Insurance: 0.4%				
	Fukoku Mutual Life Insurance Co.		1,325,000	H&E Equipment Services, Inc. 5.625%, 9/1/25 ¹ \$ 1,387,937
1,120,000	6.500% (3 Month LIBOR USD + 4.370%), 9/19/49 ²	\$ 1,260,000		Iron Mountain, Inc. 5.250%, 3/15/28 ¹ 1,400,000
	Radian Group, Inc. 4.500%, 10/1/24	359,450	400,000	Mobile Mini, Inc. 5.875%, 7/1/24 421,000
350,000	<u>1,619,450</u>		EUR 525,000	Nassa Topco AS 2.875%, 4/6/24 641,171
				<u>3,850,108</u>
Metals/Mining: 2.9%			Steel: 0.9%	
	Corp. Nacional del Cobre de Chile		1,880,000	Gerdau Trade, Inc. 4.875%, 10/24/27 1,872,950
1,065,000	3.625%, 8/1/27	1,068,823		Severstal OAO Via Steel Capital S.A. 3.850%, 8/27/21 1,221,300
1,065,000	4.500%, 8/1/47	1,148,485	1,200,000	TMK OAO Via TMK Capital S.A. 6.750%, 4/3/20 527,975
	First Quantum Minerals Ltd. 7.000%, 2/15/21 ¹	2,028,000	500,000	<u>3,622,225</u>
	Freeport-McMoRan, Inc. 3.100%, 3/15/20	498,750	Super Retail: 1.9%	
500,000	Hudbay Minerals, Inc. 7.250%, 1/15/23 ¹	958,500	3,750,000	Amazon.com, Inc. 2.400%, 2/22/23 ¹ 3,715,520
	Nexa Resources S.A. 5.375%, 5/4/27	637,500	900,000	Dollar Tree, Inc. 5.750%, 3/1/23 944,437
	Vale Overseas Ltd. 5.875%, 6/10/21	1,200,650		Hanesbrands Finance Luxembourg SCA 3.500%, 6/15/24 811,996
1,100,000	5.875%, 6/10/21	1,910,125	EUR 625,000	The Home Depot, Inc. 3.900%, 6/15/47 1,929,741
1,750,000	Vedanta Resources PLC 6.375%, 7/30/22	627,780	1,825,000	<u>7,401,694</u>
	Votorantim S.A. 6.625%, 9/25/19	1,191,784	Technology: 3.2%	
	<u>11,270,397</u>		500,000	Entegris, Inc. 4.625%, 2/10/26 ¹ 510,000
Paper: 0.3%				Equinix, Inc. 2.875%, 2/1/26 1,893,018
	Inversiones CMPC S.A. 4.375%, 5/15/23	1,101,115	EUR 1,575,000	Lenovo Group Ltd. 4.700%, 5/8/19 2,370,319
1,049,000			2,325,000	NXP B.V. / NXP Funding LLC 3.875%, 9/1/22 ¹ 7,121,594
Restaurants: 0.2%				
	New Red Finance, Inc. 5.000%, 10/15/25 ¹	759,375		
750,000				

The accompanying notes are an integral part of these financial statements.

Credit Opportunities Fund

SCHEDULE OF INVESTMENTS at December 31, 2017 (Continued)

Principal Amount [†]	Value	Principal Amount [†]	Value	
CORPORATE BONDS: 74.6% (Continued)		Telecommunications: 8.5% (Continued)		
Technology: 3.2% (Continued)				
	VeriSign, Inc.		Telesat Canada / Telesat LLC	
400,000	4.750%, 7/15/27	\$ 411,000	8.875%, 11/15/24 ¹	
	<u>12,305,931</u>	\$ 1,290,875	T-Mobile USA, Inc.	
Telecommunications: 8.5%		1,500,000	6.836%, 4/28/23	
	America Movil	1,475,000	6.500%, 1/15/26	
	S.A.B. de CV		Verizon Communications, Inc.	
2,230,000	3.125%, 7/16/22	2,261,317	2,175,000	
	Arqiva Broadcast Finance PLC		4.500%, 8/10/33	
GBP 1,300,000	9.500%, 3/31/20	1,834,175	Wind Tre SpA	
	AT&T, Inc.		EUR 700,000	
1,375,000	2.850%, 2/14/23	1,382,061	EUR 1,560,000	
1,850,000	3.400%, 8/14/24	1,862,174	2.750% (3 Month EURIBOR + 2.750%), 1/20/24 ²	
	Bulgarian Telecommunications Co. EAD		<u>1,843,890</u>	
EUR 375,000	6.625%, 11/15/18	451,859	<u>33,248,296</u>	
	Crown Castle International Corp.		Transportation Excluding Air/Rail: 1.3%	
2,950,000	3.200%, 9/1/24	2,923,757		HPHT Finance 15 Ltd.
	GCI, Inc.		1,350,000	2.875%, 3/17/20
1,975,000	6.750%, 6/1/21	2,012,031		HPHT Finance 17 Ltd.
	Intelsat Jackson Holdings S.A.		2,935,000	2.750%, 9/11/22
675,000	8.000%, 2/15/24 ¹	712,125		XPO Logistics, Inc.
	Orange S.A.		975,000	6.125%, 9/1/23 ¹
GBP 1,000,000	5.875%, 12/29/49 ⁶	1,512,577		<u>5,250,243</u>
	SBA Communications Corp.		Utilities: 4.0%	
1,750,000	4.875%, 7/15/22	1,802,500		Enel SpA
475,000	4.000%, 10/1/22 ¹	477,969	GBP 1,750,000	7.750%, 9/10/75 ⁶
	SES S.A.			Indiantown Cogeneration LP
EUR 1,975,000	4.625%, 1/2/66 ⁶	2,544,749	553,663	9.770%, 12/15/20
	SoftBank Group Corp.			Israel Electric Corp. Ltd.
1,750,000	4.500%, 4/15/20 ¹	1,792,052	1,950,000	5.625%, 6/21/18
	Telefonica Europe B.V.		770,000	9.375%, 1/28/20
GBP 700,000	6.750%, 11/26/50 ⁶	1,048,464		Orsted A/S
EUR 1,000,000	2.625%, 6/7/67 ⁶	1,195,473	EUR 340,000	2.250%, 11/24/17 ⁶
				PPL Capital Funding, Inc.
			1,550,000	3.400%, 6/1/23
				1,583,159

The accompanying notes are an integral part of these financial statements.

Credit Opportunities Fund

SCHEDULE OF INVESTMENTS at December 31, 2017 (Continued)

Principal Amount†	Value		Principal Amount†	Value
BANK LOANS: 17.4% (Continued)			Containers: 1.3%	
Cable/Satellite TV: 1.3%			Exopack Holdings S.A.	
			EUR 1,795,043	5.000% (3 Month EURIBOR + 4.000%), 6/24/22 ^{2,3}
2,650,000	3.674%, 8/9/24 ^{2,3,4,5}	\$ 2,646,900		\$ 2,150,416
	Midcontinent Communications		493,763	4.319% (1 Month LIBOR + 2.750%), 2/3/23 ^{2,3}
1,311,750	3.682% (1 Month LIBOR + 2.250%), 12/31/23 ^{2,3}	1,321,181		496,651
	Ziggo Secured Finance B.V.		EUR 1,854,545	2.750% (6 Month EURIBOR + 2.750%), 10/29/22 ^{2,3}
1,025,000	3.977% (1 Month LIBOR + 2.500%), 4/15/25 ^{2,3}	1,018,168		2,222,500
		4,986,249		4,869,567
Capital Goods: 0.6%			Diversified Financial Services: 0.5%	
	CTC AcquiCo GmbH		Park Resorts	
EUR 1,000,000	3.000%, 11/29/24 ^{2,3,4,5}	1,204,754	GBP 1,350,000	4.746% (1 Month PIBOR + 4.250%), 2/9/24 ^{2,3}
	SGB-SMIT Management GmbH			1,813,585
EUR 1,000,000	4.000% (6 Month EURIBOR + 4.000%), 7/18/24 ^{2,3}	1,173,492	Diversified Media: 0.5%	
		2,378,246	Canyon Valor Companies, Inc.	
			EUR 1,586,932	4.250% (1 Month EURIBOR + 4.250%), 6/16/23 ^{2,3}
Chemicals: 0.6%				1,935,016
	ColourOZ Investment 1 GmbH		Energy: 0.3%	
EUR 1,000,000	3.750%, 9/7/21 ^{2,3,4,5}	1,062,362	EUR 1,000,000	4.000% (3 Month EURIBOR + 4.000%), 1/31/23 ^{2,3}
EUR 195,005	3.750%, 9/7/21 ^{2,3,4,5}	207,166		1,207,507
EUR 210,940	3.750%, 9/7/21 ^{2,3,4,5}	224,095	Food/Beverage/Tobacco: 1.7%	
EUR 594,055	3.750%, 9/7/21 ^{2,3,4,5}	631,101	Chobani LLC	
		2,124,724	1,089,021	5.069% (1 Month LIBOR + 3.500%), 10/9/23 ^{2,3}
				1,099,453

The accompanying notes are an integral part of these financial statements.

Credit Opportunities Fund

SCHEDULE OF INVESTMENTS at December 31, 2017 (Continued)

Principal Amount†	Value	Principal Amount†	Value
BANK LOANS: 17.4% (Continued)		Utilities: 0.2%	
Technology: 1.7%		Dayton Power & Light Co.	
EUR 1,000,000	4.750%, 7/12/24 ^{2,3,4,5}	668,250	4.820% (1 Month LIBOR + 3.250%), 8/22/22 ^{2,3}
EUR 1,000,000	\$ 1,193,847		\$ 672,430
	Avaloq Group AG		Exgen Renewables IV LLC
	4.250%, 5/31/24 ^{2,3,4,5}	250,000	4.468% (3 Month LIBOR + 3.000%), 11/29/24 ^{2,3}
550,000	1,205,846		253,125
	Digicert Holdings, Inc.		<u>925,555</u>
	6.130%, 10/31/24 ^{2,3,4,5}		
	557,733	TOTAL BANK LOANS	
	ION Trading Technologies S.A.R.L.	(Cost \$66,414,992)	<u>67,703,182</u>
EUR 1,058,824	3.750%, 11/30/24 ^{2,3,4,5}		
	1,277,413	SHORT-TERM INVESTMENTS: 2.5%	
	PI UK Holdeo II Ltd.		United States Treasury Bills
675,000	4.981%, 12/2/24 ^{2,3,4,5}	7,800,000	1.296%, 3/15/18 ⁷
	675,635	2,000,000	1.314%, 3/22/18 ⁷
	Quest Software US Holdings, Inc.		<u>9,779,876</u>
1,648,130	6.919% (3 Month LIBOR + 5.500%), 10/31/22 ^{2,3}		<u>1,994,075</u>
	1,677,409	TOTAL SHORT-TERM INVESTMENTS	<u>9,773,951</u>
	<u>6,587,883</u>	(Cost \$9,774,026)	
		TOTAL INVESTMENTS IN SECURITIES: 96.6%	
Telecommunications: 1.4%		(Cost \$369,963,867)	377,056,116
	Eircorn Holdings (Ireland) Ltd.		Other Assets in Excess of Liabilities: 3.4%
EUR 2,500,000	3.250% (1 Month EURIBOR + 3.250%), 4/19/24 ^{2,3}		<u>13,428,323</u>
	3,002,436	TOTAL NET ASSETS: 100.0%	<u>\$390,484,439</u>
	Sprint Communications, Inc.		
2,481,250	4.125% (1 Month LIBOR + 2.500%), 2/2/24 ^{2,3}		
	2,483,421		
	<u>5,485,8570</u>		

† In U.S. dollars unless otherwise indicated.
 EUR – Euro
 GBP – Great Britain Pound
 PIK – Payment-in-Kind – represents the security may pay interest in additional Par.
¹ Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified, institutional buyers. At December 31, 2017, the value of these securities amounted to \$54,553,125 or 14.0% of net assets.

The accompanying notes are an integral part of these financial statements.

Credit Opportunities Fund

SCHEDULE OF INVESTMENTS at December 31, 2017 (Continued)

- ² Variable rate security; rate shown is the rate in effect on December 31, 2017. An index may have a negative rate. Interest rate may also be subject to a cap or floor.
- ³ Bank loans generally pay interest at rates which are periodically determined by reference to a base lending rate plus a premium. All loans carry a variable rate of interest. These base lending rates are generally (i) the Prime Rate offered by one or more major United States banks, (ii) the lending rate offered by one or more European banks such as the London Interbank Offered Rate ("LIBOR") or (iii) the Certificate of Deposit rate. Bank Loans, while exempt from registration, under the Securities Act of 1933, contain certain restrictions on resale and cannot be sold publicly. Floating rate bank loans often require prepayments from excess cash flow or permit the borrower to repay at its election. The degree to which borrowers repay, whether as a contractual requirement or at their election, cannot be predicted with accuracy.
- ⁴ All or a portion of the loan is unfunded.
- ⁵ Denotes investments purchased on a when-issued or delayed delivery basis.
- ⁶ Fixed-to-variable bond; rate shown is the rate in effect on December 31, 2017.
- ⁷ Rate represents the yield to maturity from the purchase price.

SCHEDULE OF FORWARD FOREIGN CURRENCY EXCHANGE CONTRACTS at December 31, 2017

The Credit Opportunities Fund had the following forward foreign currency exchange contracts outstanding with the Bank of New York.

<u>Settlement Date</u>	<u>Currency to be Delivered</u>	<u>U.S. Dollar Value at December 31, 2017</u>	<u>Currency to be Received</u>	<u>U.S. Dollar Value at December 31, 2017</u>	<u>Unrealized Appreciation (Depreciation)</u>
3/19/18	CHF 3,900,000	\$ 4,025,619	\$ 3,939,142	\$ 3,969,142	\$ (56,477)
3/19/18	EUR 91,000,000	109,718,309	108,007,900	108,007,900	(1,710,409)
3/19/18	GBP 17,000,000	23,014,181	22,819,270	22,819,270	(194,911)
		<u>\$136,758,109</u>	<u>\$134,766,312</u>	<u>\$134,796,312</u>	<u>\$(1,961,797)</u>

CHF – Swiss Franc

The accompanying notes are an integral part of these financial statements.

U.S. High Yield Fund

SCHEDULE OF INVESTMENTS at December 31, 2017

Principal Amount		Value	Principal Amount		Value
CORPORATE BONDS: 94.7%			Banking: 2.3% (Continued)		
Aerospace/Defense: 1.6%			Intesa Sanpaolo SpA		
	Bombardier, Inc.		\$200,000	5.017%, 6/26/24 ¹	\$ 205,066
\$ 50,000	8.750%, 12/1/21 ¹	\$ 55,125		UniCredit SpA	
25,000	7.500%, 12/1/24 ¹	25,438	200,000	5.861%, 6/19/32 ^{1,2}	213,502
50,000	7.500%, 3/15/25 ¹	50,640			<u>516,443</u>
	Leonardo US Holdings, Inc.		Broadcasting: 3.1%		
100,000	7.375%, 7/15/39 ¹	126,500	25,000	AMC Networks, Inc. 4.750%, 8/1/25	24,844
100,000	TransDigm, Inc. 6.500%, 7/15/24	102,750	75,000	Gray Television, Inc. 5.875%, 7/15/26 ¹	77,062
		<u>360,453</u>		Lions Gate Entertainment Corp.	
Airlines: 0.2%			50,000	5.875%, 11/1/24 ¹	53,062
	American Airlines Group, Inc.		100,000	Netflix, Inc. 5.500%, 2/15/22	105,625
50,000	5.500%, 10/1/19 ¹	51,625	25,000	4.875%, 4/15/28 ¹	24,531
Automotive & Auto Parts: 3.3%				Nexstar Broadcasting, Inc.	
	Adient Global Holdings Ltd.		125,000	5.625%, 8/1/24 ¹	129,375
200,000	4.875%, 8/15/26 ¹	206,500		Sinclair Television Group, Inc.	
	American Axle & Manufacturing, Inc.		25,000	5.625%, 8/1/24 ¹	25,844
25,000	6.625%, 10/15/22	25,969	25,000	5.875%, 3/15/26 ¹	26,094
	Cooper-Standard Automotive, Inc.		150,000	Sirius XM Radio, Inc. 6.000%, 7/15/24 ¹	159,000
100,000	5.625%, 11/15/26 ¹	103,500		Tribune Media Co.	
	Dana Financing Luxembourg Sarl		50,000	5.875%, 7/15/22	51,625
100,000	6.500%, 6/1/26 ¹	108,625			<u>677,062</u>
	Gates Global LLC / Gates Global Co.		Building Materials: 1.2%		
125,000	6.000%, 7/15/22 ¹	128,437	25,000	Jeld-Wen, Inc. 4.625%, 12/15/25 ¹	25,250
	Meritor, Inc.			RSI Home Products, Inc.	
125,000	6.250%, 2/15/24	132,188	50,000	6.500%, 3/15/23 ¹	52,625
	TI Group Automotive Systems LLC		175,000	Standard Industries, Inc. 5.375%, 11/15/24 ¹	183,803
12,000	8.750%, 7/15/23 ¹	12,930			<u>261,678</u>
		<u>718,149</u>	Cable/Satellite TV: 9.2%		
Banking: 2.3%				Alice Financing S.A.	
	Ally Financial, Inc.		200,000	6.625%, 2/15/23 ¹	209,920
75,000	8.000%, 11/1/31	97,875	200,000	7.500%, 5/15/26 ¹	213,500

The accompanying notes are an integral part of these financial statements.

U.S. High Yield Fund

SCHEDULE OF INVESTMENTS at December 31, 2017 (Continued)

Principal Amount	Value		Principal Amount	Value
CORPORATE BONDS: 94.7% (Continued)			Chemicals: 3.1%	
Cable/Satellite TV: 9.2% (Continued)				
	Block			
	Communications, Inc.		\$ 75,000	4.950%, 6/1/43 \$ 71,250
\$ 75,000	6.875%, 2/15/25 ¹	\$ 78,937	25,000	6.625%, 5/15/23 26,562
	CCO Holdings LLC / CCO Holdings Capital Corp.		100,000	7.000%, 5/15/25 109,000
125,000	5.125%, 2/15/23	128,125		Consolidated Energy Finance S.A.
150,000	5.500%, 5/1/26 ¹	154,125	150,000	6.875%, 6/15/25 ¹ 159,375
25,000	5.875%, 5/1/27 ¹	25,812		Cornerstone Chemical Co.
	CSC Holdings LLC		50,000	6.750%, 8/15/24 ¹ 50,000
400,000	10.875%, 10/15/25 ¹	477,000		CVR Partners LP / CVR Nitrogen Finance Corp.
50,000	7.875%, 9/1/19	53,625	100,000	9.250%, 6/15/23 ¹ 108,000
125,000	5.875%, 11/15/24	122,187		NOVA Chemicals Corp.
	Mediacom Broadband LLC / Mediacom Broadband Corp.		50,000	5.250%, 8/1/23 ¹ 51,625
75,000	6.375%, 4/1/23	77,438	50,000	5.250%, 6/1/27 ¹ 50,000
	Midcontinent Communications / Midcontinent Finance Corp.		50,000	PQ Corp. 6.750%, 11/15/22 ¹
150,000	6.875%, 8/15/23 ¹	159,938		53,563
	Radiate Holco LLC / Radiate Finance, Inc.			679,375
50,000	6.625%, 2/15/25 ¹	47,375	Consumer Products: 0.6%	
	SFR Group S.A.			American Greetings Corp.
275,000	6.250%, 5/15/24 ¹	276,719	50,000	7.875%, 2/15/25 ¹ 54,250
		2,024,701		Kronos Acquisition Holdings, Inc.
Capital Goods: 1.1%			75,000	9.000%, 8/15/23 ¹
	ATS Automation Tooling Systems, Inc.			70,312
50,000	6.500%, 6/15/23 ¹	52,500		124,562
	BCD Acquisition, Inc.		Containers: 2.9%	
50,000	9.625%, 9/15/23 ¹	55,250		Ardagh Packaging Finance PLC / Ardagh Holdings USA, Inc.
	Cloud Crane LLC		200,000	7.250%, 5/15/24 ¹ 218,500
50,000	10.125%, 8/1/24 ¹	56,500		BWAY Holding Co.
	Park-Ohio Industries, Inc.		50,000	5.500%, 4/15/24 ¹ 52,125
75,000	6.625%, 4/15/27	81,187	150,000	7.250%, 4/15/25 ¹ 155,250
		245,437		

The accompanying notes are an integral part of these financial statements.

U.S. High Yield Fund

SCHEDULE OF INVESTMENTS at December 31, 2017 (Continued)

Principal Amount	Value	Principal Amount	Value
CORPORATE BONDS: 94.7% (Continued)		Energy: 12.9% (Continued)	
Energy: 12.9% (Continued)			
			Gulfport
			Energy Corp.
\$ 75,000	8.000%, 1/15/25 ¹	\$ 50,000	6.000%, 10/15/24
	\$ 75,937		\$ 50,250
			Hilcorp Energy I LP / Hilcorp Finance Co.
75,000	3.800%, 6/1/24	50,000	5.000%, 12/1/24 ¹
75,000	4.375%, 1/15/28 ¹		Jonah Energy LLC / Jonah Energy Finance Corp.
50,000	4.900%, 6/1/44	25,000	7.250%, 10/15/25 ¹
	48,000		25,219
			Laredo
			Petroleum, Inc.
25,000	7.500%, 5/15/25 ¹	75,000	5.625%, 1/15/22
	26,117		76,125
			Matador
			Resources Co.
75,000	3.800%, 6/1/24	50,000	6.875%, 4/15/23
75,000	4.375%, 1/15/28 ¹		Murphy Oil Corp.
50,000	4.900%, 6/1/44	100,000	5.750%, 8/15/25
	48,000		102,500
			Newfield
			Exploration Co.
100,000	6.250%, 4/1/23	100,000	5.375%, 1/1/26
	104,420		Oasis Petroleum, Inc.
		75,000	6.875%, 1/15/23
			76,969
25,000	5.625%, 10/15/25 ¹		Parsley Energy LLC / Parsley Finance Corp.
	25,187	50,000	5.250%, 8/15/25 ¹
			50,375
50,000	7.375% (3 Month LIBOR USD + 5.150%), 6/15/23 ³	75,000	6.125%, 9/15/24
	49,694	25,000	5.750%, 5/15/26 ¹
			25,656
			Precision
			Drilling Corp.
100,000	6.750%, 5/15/25 ¹	34,000	6.500%, 12/15/21
	101,500	25,000	7.125%, 1/15/26 ¹
			25,563
			QEP Resources, Inc.
25,000	5.500%, 1/30/26 ¹	50,000	6.875%, 3/1/21
25,000	5.750%, 1/30/28 ¹		Range Resources Corp.
	25,500	50,000	4.875%, 5/15/25
	25,769		48,500
			Rowan Cos., Inc.
75,000	6.250%, 10/1/21	75,000	4.875%, 6/1/22
	75,562		71,063
			SESI LLC
		50,000	7.750%, 9/15/24 ¹
			53,250
			SM Energy Co.
50,000	6.750%, 8/1/22	50,000	5.000%, 1/15/24
	52,125		48,469

The accompanying notes are an integral part of these financial statements.

U.S. High Yield Fund

SCHEDULE OF INVESTMENTS at December 31, 2017 (Continued)

Principal Amount	Value		Principal Amount	Value
CORPORATE BONDS: 94.7% (Continued)			Metals/Mining: 6.9%	
Healthcare: 7.8% (Continued)				
			Alcoa Nederland Holding B.V.	
Molina Healthcare, Inc.		\$200,000	7.000%, 9/30/26 ¹	\$ 225,500
\$125,000	5.375%, 11/15/22	\$ 130,938	Aleris International, Inc.	
50,000	4.875%, 6/15/25 ¹	50,125	50,000	7.875%, 11/1/20
	MPT Operating Partnership LP / MPT Finance Corp.			49,750
25,000	6.375%, 3/1/24	26,562	Alliance Resource Operating Partners LP / Alliance Resource Finance Corp.	
	Polaris Intermediate Corp.		50,000	7.500%, 5/1/25 ¹
50,000	8.500% Cash or 9.000% PIK, 12/1/22 ¹	52,000	Cleveland-Cliffs, Inc.	
	Tenet Healthcare Corp.		75,000	5.750%, 3/1/25 ¹
150,000	6.000%, 10/1/20	159,158	CONSOL Energy, Inc.	
	Valeant Pharmaceuticals International, Inc.		50,000	11.000%, 11/15/25 ¹
100,000	6.500%, 3/15/22 ¹	105,250	Freeport-McMoRan, Inc.	
75,000	7.250%, 7/15/22 ¹	76,125	25,000	4.550%, 11/14/24
75,000	6.125%, 4/15/25 ¹	68,906	50,000	5.450%, 3/15/43
50,000	9.000%, 12/15/25 ¹	52,235	Grinding Media, Inc. / Moly-Cop AltaSteel Ltd.	
		1,729,236	150,000	7.375%, 12/15/23 ¹
			Hudbay Minerals, Inc.	161,430
Homebuilders/Real Estate: 0.8%			75,000	7.250%, 1/15/23 ¹
	Greystar Real Estate Partners LLC		Mountain Province Diamonds, Inc.	
50,000	5.750%, 12/1/25 ¹	51,625	75,000	8.000%, 12/15/22 ¹
	Lennar Corp.		Natural Resource Partners LP / NRP Finance Corp.	
75,000	4.875%, 12/15/23	79,031	50,000	10.500%, 3/15/22
	Starwood Property Trust, Inc.		Novelis Corp.	
50,000	5.000%, 12/15/21	52,000	50,000	6.250%, 8/15/24 ¹
		182,656	125,000	5.875%, 9/30/26 ¹
Insurance: 0.3%			Rain CII Carbon LLC / CII Carbon Corp.	
	AssuredPartners, Inc.		125,000	7.250%, 4/1/25 ¹
75,000	7.000%, 8/15/25 ¹	74,813		136,406
Leisure: 0.4%				
	Silversea Cruise Finance Ltd.			
75,000	7.250%, 2/1/25 ¹	81,188		

The accompanying notes are an integral part of these financial statements.

U.S. High Yield Fund

SCHEDULE OF INVESTMENTS at December 31, 2017 (Continued)

Principal Amount	Value		Principal Amount	Value
CORPORATE BONDS: 94.7% (Continued)			Services: 3.7% (Continued)	
Metals/Mining: 6.9% (Continued)			GW Honos Security Corp.	
	SunCoke Energy Partners LP / SunCoke Energy Partners Finance Corp.		\$100,000	8.750%, 5/15/25 ¹
\$150,000	7.500%, 6/15/25 ¹	\$ 157,500		\$ 107,750
	Teck Resources Ltd.		100,000	H&E Equipment Services, Inc. 5.625%, 9/1/25 ¹
25,000	8.500%, 6/1/24 ¹	28,313	25,000	Hertz Corp. 7.625%, 6/1/22 ¹
100,000	6.000%, 8/15/40	111,750	100,000	Iron Mountain, Inc. 5.750%, 8/15/24
		1,512,066	25,000	5.250%, 3/15/28 ¹
				Staples, Inc. 8.500%, 9/15/25 ¹
Paper: 1.2%			50,000	United Rentals North America, Inc. 4.625%, 10/15/25
	Boise Cascade Co.		75,000	5.875%, 9/15/26
75,000	5.625%, 9/1/24 ¹	79,500		805,611
	Louisiana-Pacific Corp.		75,000	4.625%, 10/15/25
25,000	4.875%, 9/15/24	25,875	50,000	5.875%, 9/15/26
	Mercer International, Inc.			
50,000	6.500%, 2/1/24	53,250	Steel: 2.1%	
	Rayonier AM Products, Inc.		100,000	AK Steel Corp. 7.000%, 3/15/27
100,000	5.500%, 6/1/24 ¹	100,125	50,000	6.125%, 6/1/25
		258,750		57,812
				Big River Steel LLC / BRS Finance Corp. 7.250%, 9/1/25 ¹
Restaurants: 0.6%			100,000	106,000
	Yum! Brands, Inc.			TMS International Corp. 7.250%, 8/15/25 ¹
75,000	5.250%, 6/1/26 ¹	79,125	75,000	78,563
50,000	4.750%, 6/1/27 ¹	51,250		Zekelman Industries, Inc. 9.875%, 6/15/23 ¹
		130,375		112,750
				457,375
Services: 3.7%			Super Retail: 1.9%	
	AECOM			Asbury Automotive Group, Inc. 6.000%, 12/15/24
75,000	5.875%, 10/15/24	81,615	125,000	130,775
25,000	5.125%, 3/15/27	25,529		Group 1 Automotive, Inc. 5.250%, 12/15/23 ¹
	Avis Budget Car Rental LLC / Avis Budget Finance, Inc.		175,000	181,562
100,000	6.375%, 4/1/24 ¹	104,530		
	Brand Industrial Services, Inc.			
50,000	8.500%, 7/15/25 ¹	52,625		

The accompanying notes are an integral part of these financial statements.

U.S. High Yield Fund

SCHEDULE OF INVESTMENTS at December 31, 2017 (Continued)

Principal Amount	Value		Principal Amount	Value	
CORPORATE BONDS: 94.7% (Continued)			Telecommunications: 9.6% (Continued)		
Super Retail: 1.9% (Continued)			Hughes Satellite Systems Corp.		
\$ 50,000	5.625%, 10/15/23	\$ 54,188	\$ 50,000	5.250%, 8/1/26	\$ 51,188
25,000	6.750%, 7/1/36	25,125	25,000	6.625%, 8/1/26	26,250
50,000	7.125%, 3/15/23 ¹	29,875	Inmarsat Finance PLC		
		421,525	100,000	4.875%, 5/15/22 ¹	100,250
Technology: 3.9%			Intelsat Jackson Holdings S.A.		
75,000	6.000%, 6/15/25 ¹	80,062	50,000	5.500%, 8/1/23	41,000
75,000	6.020%, 6/15/26 ¹	82,832	100,000	8.000%, 2/15/24 ¹	105,500
100,000	5.875%, 1/15/26	107,625	175,000	5.125%, 5/1/23	175,875
200,000	3.875%, 9/1/22 ¹	202,750	Level 3 Financing, Inc.		
100,000	8.625%, 11/15/24 ¹	107,000	25,000	4.875%, 9/1/24	25,750
125,000	10.500%, 3/1/24 ¹	141,248	175,000	6.875%, 11/15/28	176,531
125,000	10.500%, 4/1/24	145,156	SBA Communications Corp.		
		866,673	25,000	6.000%, 11/15/22	25,063
Telecommunications: 9.6%			200,000	7.875%, 9/15/23	213,500
25,000	8.000%, 10/15/25 ¹	25,500	200,000	5.303%, 5/30/24 ¹	214,250
100,000	5.800%, 3/15/22	98,315	200,000	5.750%, 1/15/25	79,594
50,000	6.250%, 9/15/21	35,625	75,000	5.750%, 1/15/27 ¹	76,687
150,000	11.000%, 9/15/25	111,000	Sprint Communications, Inc.		
175,000	6.875%, 4/15/25	187,250	25,000	6.000%, 11/15/22	25,063
			25,000	7.875%, 9/15/23	213,500
			50,000	5.303%, 5/30/24 ¹	214,250
			75,000	8.875%, 11/15/24 ¹	56,125
			100,000	6.625%, 4/1/23	26,125
			150,000	6.250%, 9/15/21	35,625
			200,000	5.000%, 1/20/26 ¹	191,200
			250,000	6.375%, 5/15/25	79,594
			300,000	5.750%, 1/15/27 ¹	76,687
			2,111,203		

The accompanying notes are an integral part of these financial statements.

Low Duration Fund

SCHEDULE OF INVESTMENTS at December 31, 2017

Principal Amount†	Value	Principal Amount†	Value
CORPORATE BONDS: 82.3%		Automotive & Auto Parts: 4.7% (Continued)	
Airlines: 0.4%		Volkswagen	
	American Airlines Group, Inc.		Bank GmbH
2,600,000	5.500%, 10/1/19 ¹	EUR 1,800,000	0.091% (3 Month EURIBOR + 0.420%), 6/15/21 ²
	\$ 2,684,500		\$ 2,164,683
Automotive & Auto Parts: 4.7%		EUR 1,200,000	0.750%, 6/15/23
	Autodis S.A.		1,435,175
EUR 1,600,000	4.375% (3 Month EURIBOR + 4.380%), 5/1/22 ²		33,374,640
	1,937,485	Banking: 23.4%	
	Dongfeng Motor Hong Kong International Co. Ltd.		ABN AMRO Bank NV
EUR 3,600,000	1.600%, 10/28/18	EUR 1,525,000	2.875%, 6/30/25 ⁶
	FCA Bank SpA	6,000,000	4.400%, 3/27/28 ⁶
EUR 2,500,000	1.250%, 9/23/20		Allied Irish Banks PLC
	Ford Motor Credit Co LLC	EUR 4,837,000	4.125%, 11/26/25 ⁶
EUR 2,000,000	0.371% (3 Month EURIBOR + 0.700%), 12/1/24 ²	890,000	Aozora Bank Ltd.
	2,412,099		2.750%, 3/9/20
	Ford Motor Credit Co. LLC	EUR 700,000	887,360
4,700,000	2.597%, 11/4/19		Argenta Spaarbank NV
	Hyundai Capital America	EUR 950,000	3.875%, 5/24/26 ⁶
2,600,000	1.750%, 9/27/19		912,375
2,000,000	2.550%, 4/3/20	EUR 950,000	1.124% (3 Month EURIBOR + 1.450%), 6/5/20 ⁶
	Hyundai Capital Services, Inc.		1,147,308
1,500,000	1.625%, 8/30/19		Banco Santander S.A.
	Lear Corp.	400,000	3.125%, 2/23/23
2,000,000	5.375%, 3/15/24		398,433
	RCI Banque SA	EUR 2,999,000	Bank of China Hong Kong Ltd.
EUR 4,250,000	0.239% (3 Month EURIBOR + 0.570%), 11/4/24 ²		5.550%, 2/11/20
	5,139,734	EUR 2,000,000	2,420,353
			Bank of China Ltd.
		EUR 4,350,000	0.141% (3 Month EURIBOR + 0.470%), 11/22/20 ²
			2,403,893
		EUR 1,000,000	0.750%, 7/12/21
			5,229,144
		EUR 3,100,000	Bank of Ireland
			1,266,588
			Bankia S.A.
			3,875,063

The accompanying notes are an integral part of these financial statements.

Low Duration Fund

SCHEDULE OF INVESTMENTS at December 31, 2017 (Continued)

Principal Amount†	Value	Principal Amount†	Value
CORPORATE BONDS: 82.3% (Continued)		Banking: 23.4% (Continued)	
Banking: 23.4% (Continued)		Morgan Stanley	
		3,100,000	2.765% (3 Month LIBOR USD + 1.400%),
GBP 1,525,000	10.000%, 5/21/21 \$ 2,586,986		10/24/23 ² \$ 3,190,324
EUR 9,900,000	2.625%, 11/11/25 ⁶ 12,361,791		Powszechna Kasa Oszczednosci Bank Polski S.A.
EUR 2,250,000	2.875%, 3/20/26 ⁶ 2,886,489	EUR 1,000,000	0.750%, 7/25/21 1,216,852
EUR 7,800,000	2.750%, 7/8/26 ⁶ 9,992,430		Raiffeisen Bank International AG
EUR 2,000,000	3.500%, 2/15/27 ⁶ 2,544,617	EUR 500,000	6.000%, 10/16/23 756,530
EUR 3,000,000	2.750%, 7/14/28 ⁶ 3,668,701	EUR 300,000	5.163%, 6/18/24 ⁶ 384,388
	Credit Agricole S.A.	EUR 7,200,000	4.500%, 2/21/25 ⁶ 9,335,405
2,900,000	8.125%, 9/19/33 ⁶ 3,015,783		Royal Bank of Scotland Group PLC
EUR 6,800,000	Credit Suisse AG 5.750%, 9/18/25 ⁶ 9,271,364	1,000,000	6.100%, 6/10/23 1,102,445
1,200,000	Deutsche Bank AG 4.250%, 10/14/21 1,249,527	EUR 1,700,000	3.625%, 3/25/24 ⁶ 2,106,914
	Erste Group Bank AG		Societe Generale S.A.
3,200,000	5.500%, 5/26/25 ⁶ 3,368,000	EUR 5,800,000	2.500%, 9/16/26 ⁶ 7,389,140
	Goldman Sachs Group, Inc.		Standard Chartered PLC
2,500,000	2.586% (3 Month LIBOR USD + 1.170%), 11/15/21 ² 2,537,590	5,000,000	3.950%, 1/11/23 ¹ 5,051,880
4,000,000	3.128% (3 Month LIBOR USD + 1.750%), 10/28/27 ² 4,234,521	EUR 652,000	4.000%, 10/21/25 ⁶ 853,697
	Ibercaja Banco S.A.	680,000	4.750%, 10/17/19 691,892
EUR 1,800,000	5.000%, 7/28/25 ⁶ 2,248,812		UBS AG
2,000,000	ING Bank NV 4.125%, 11/21/23 ⁶ 2,024,014	EUR 7,575,000	4.750%, 2/12/26 ⁶ 10,202,174
6,000,000	Intesa Sanpaolo SpA 3.125%, 7/14/22 ¹ 5,962,976	EUR 9,860,000	2.421% (3 Month EURIBOR + 2.750%), 5/3/25 ² 12,023,406
	JPMorgan Chase & Co.	EUR 1,750,000	5.750%, 10/28/25 ⁶ 2,337,263
2,000,000	2.267% (3 Month LIBOR USD + 0.900%), 4/25/23 ² 2,023,945	EUR 4,600,000	2.750%, 10/6/27 ⁶ 5,491,581
			165,099,421

The accompanying notes are an integral part of these financial statements.

Low Duration Fund

SCHEDULE OF INVESTMENTS at December 31, 2017 (Continued)

Principal Amount†	Value	Principal Amount†	Value
CORPORATE BONDS: 82.3% (Continued)		Consumer Products: 0.2%	
Cable/Satellite TV: 1.1%		Newell Brands, Inc.	
	United Group B.V.	EUR 1,000,000	3.750%, 10/1/21 \$ 1,337,990
EUR 600,000	4.375%, 7/1/22 \$ 749,293	Diversified Financial Services: 9.8%	
EUR 2,025,000	4.375% (3 Month EURIBOR + 4.380%), 7/1/23 ² 2,450,385	AerCap Ireland Capital DAC / AerCap Global Aviation Trust	
	Virgin Media Finance PLC	4,000,000	5.000%, 10/1/21 4,267,591
GBP 3,000,000	6.375%, 10/15/24 4,341,668	Alliance Data Systems Corp.	
	7,541,346	EUR 850,000	4.500%, 3/15/22 1,061,195
Capital Goods: 1.8%		EUR 1,300,000	5.250%, 11/15/23 1,642,867
	CNH Industrial Capital LLC	AnaCap Financial Europe S.A.	
980,000	4.375%, 11/6/20 1,019,200	EUR 2,000,000	5.000% (3 Month EURIBOR + 5.000%), 8/1/24 ² 2,369,169
EUR 450,000	4.500%, 5/15/23 524,413	Arrow Global Finance PLC	
EUR 2,300,000	2.450%, 9/17/19 2,868,319	EUR 2,200,000	4.750% (3 Month EURIBOR + 4.750%), 5/1/23 ² 2,703,951
EUR 3,200,000	3.875%, 10/25/22 3,666,923	Cabot Financial Luxembourg II S.A.	
EUR 1,800,000	1.125%, 5/22/20 2,195,158	EUR 900,000	5.875% (3 Month EURIBOR + 5.880%), 11/15/21 ² 1,115,357
EUR 2,000,000	1.435%, 5/7/20 2,447,108	Cabot Financial Luxembourg S.A.	
	12,721,121	GBP 475,000	7.500%, 10/1/23 673,812
Chemicals: 2.5%		CCBL Cayman 1 Corp. Ltd.	
	CF Industries, Inc.	1,000,000	2.375%, 5/31/19 991,803
6,000,000	3.400%, 12/1/21 ¹ 6,067,085	4,005,000	3.625%, 8/8/22 3,943,792
1,500,000	6.625%, 5/15/23 1,593,750	China Great Wall International Holdings III Ltd.	
	CNAC HK	3,000,000	2.750%, 8/31/20 2,971,950
2,200,000	3.000%, 7/19/20 2,190,481	CNRC Capital Ltd.	
EUR 6,000,000	1.871%, 12/7/21 7,357,055	SPCM S.A.	
EUR 250,000	2.875%, 6/15/23 305,689		
	17,514,060		

The accompanying notes are an integral part of these financial statements.

Low Duration Fund

SCHEDULE OF INVESTMENTS at December 31, 2017 (Continued)

Principal Amount†	Value		Principal Amount†	Value
CORPORATE BONDS: 82.3% (Continued)			Diversified Financial Services: 9.8% (Continued)	
Diversified Financial Services: 9.8% (Continued)			Jerrold Finco PLC	
			GBP 1,065,000	6.250%, 9/15/21 \$ 1,491,828
775,000	4.000%, 8/1/20 ¹	\$ 784,688		LHC3 PLC
1,300,000	4.500%, 8/1/22 ¹	1,280,500	EUR 700,000	4.125% Cash or
	Dream Global			9.000% PIK,
	Funding I Sarl			8/15/24 860,680
EUR 1,000,000	1.375%, 12/21/21	1,201,592	EUR 3,125,000	Lincoln Finance Ltd. 3,943,933
	Fincantieri SpA			Mercury
EUR 895,000	3.750%, 11/19/18	1,106,092		Bondco PLC
	Garfunkelux		EUR 4,625,000	7.125% Cash or
	Holdco 3 S.A.			7.875% PIK,
GBP 2,300,000	8.500%, 11/1/22	3,260,606		5/30/21 5,756,045
EUR 5,000,000	3.500% (3 Month		EUR 2,700,000	8.250% Cash or
	EURIBOR			9.000% PIK,
	+ 3.500%),			5/30/21 3,377,268
	9/1/23 ²	5,927,739		Newday
	Huarong Finance			Bondco PLC
	2017 Co. Ltd.		GBP 1,000,000	6.951% (3 Month
2,000,000	2.542% (3 Month			LIBOR GBP
	LIBOR USD			+ 6.500%),
	+ 1.150%),			2/1/23 ² 1,255,745
	11/7/22 ²	2,002,292		<u>68,869,321</u>
	Huarong Finance		Diversified Media: 0.3%	
	II Co. Ltd.			Clear Channel
2,000,000	3.500%, 1/16/18	2,001,034		Worldwide
600,000	2.750%, 6/3/19	595,390		Holdings, Inc.
	Huarong Universe		450,000	6.500%, 11/15/22 455,625
	Investment		250,000	6.500%, 11/15/22 255,000
EUR 3,300,000	1.625%, 12/5/22	3,901,138		Inter Media
	Icahn Enterprises			Communication Srl
	LP / Icahn		EUR 895,000	4.875%, 12/31/22 1,103,796
	Enterprises			Mediaset SpA
	Finance Corp.		EUR 500,000	5.125%, 1/24/19 630,599
875,000	6.250%, 2/1/22	896,875		<u>2,445,020</u>
875,000	6.750%, 2/1/24	902,344	Energy: 6.1%	
	International Lease			Anadarko
	Finance Corp.			Petroleum Corp.
3,500,000	8.625%, 1/15/22	4,218,842	5,000,000	4.850%, 3/15/21 5,284,003
	Intrum Justitia AB			Corral Petroleum
EUR 600,000	2.625% (3 Month		EUR 1,575,000	11.750% Cash or
	EURIBOR			13.250% PIK,
	+ 2.630%),			5/15/21 2,109,490
	7/15/22 ²	729,877		
EUR 1,350,000	2.750%, 7/15/22	1,633,326		

The accompanying notes are an integral part of these financial statements.

Low Duration Fund

SCHEDULE OF INVESTMENTS at December 31, 2017 (Continued)

Principal Amount†	Value	Principal Amount†	Value
CORPORATE BONDS: 82.3% (Continued)		Energy: 6.1% (Continued)	
			Targa Resources
			Partners LP /
			Targa Resources
			Partners Finance
			Corp.
1,840,000	3.839%, 12/30/18 ¹	\$ 1,845,603	
			550,000 5.250%, 5/1/23
600,000	Energy Transfer LP 4.150%, 10/1/20	619,966	\$ 563,750
			42,786,466
			Food & Drug Retail: 1.0%
			Iceland Bondco PLC
EUR 2,700,000	3.389%, 3/20/20	3,421,414	GBP 494,784 4.629% (3 Month
			LIBOR GBP
			+ 4.250%),
			7/15/20 ²
2,500,000	Gulf South Pipeline Co. LP 4.000%, 6/15/22	2,570,002	662,888
			Picard Groupe SAS
1,000,000	Kinder Morgan Energy Partners LP 6.850%, 2/15/20	1,083,732	EUR 5,025,000 3.000% (3 Month
			EURIBOR
			+ 3.000%),
3,411,000	Kinder Morgan, Inc. 3.050%, 12/1/19	3,442,402	11/30/23 ²
			6,059,374
			6,722,262
			Food/Beverage/Tobacco: 2.7%
			BAT Capital Corp.
1,000,000	Laredo Petroleum, Inc. 5.625%, 1/15/22	1,015,000	2,000,000 2.296% (3 Month
			LIBOR USD
			+ 0.880%),
2,000,000	Lukoil International Finance B.V. 6.125%, 11/9/20	2,160,950	8/15/22 ^{1,2}
			2,025,195
			Bright Food
			Singapore
			Holdings Pte. Ltd.
2,500,000	Marathon Oil Corp. 2.700%, 6/1/20	2,501,799	EUR 5,000,000 1.625%, 6/3/19
			6,108,718
			EUR 3,170,000 1.125%, 7/18/20
			3,845,979
			Bunge Ltd.
EUR 4,400,000	Petroleos Mexicanos 3.750%, 3/15/19	5,507,597	525,000 3.000%, 9/25/22
			521,660
GBP 1,262,000	Plains All American Pipeline LP / PAA Finance Corp. 2.600%, 12/15/19	3,481,746	4,300,000 4.875%, 2/15/25
			4,560,995
			Premier Foods
			Finance PLC
3,500,000	Sabine Pass Liquefaction LLC 5.625%, 2/1/21	2,145,522	GBP 325,000 6.500%, 3/15/21
			449,000
			Smithfield Foods, Inc.
			1,000,000 2.650%, 10/3/21 ¹
			987,258
			900,000 3.350%, 2/1/22 ¹
			902,662
EUR 1,500,000	Saipem Finance International B.V. 3.000%, 3/8/21	1,889,983	19,401,467

The accompanying notes are an integral part of these financial statements.

Low Duration Fund

SCHEDULE OF INVESTMENTS at December 31, 2017 (Continued)

Principal Amount†	Value	Principal Amount†	Value
CORPORATE BONDS: 82.3% (Continued)		Healthcare: 3.0% (Continued)	
Gaming: 1.0%		Teva Pharmaceutical Finance IV B.V.	
	Intralot Capital Luxembourg S.A.	EUR 435,000	2.875%, 4/15/19 \$ 529,515
EUR 2,000,000	6.750%, 9/15/21 \$ 2,578,350	Valeant Pharmaceuticals International, Inc.	
EUR 1,605,000	5.250%, 9/15/24 1,953,981	425,000	6.500%, 3/15/22 ¹ 447,313
	Scientific Games International, Inc.	1,350,000	7.000%, 3/15/24 ¹ 1,447,875
2,500,000	7.000%, 1/1/22 ¹ 2,640,625		21,140,936
	7,172,956	Homebuilders/Real Estate: 2.9%	
Healthcare: 3.0%		ADLER Real Estate AG	
	Allergan Funding SCS	EUR 800,000	4.750%, 4/8/20 1,003,356
EUR 1,400,000	1.250%, 6/1/24 1,674,166	DEMIRE Deutsche Mittelstand Real Estate AG	
	Becton Dickinson and Co.	EUR 1,975,000	2.875%, 7/15/22 2,427,849
3,000,000	2.894%, 6/6/22 2,984,308	Kennedy Wilson Europe Real Estate PLC	
	LifePoint Health, Inc.	GBP 3,675,000	3.950%, 6/30/22 5,224,751
1,850,000	5.500%, 12/1/21 1,893,937	NE Property Cooperatief UA	
425,000	5.875%, 12/1/23 430,844	EUR 5,648,000	3.750%, 2/26/21 7,350,498
	Limacorporate SpA	Obrascon Huarte Lain S.A.	
EUR 1,150,000	3.750% (3 Month EURIBOR + 3.750%), 8/15/23 ² 1,405,695	EUR 1,620,000	4.750%, 3/15/22 1,968,165
	Mallinckrodt International Finance S.A. / Mallinckrodt CB LLC	EUR 1,800,000	2.250%, 9/10/20 2,257,112
455,000	4.875%, 4/15/20 ¹ 439,075		20,231,731
325,000	5.750%, 8/1/22 ¹ 296,562	Insurance: 0.4%	
	MPT Operating Partnership LP / MPT Finance Corp.	Ardonagh Midco 3 PLC	
EUR 1,500,000	4.000%, 8/19/22 1,996,337	GBP 2,340,000	8.375%, 7/15/23 3,220,699
	Mylan NV	Leisure: 0.5%	
3,675,000	2.500%, 6/7/19 3,672,481	CPUK Finance Ltd.	
	Teva Pharmaceutical Finance Netherlands II B.V.	GBP 1,564,000	4.250%, 2/28/47 2,160,147
EUR 880,000	0.375%, 7/25/20 1,006,943	GBP 875,000	4.875%, 2/28/47 1,206,334
	Teva Pharmaceutical Finance Netherlands III B.V.		3,366,481
3,000,000	1.700%, 7/19/19 2,915,885	Metals/Mining: 1.0%	
		First Quantum Minerals Ltd.	
		1,000,000	7.000%, 2/15/21 ¹ 1,040,000
		950,000	7.250%, 5/15/22 ¹ 1,000,635

The accompanying notes are an integral part of these financial statements.

Low Duration Fund

SCHEDULE OF INVESTMENTS at December 31, 2017 (Continued)

Principal Amount†	Value	Principal Amount†	Value
CORPORATE BONDS: 82.3% (Continued)		Telecommunications: 4.7% (Continued)	
Technology: 1.6%		TalkTalk Telecom Group PLC	
800,000	3.250%, 8/6/18	GBP 1,500,000	5.375%, 1/15/22
2,500,000	2.750%, 6/9/19		Wind Tre SpA
	CommScope, Inc.	EUR 9,000,000	2.750% (3 Month EURIBOR
1,925,000	5.500%, 6/15/24 ¹		+ 2.750%),
	Dell International LLC / EMC Corp.		1/20/24 ²
3,300,000	4.420%, 6/15/21 ¹		10,637,826
	Western Digital Corp.		33,427,819
2,375,000	10.500%, 4/1/24	Transportation Excluding Air/Rail: 0.8%	
	2,757,969		Firstgroup PLC
	11,516,865	GBP 2,000,000	8.125%, 9/19/18
Telecommunications: 4.7%			Heathrow Funding Ltd.
	AT&T, Inc.	GBP 1,100,000	6.250%, 9/10/18
1,608,000	3.800%, 3/15/22		1,538,436
EUR 1,300,000	0.521% (3 Month EURIBOR	EUR 200,000	6.500% (3 Month EURIBOR
	+ 0.850%),		+ 6.500%),
	9/4/23 ²		7/31/23 ²
	1,590,614	EUR 1,175,000	4.250% (3 Month EURIBOR
	Bharti Airtel International Netherlands B.V.		+ 4.250%),
EUR 775,000	4.000%, 12/10/18		11/15/24 ²
	963,482		1,431,568
	Crystal Almond SARL		6,061,054
EUR 2,295,000	10.000%, 11/1/21	Utilities: 3.6%	
	3,070,749		Beijing Energy Investment Holdings Ltd.
	Matterhorn Telecom S.A.	EUR 1,800,000	1.500%, 7/28/18
EUR 96,429	3.250% (3 Month EURIBOR		2,175,209
	+ 3.250%),		Beijing Gas Singapore Capital Corp.
	2/1/23 ²	1,200,000	2.750%, 5/31/22
	116,120		1,177,304
	SoftBank Group Corp.	3,000,000	6.000%, 1/15/22 ¹
EUR 550,000	4.000%, 7/30/22		3,101,250
	721,783		Drax Finco PLC
	Sprint Corp.	GBP 725,000	4.250%, 5/1/22
1,625,000	7.875%, 9/15/23		991,772
	1,734,688		EP Energy A/S
	Sprint Spectrum Co. LLC / Sprint Spectrum Co. II LLC / Sprint Spectrum Co. III LLC	EUR 3,400,000	5.875%, 11/1/19
10,851,563	3.360%, 3/20/23 ¹		4,501,235
	10,946,514	EUR 7,000,000	1.413%, 6/8/22
			8,592,612
		930,000	2.850%, 7/15/22
			922,518

The accompanying notes are an integral part of these financial statements.

Low Duration Fund

SCHEDULE OF INVESTMENTS at December 31, 2017 (Continued)

Principal Amount†	Value	Principal Amount†	Value
BANK LOANS: 13.4% (Continued)		Transportation Excluding Air/Rail: 0.2%	
Technology: 3.1%		Swissport	
	Assystem		Investments
EUR 5,000,000	4.750% (2 Month EURIBOR + 4.750%), 7/12/24 ^{2,3}	EUR 1,000,000	3.750% (6 Month EURIBOR + 3.750%), 2/9/22 ^{2,3}
	\$ 5,969,236		\$ 1,189,906
	euNetworks		
EUR 3,461,538	3.500%, 12/12/24 ^{2,3,4,5}		
	4,150,719		
	ION Trading Technologies		
	S.A.R.L.		
EUR 2,647,059	3.750%, 11/21/24 ^{2,3,4,5}		
	3,193,532		
	KMD		
EUR 5,000,000	4.500%, 10/3/20 ^{2,3,4,5,7}		
	5,969,236		
	PI LUX		
EUR 2,190,722	3.250%, 11/30/24 ^{2,3,4,5}		
	2,626,072		
	21,908,795		
Telecommunications: 0.6%			
	Eircom Holdings (Ireland) Ltd.		
EUR 1,192,584	3.250% (1 Month EURIBOR + 3.250%), 4/19/24 ^{2,3}		
	1,432,262		
	Interoute Finco PLC		
EUR 2,058,824	3.250% (3 Month EURIBOR + 3.250%), 11/14/23 ^{2,3}		
	2,478,301		
	3,910,563		
		TOTAL BANK LOANS	
		(Cost \$91,880,878)	94,717,010
		TOTAL INVESTMENTS IN SECURITIES: 96.3%	
		(Cost \$659,220,020)	679,530,321
		Other Assets in Excess of Liabilities: 3.7%	26,311,748
		TOTAL NET ASSETS: 100.0%	\$705,842,069

† In U.S. dollars unless otherwise indicated.

EUR – Euro

GBP – Great Britain Pound

PIK – Payment-in-Kind – represents the security may pay interest in additional Par.

¹ Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified, institutional buyers. At December 31, 2017, the value of these securities amounted to \$54,402,763 or 7.7% of net assets.

² Variable rate security; rate shown is the rate in effect on December 31, 2017. An index may have a negative rate. Interest rate may also be subject to a cap or floor.

³ Bank loans generally pay interest at rates which are periodically determined by reference to a base lending rate plus a premium. All loans carry a variable rate of interest. These base lending rates are generally (i) the Prime Rate offered by one or more major United States banks, (ii) the lending rate offered by one or more European banks such as the London Interbank Offered Rate (“LIBOR”) or (iii) the Certificate of Deposit rate. Bank Loans, while exempt from registration, under

The accompanying notes are an integral part of these financial statements.

Low Duration Fund

SCHEDULE OF INVESTMENTS at December 31, 2017 (Continued)

the Securities Act of 1933, contain certain restrictions on resale and cannot be sold publicly. Floating rate bank loans often require prepayments from excess cash flow or permit the borrower to repay at its election. The degree to which borrowers repay, whether as a contractual requirement or at their election, cannot be predicted with accuracy.

- ⁴ All or a portion of the loan is unfunded.
- ⁵ Denotes investments purchased on a when-issued or delayed delivery basis.
- ⁶ Fixed-to-variable bond; rate shown is the rate in effect on December 31, 2017.
- ⁷ Security is fair valued under supervision of the Board of Trustees using significant unobservable inputs and is categorized as a Level 3 security (see Note 2 A). At December 31, 2017, the value of these securities amounted to \$5,969,236 or 0.8% of net assets.

SCHEDULE OF FORWARD FOREIGN CURRENCY EXCHANGE CONTRACTS at December 31, 2017

The Low Duration Fund had the following forward foreign currency exchange contracts outstanding with the Bank of New York.

Settlement Date	Currency to be Delivered	U.S. Dollar Value at December 31, 2017	Currency to be Received	U.S. Dollar Value at December 31, 2017	Unrealized Appreciation (Depreciation)
1/19/18	\$ 9,460,160	\$ 9,460,160	EUR 8,000,000	\$ 9,611,419	\$ 151,259
1/19/18	EUR 209,000,000	251,098,327	\$247,508,019	247,508,019	(3,590,308)
3/20/18	EUR 152,000,000	183,278,159	180,387,720	180,387,720	(2,890,439)
1/19/18	GBP 54,300,000	73,366,718	72,010,773	72,010,773	(1,355,945)
		<u>\$517,203,364</u>		<u>\$509,517,931</u>	<u>\$(7,685,433)</u>

The accompanying notes are an integral part of these financial statements.

Muzinich Funds

STATEMENTS OF ASSETS AND LIABILITIES at December 31, 2017

	Credit Opportunities Fund	U.S. High Yield Fund	Low Duration Fund
ASSETS			
Investments in securities, at value (Cost \$369,963,867, \$22,133,044 and \$659,220,020) (Note 2)	\$377,056,116	\$22,333,067	\$679,530,321
Restricted cash	568,031	—	—
Cash	10,783,262	642,826	14,149,409
Foreign currency, at value (Cost \$10,859,352, \$— and \$51,502,562)	11,057,390	—	52,369,404
Receivables:			
Fund shares sold	3,487,696	—	1,374,833
Investment securities sold	6,338,329	397,000	753,654
Interest receivable	4,497,620	341,788	7,466,178
Due from advisor, net	—	30,377	—
Prepaid expenses	45,041	10,059	12,779
Total assets	<u>413,833,485</u>	<u>23,755,117</u>	<u>755,656,578</u>
LIABILITIES			
Payables:			
Investment securities purchased	18,392,122	400,000	41,400,240
Fund shares purchased	2,061,174	—	331,215
Distribution to shareholders	697,656	1,260,864	37,376
Unrealized depreciation on forward foreign currency exchange contracts	1,961,797	—	7,685,433
Investment advisory fees, net	18,097	—	91,683
Fund accounting fees	34,608	12,089	34,194
Administration fees	36,172	9,411	37,994
Transfer agent fees	8,169	3,231	59,340
Audit fees	23,600	23,600	23,600
Chief Compliance Officer fees	1,500	1,500	1,500
Custody fees	46,325	3,865	40,141
Distribution fees	101	—	—
Trustee fees	4,220	2,136	5,181
Shareholder service fees	34,530	642	—
Other accrued expenses	28,975	7,399	66,612
Total liabilities	<u>23,349,046</u>	<u>1,724,737</u>	<u>49,814,509</u>
NET ASSETS	<u>\$390,484,439</u>	<u>\$22,030,380</u>	<u>\$705,842,069</u>

The accompanying notes are an integral part of these financial statements.

Muzinich Funds

STATEMENTS OF ASSETS AND LIABILITIES at December 31, 2017 (Continued)

	Credit Opportunities Fund	U.S. High Yield Fund	Low Duration Fund
COMPONENTS OF NET ASSETS			
Paid-in capital	\$385,422,901	\$21,838,787	\$694,620,515
Accumulated net investment loss	(834,608)	—	(2,032,842)
Accumulated net realized gain (loss) on investments and foreign currency	590,733	(8,430)	255,693
Net unrealized appreciation/depreciation on:			
Investments	7,092,249	200,023	20,310,302
Foreign currency	198,038	—	866,842
Forward foreign currency exchange contracts	(1,961,797)	—	(7,685,433)
Foreign currency translation	(23,077)	—	(493,008)
Net assets	<u>\$390,484,439</u>	<u>\$22,030,380</u>	<u>\$705,842,069</u>
Class A*:			
Net assets	\$ 203,461	\$ —	\$ —
Shares of beneficial interest issued and outstanding (unlimited number of shares authorized without par value)	19,044	—	—
Net asset value, offering and redemption price per share	<u>\$ 10.68</u>	<u>\$ —</u>	<u>\$ —</u>
Maximum offering price per share (\$10.68/95.75%)	<u>\$ 11.15</u>	<u>\$ —</u>	<u>\$ —</u>
Supra Institutional Class:			
Net assets	\$208,351,929	\$19,455,615	\$705,842,069
Shares of beneficial interest issued and outstanding (unlimited number of shares authorized without par value)	19,494,086	1,974,933	68,755,494
Net asset value, offering and redemption price per share	<u>\$ 10.69</u>	<u>\$ 9.85</u>	<u>\$ 10.27</u>
Institutional Class**:			
Net assets	\$181,929,049	\$ 2,574,765	\$ —
Shares of beneficial interest issued and outstanding (unlimited number of shares authorized without par value)	17,025,196	261,211	—
Net asset value, offering and redemption price per share	<u>\$ 10.69</u>	<u>\$ 9.86</u>	<u>\$ —</u>

* This class is not offered for U.S. High Yield Fund and Low Duration Fund as of December 31, 2017.

** This class is not offered for Low Duration Fund as of December 31, 2017.

The accompanying notes are an integral part of these financial statements.

Muzinich Funds

STATEMENTS OF OPERATIONS For the Year Ended December 31, 2017

	Credit Opportunities Fund	U.S. High Yield Fund	Low Duration Fund
INVESTMENT INCOME			
Interest	\$12,473,526	\$3,203,918	\$ 12,337,848
Dividend income	—	104,183	—
Total investment income	<u>12,473,526</u>	<u>3,308,101</u>	<u>12,337,848</u>
EXPENSES			
Investment advisory fees	1,956,304	335,509	1,935,201
Administration fees	203,118	59,467	192,892
Fund accounting fees	192,008	89,157	169,812
Custody fees	143,556	13,681	193,750
Registration fees	91,846	42,115	83,204
Shareholder service fees – Class A	171	—	—
Shareholder service fees – Institutional Class	85,410	1,558	—
Transfer agent fees	48,671	19,663	355,631
Miscellaneous expense	25,533	12,886	33,192
Audit fees	25,100	25,630	25,600
Trustee fees	16,505	12,393	19,466
Chief Compliance Officer fees	9,000	9,009	9,000
Legal fees	6,965	5,619	5,053
Reports to shareholders	5,506	9,039	12,699
Insurance expense	2,795	2,334	2,669
Distribution fees – Class A	526	—	—
Total expenses	<u>2,813,014</u>	<u>638,060</u>	<u>3,038,169</u>
Less: fees waived	<u>(770,603)</u>	<u>(282,569)</u>	<u>(887,946)</u>
Net expenses	<u>2,042,411</u>	<u>355,491</u>	<u>2,150,223</u>
Net investment income	<u>10,431,115</u>	<u>2,952,610</u>	<u>10,187,625</u>

The accompanying notes are an integral part of these financial statements.

Muzinich Funds

STATEMENTS OF OPERATIONS For the Year Ended December 31, 2017 (Continued)

	Credit Opportunities Fund	U.S. High Yield Fund	Low Duration Fund
REALIZED AND UNREALIZED GAIN (LOSS)			
Realized gain (loss) on:			
Investments	\$ 2,724,745	\$ 1,572,510	\$ 4,248,819
Forward foreign currency exchange contracts	(2,520,629)	—	(13,161,565)
Foreign currency and foreign currency translation	(34,959)	—	1,979,479
Futures contracts	(599,022)	—	—
Swap contracts	(595,455)	—	—
Net realized gain (loss)	<u>(1,025,320)</u>	<u>1,572,510</u>	<u>(6,933,267)</u>
Change in net unrealized appreciation/depreciation on:			
Investments	6,761,065	(113,725)	22,447,789
Forward foreign currency exchange contracts	(2,125,658)	—	(10,494,241)
Foreign currency and foreign currency translation	196,107	—	332,235
Futures contracts	<u>152,481</u>	<u>—</u>	<u>—</u>
Change in net unrealized appreciation/depreciation	<u>4,983,995</u>	<u>(113,725)</u>	<u>12,285,783</u>
Net realized and unrealized gain	<u>3,958,675</u>	<u>1,458,785</u>	<u>5,352,516</u>
Net increase in net assets resulting from operations	<u>\$14,389,790</u>	<u>\$4,411,395</u>	<u>\$ 15,540,141</u>

The accompanying notes are an integral part of these financial statements.

Credit Opportunities Fund

STATEMENTS OF CHANGES IN NET ASSETS

	Year Ended December 31, 2017	Year Ended December 31, 2016
INCREASE (DECREASE) IN NET ASSETS FROM:		
OPERATIONS		
Net investment income	\$ 10,431,115	\$ 6,173,104
Net realized gain (loss) on investments, foreign currency, forward foreign currency exchange contracts, foreign currency translation, futures contracts and swap contracts	(1,025,320)	4,011,516
Change in unrealized appreciation/depreciation on investments, foreign currency, forward foreign currency exchange contracts, foreign currency translation and futures contracts	<u>4,983,995</u>	<u>1,305,863</u>
Net increase in net assets resulting from operations	<u>14,389,790</u>	<u>11,490,483</u>
DISTRIBUTIONS TO SHAREHOLDERS		
From net investment income		
Class A	(4,559)	(1,129)*
Supra Institutional Class	(4,993,074)	(5,104,944)
Institutional Class	(3,521,671)	(1,398,512)
From net realized gain		
Class A	(528)	(1,076)*
Supra Institutional Class	(542,587)	(1,796,827)
Institutional Class	<u>(472,276)</u>	<u>(746,680)</u>
Total distributions to shareholders	<u>(9,534,695)</u>	<u>(9,049,168)</u>
CAPITAL SHARE TRANSACTIONS		
Net increase in net assets derived from net change in outstanding shares – Class A (a)	<u>92,049</u>	<u>109,335*</u>
Net increase in net assets derived from net change in outstanding shares – Supra Institutional Class (b)	<u>28,248,563</u>	<u>25,317,185</u>
Net increase in net assets derived from net change in outstanding shares – Institutional Class (d)	<u>105,668,964</u>	<u>67,584,446</u>
Total increase in net assets from capital share transactions	<u>134,009,576</u>	<u>93,010,966</u>
Total increase in net assets	<u>138,864,671</u>	<u>95,452,281</u>
NET ASSETS		
Beginning of year	<u>251,619,768</u>	<u>156,167,487</u>
End of year	<u>\$390,484,439</u>	<u>\$251,619,768</u>
Accumulated net investment loss	<u>\$ (834,608)</u>	<u>\$ (79,980)</u>

* Commenced operations on August 31, 2016. Information presented is for the period from August 31, 2016 to December 31, 2016.

The accompanying notes are an integral part of these financial statements.

Credit Opportunities Fund

STATEMENTS OF CHANGES IN NET ASSETS (Continued)

- (a) Summary of capital share transactions for Class A shares are as follows:

	Year Ended December 31, 2017		Period Ended December 31, 2016*	
	Shares	Value	Shares	Value
Shares sold	12,991	\$137,125	10,017	\$107,130
Shares issued in reinvestment of distributions	479	5,087	210	2,205
Shares redeemed	(4,653)	(50,163)	—	—
Net increase	8,817	\$ 92,049	10,227	\$109,335

* Commenced operations on August 31, 2016. Information presented is for the period from August 31, 2016 to December 31, 2016.

- (b) Summary of capital share transactions for Supra Institutional Class shares are as follows:

	Year Ended December 31, 2017		Year Ended December 31, 2016	
	Shares	Value	Shares	Value
Shares sold	4,176,131	\$ 44,606,397	4,338,776	\$ 46,024,880
Shares issued in reinvestment of distributions	472,754	5,024,811	589,519	6,231,887
Shares redeemed (c)	(2,006,805)	(21,382,645)	(2,540,747)	(26,939,582)
Net increase	2,642,080	\$ 28,248,563	2,387,548	\$ 25,317,185

- (c) Net redemption fees of \$3,189 and \$2,276, respectively.

- (d) Summary of capital share transactions for Institutional Class shares are as follows:

	Year Ended December 31, 2017		Year Ended December 31, 2016	
	Shares	Value	Shares	Value
Shares sold	12,311,829	\$131,393,914	6,614,902	\$70,263,861
Shares issued in reinvestment of distributions	311,324	3,311,876	202,312	2,134,376
Shares redeemed (e)	(2,711,452)	(29,036,826)	(450,584)	(4,813,791)
Net increase	9,911,701	\$105,668,964	6,366,630	\$67,584,446

- (e) Net redemption fees of \$1,838 and \$—, respectively.

The accompanying notes are an integral part of these financial statements.

U.S. High Yield Fund

STATEMENTS OF CHANGES IN NET ASSETS

	Year Ended December 31, 2017	Period Ended December 31, 2016*
INCREASE (DECREASE) IN NET ASSETS FROM:		
OPERATIONS		
Net investment income	\$ 2,952,610	\$ 612,684
Net realized gain on investments	1,572,510	9,114
Change in unrealized appreciation/depreciation on investments	<u>(113,725)</u>	<u>313,748</u>
Net increase in net assets resulting from operations	<u>4,411,395</u>	<u>935,546</u>
DISTRIBUTIONS TO SHAREHOLDERS		
From net investment income		
Supra Institutional Class	(2,855,053)	(613,864)
Institutional Class	(101,168)**	—
From net realized gain		
Supra Institutional Class	(1,317,442)	(104,162)
Institutional Class	<u>(163,659)</u>	<u>—</u>
Total distributions to shareholders	<u>(4,437,322)</u>	<u>(718,026)</u>
CAPITAL SHARE TRANSACTIONS		
Net increase (decrease) in net assets derived from net change in outstanding shares –		
Supra Institutional Class (a)	<u>(63,667,034)</u>	<u>82,762,894</u>
Net increase in net assets derived from net change in outstanding shares – Institutional Class (b)	<u>2,742,927**</u>	<u>—</u>
Total increase (decrease) in net assets from capital share transactions	<u>(60,924,107)</u>	<u>82,762,894</u>
Total increase (decrease) in net assets	<u>(60,950,034)</u>	<u>82,980,414</u>
NET ASSETS		
Beginning of year/period	<u>82,980,414</u>	<u>—</u>
End of year/period	<u>\$ 22,030,380</u>	<u>\$82,980,414</u>

* Fund commenced operations on March 31, 2016. Information presented is for the period from March 31, 2016 to December 31, 2016.

** Institutional Class commenced operations on March 27, 2017. Information presented is for the period March 27, 2017 to December 31, 2017.

The accompanying notes are an integral part of these financial statements.

U.S. High Yield Fund

STATEMENTS OF CHANGES IN NET ASSETS (Continued)

- (a) Summary of capital share transactions for Supra Institutional Class shares are as follows:

	Year Ended December 31, 2017		Period Ended December 31, 2016*	
	Shares	Value	Shares	Value
Shares sold	1,804,466	\$ 19,150,000	7,893,513	\$82,250,000
Shares issued in reinvestment of distributions	228,887	2,416,942	49,321	512,894
Shares redeemed	(8,001,254)	(85,233,976)	—	—
Net increase (decrease)	<u>(5,967,901)</u>	<u>\$(63,667,034)</u>	<u>7,942,834</u>	<u>\$82,762,894</u>

* Commenced operations on March 31, 2016. Information presented is for the period from March 31, 2016 to December 31, 2016.

- (b) Summary of capital share transactions for Institutional Class shares are as follows:

	Period Ended December 31, 2017**	
	Shares	Value
Shares sold	235,011	\$2,478,100
Shares issued in reinvestment of distributions	26,200	264,827
Net increase	<u>261,211</u>	<u>\$2,742,927</u>

** Commenced operations on March 27, 2017. Information presented is for the period from March 27, 2017 to December 31, 2017.

The accompanying notes are an integral part of these financial statements.

Low Duration Fund

STATEMENTS OF CHANGES IN NET ASSETS

	Year Ended December 31, 2017	Period Ended December 31, 2016*
INCREASE (DECREASE) IN NET ASSETS FROM:		
OPERATIONS		
Net investment income	\$ 10,187,625	\$ 725,612
Net realized gain (loss) on investments, foreign currency, forward foreign currency exchange contracts and foreign currency translation	(6,933,267)	144,928
Change in unrealized appreciation/depreciation on investments, foreign currency, forward foreign currency exchange contracts and foreign currency translation	<u>12,285,783</u>	<u>712,919</u>
Net increase in net assets resulting from operations	<u>15,540,141</u>	<u>1,583,459</u>
DISTRIBUTIONS TO SHAREHOLDERS		
From net investment income		
Supra Institutional Class	(5,115,148)	(740,862)
From net realized gain		
Supra Institutional Class	<u>(46,037)</u>	<u>—</u>
Total distributions to shareholders	<u>(5,161,185)</u>	<u>(740,862)</u>
CAPITAL SHARE TRANSACTIONS		
Net increase in net assets derived from net change in outstanding shares –		
Supra Institutional Class (a)	<u>431,682,660</u>	<u>262,937,856</u>
Total increase in net assets	<u>442,061,616</u>	<u>263,780,453</u>
NET ASSETS		
Beginning of year/period	<u>263,780,453</u>	<u>—</u>
End of year/period	<u>\$705,842,069</u>	<u>\$263,780,453</u>
Undistributed (accumulated) net investment income (loss)	<u>\$ (2,032,842)</u>	<u>\$ 180,078</u>

* Commenced operations on June 30, 2016. Information presented is for the period from June 30, 2016 to December 31, 2016.

The accompanying notes are an integral part of these financial statements.

Low Duration Fund

STATEMENTS OF CHANGES IN NET ASSETS (Continued)

- (a) Summary of capital share transactions for Supra Institutional Class shares are as follows:

	Year Ended December 31, 2017		Period Ended December 31, 2016*	
	Shares	Value	Shares	Value
Shares sold	49,176,804	\$499,641,279	27,061,987	\$270,848,802
Shares issued in reinvestment of distributions	18,305	183,163	1,185	11,889
Shares redeemed (b)	(6,707,630)	(68,141,782)	(795,157)	(7,922,835)
Net increase	42,487,479	\$431,682,660	26,268,015	\$262,937,856

- (b) Net redemption fees of \$686 and \$—, respectively.

* Commenced operations on June 30, 2016. Information presented is for the period from June 30, 2016 to December 31, 2016.

The accompanying notes are an integral part of these financial statements.

Credit Opportunities Fund

FINANCIAL HIGHLIGHTS For a capital share outstanding throughout each year/period

Class A	Year Ended December 31, 2017	Period Ended December 31, 2016*
Net asset value, beginning of year/period	<u>\$10.49</u>	<u>\$10.83</u>
INCOME FROM INVESTMENT OPERATIONS:		
Net investment income**	0.31	0.10
Net realized and unrealized loss on investments	<u>0.14</u>	<u>(0.15)</u>
Total from investment operations	<u>0.45</u>	<u>(0.05)</u>
LESS DISTRIBUTIONS:		
From net investment income	(0.23)	(0.18)
From net realized gain	<u>(0.03)</u>	<u>(0.11)</u>
Total distributions	<u>(0.26)</u>	<u>(0.29)</u>
Net asset value, end of year/period	<u>\$10.68</u>	<u>\$10.49</u>
Total return	4.35%	(0.52)% [^]
SUPPLEMENTAL DATA:		
Net assets, end of year/period (thousands)	\$203.5	\$107.3
Portfolio turnover rate	135%	260% ⁽¹⁾
RATIO OF EXPENSES TO AVERAGE NET ASSETS:		
Before fees waived and expenses absorbed	1.15%	1.29% ⁺
After fees waived and expenses absorbed	0.92%	0.95% ⁺
RATIO OF NET INVESTMENT INCOME TO AVERAGE NET ASSETS:		
Before fees waived and expenses absorbed	2.67%	2.39% ⁺
After fees waived and expenses absorbed	2.90%	2.75% ⁺

* Commenced operations on August 31, 2016.

** Calculated based on the average number of shares outstanding.

[^] Not Annualized.

⁺ Annualized.

⁽¹⁾ Portfolio turnover calculated at the Fund level.

The accompanying notes are an integral part of these financial statements.

Credit Opportunities Fund

FINANCIAL HIGHLIGHTS For a capital share outstanding throughout each year/period

Supra Institutional Class	Year Ended December 31,				Period Ended
	2017	2016	2015	2014	December 31, 2013*
Net asset value, beginning of year/period	<u>\$10.50</u>	<u>\$10.27</u>	<u>\$10.38</u>	<u>\$10.37</u>	<u>\$10.00</u>
INCOME FROM INVESTMENT OPERATIONS:					
Net investment income**	0.34	0.32	0.29	0.26	0.43
Net realized and unrealized gain (loss) on investments	<u>0.14</u>	<u>0.33</u>	<u>(0.14)</u>	<u>0.08</u>	<u>0.37</u>
Total from investment operations	<u>0.48</u>	<u>0.65</u>	<u>0.15</u>	<u>0.34</u>	<u>0.80</u>
Redemption fees proceeds	<u>0.00[#]</u>	<u>0.00[#]</u>	<u>0.00[#]</u>	<u>0.00[#]</u>	<u>—</u>
LESS DISTRIBUTIONS:					
From net investment income	(0.27)	(0.31)	(0.26)	(0.31)	(0.31)
From net realized gain	<u>(0.03)</u>	<u>(0.11)</u>	<u>—</u>	<u>(0.02)</u>	<u>(0.12)</u>
Total distributions	<u>(0.30)</u>	<u>(0.42)</u>	<u>(0.26)</u>	<u>(0.33)</u>	<u>(0.43)</u>
Net asset value, end of year/period	<u>\$10.69</u>	<u>\$10.50</u>	<u>\$10.27</u>	<u>\$10.38</u>	<u>\$10.37</u>
Total return	4.70%	6.34%	1.48%	3.17%	8.19% [^]
SUPPLEMENTAL DATA:					
Net assets, end of year/period (millions)	\$208.4	\$176.9	\$148.5	\$99.3	\$11.0
Portfolio turnover rate	135%	260%	473%	598%	573% [^]
RATIO OF EXPENSES TO AVERAGE NET ASSETS:					
Before fees waived and expenses absorbed	0.83%	0.84%	0.90%	1.35%	2.46% ⁺
After fees waived and expenses absorbed	0.60%	0.60%	0.60%	0.60%	0.60% ⁺
RATIO OF NET INVESTMENT INCOME TO AVERAGE NET ASSETS:					
Before fees waived and expenses absorbed	3.00%	2.77%	2.47%	1.75%	2.38% ⁺
After fees waived and expenses absorbed	3.23%	3.01%	2.77%	2.50%	4.24% ⁺

* Commenced operations on January 3, 2013.

** Calculated based on the average number of shares outstanding.

Does not round to \$0.01 per share.

[^] Not Annualized.

⁺ Annualized.

The accompanying notes are an integral part of these financial statements.

Credit Opportunities Fund

FINANCIAL HIGHLIGHTS For a capital share outstanding throughout each year/period

Institutional Class	Year Ended December 31,			Period Ended
	2017	2016	2015	December 31, 2014*
Net asset value, beginning of year/period	\$10.49	\$10.27	\$10.38	\$10.45
INCOME FROM INVESTMENT OPERATIONS:				
Net investment income**	0.34	0.33	0.27	0.04
Net realized and unrealized loss on investments	<u>0.15</u>	<u>0.31</u>	<u>(0.12)</u>	<u>(0.03)</u>
Total from investment operations	<u>0.49</u>	<u>0.64</u>	<u>0.15</u>	<u>0.01</u>
Redemption fees proceeds	<u>0.00[#]</u>	<u>—</u>	<u>—</u>	<u>0.00[#]</u>
LESS DISTRIBUTIONS:				
From net investment income	(0.26)	(0.31)	(0.26)	(0.06)
From net realized gain	<u>(0.03)</u>	<u>(0.11)</u>	<u>—</u>	<u>(0.02)</u>
Total distributions	<u>(0.29)</u>	<u>(0.42)</u>	<u>(0.26)</u>	<u>(0.08)</u>
Net asset value, end of year/period	<u>\$10.69</u>	<u>\$10.49</u>	<u>\$10.27</u>	<u>\$10.38</u>
Total return	4.73%	6.20%	1.41%	0.12% [^]
SUPPLEMENTAL DATA:				
Net assets, end of year/period (millions)	\$181.9	\$74.6	\$7.7	\$0.6
Portfolio turnover rate	135%	260%	473%	598% ⁽¹⁾
RATIO OF EXPENSES TO AVERAGE NET ASSETS:				
Before fees waived and expenses absorbed	0.91%	0.90%	0.97%	1.15% ⁺
After fees waived and expenses absorbed	0.67%	0.64%	0.67%	0.70% ⁺
RATIO OF NET INVESTMENT INCOME TO AVERAGE NET ASSETS:				
Before fees waived and expenses absorbed	2.92%	2.81%	2.33%	1.27% ⁺
After fees waived and expenses absorbed	3.16%	3.08%	2.63%	1.72% ⁺

* Commenced operations on October 15, 2014. Information presented is for the period from October 15, 2014 to December 31, 2014.

** Calculated based on the average number of shares outstanding.

Does not round to \$0.01 per share.

^ Not Annualized.

+ Annualized.

(1) Portfolio turnover calculated at the Fund level.

The accompanying notes are an integral part of these financial statements.

U.S. High Yield Fund

FINANCIAL HIGHLIGHTS For a capital share outstanding throughout each year/period

Supra Institutional Class	Year Ended December 31, 2017	Period Ended December 31, 2016*
Net asset value, beginning of year/period	<u>\$10.45</u>	<u>\$10.00</u>
INCOME FROM INVESTMENT OPERATIONS:		
Net investment income**	0.51	0.41
Net realized and unrealized loss on investments	<u>0.14</u>	<u>0.35</u>
Total from investment operations	<u>0.65</u>	<u>0.76</u>
LESS DISTRIBUTIONS:		
From net investment income	(0.58)	(0.30)
From net realized gain	<u>(0.67)</u>	<u>(0.01)</u>
Total distributions	<u>(1.25)</u>	<u>(0.31)</u>
Net asset value, end of year/period	<u>\$ 9.85</u>	<u>\$10.45</u>
Total return	6.30%	7.74%^
SUPPLEMENTAL DATA:		
Net assets, end of year/period (millions)	\$19.5	\$83.0
Portfolio turnover rate	120%	140%^
RATIO OF EXPENSES TO AVERAGE NET ASSETS:		
Before fees waived and expenses absorbed	1.03%	1.83%+
After fees waived and expenses absorbed	0.58%	0.58%+
RATIO OF NET INVESTMENT INCOME TO AVERAGE NET ASSETS:		
Before fees waived and expenses absorbed	4.39%	4.01%+
After fees waived and expenses absorbed	4.84%	5.25%+

* Commenced operations on March 31, 2016. Information presented is for the period from March 31, 2016 to December 31, 2016.

** Calculated based on the average number of shares outstanding.

^ Not Annualized.

+ Annualized.

The accompanying notes are an integral part of these financial statements.

U.S. High Yield Fund

FINANCIAL HIGHLIGHTS For a capital share outstanding throughout the period

Institutional Class	Period Ended December 31, 2017*
Net asset value, beginning of period	\$10.46
INCOME FROM INVESTMENT OPERATIONS:	
Net investment income**	0.39
Net realized and unrealized loss on investments	0.17
Total from investment operations	<u>0.56</u>
LESS DISTRIBUTIONS:	
From net investment income	(0.49)
From net realized gain	(0.67)
Total distributions	<u>(1.16)</u>
Net asset value, end of period	<u>\$ 9.86</u>
Total return	5.47%^
SUPPLEMENTAL DATA:	
Net assets, end of period (millions)	\$2.6
Portfolio turnover rate	120% ⁽¹⁾
RATIO OF EXPENSES TO AVERAGE NET ASSETS:	
Before fees waived and expenses absorbed	1.61% ⁺
After fees waived and expenses absorbed	0.68% ⁺
RATIO OF NET INVESTMENT INCOME TO AVERAGE NET ASSETS:	
Before fees waived and expenses absorbed	3.87% ⁺
After fees waived and expenses absorbed	4.81% ⁺

* Commenced operations on March 27, 2017. Information presented is for the period from March 27, 2017 to December 31, 2017.

** Calculated based on the average number of shares outstanding.

^ Not Annualized.

+ Annualized.

(1) Portfolio turnover calculated at the Fund level.

The accompanying notes are an integral part of these financial statements.

Low Duration Fund

FINANCIAL HIGHLIGHTS For a capital share outstanding throughout each year/period

Supra Institutional Class	Year Ended December 31, 2017	Period Ended December 31, 2016*
Net asset value, beginning of year/period	<u>\$10.04</u>	<u>\$10.00</u>
INCOME FROM INVESTMENT OPERATIONS:		
Net investment income**	0.24	0.09
Net realized and unrealized loss on investments	<u>0.18</u>	<u>0.03</u>
Total from investment operations	<u>0.42</u>	<u>0.12</u>
LESS DISTRIBUTIONS:		
From net investment income	(0.19)	(0.08)
From net realized gain	<u>(0.00)#</u>	<u>—</u>
Total distributions	<u>(0.19)</u>	<u>(0.08)</u>
Net asset value, end of year/period	<u>\$10.27</u>	<u>\$10.04</u>
Total return	4.26%	1.19%^
SUPPLEMENTAL DATA:		
Net assets, end of year/period (millions)	\$705.8	\$263.8
Portfolio turnover rate	57%	7%^
RATIO OF EXPENSES TO AVERAGE NET ASSETS:		
Before fees waived and expenses absorbed	0.71%	0.96%+
After fees waived and expenses absorbed	0.50%	0.50%+
RATIO OF NET INVESTMENT INCOME TO AVERAGE NET ASSETS:		
Before fees waived and expenses absorbed	2.16%	1.40%+
After fees waived and expenses absorbed	2.37%	1.86%+

* Commenced operations on June 30, 2016. Information presented is for the period from June 30, 2016 to December 31, 2016.

** Calculated based on the average number of shares outstanding.

Does not round to \$0.01 or \$(0.01) per share, as applicable.

^ Not Annualized.

+ Annualized.

The accompanying notes are an integral part of these financial statements.

Muzinich Funds

NOTES TO FINANCIAL STATEMENTS December 31, 2017

NOTE 1 – ORGANIZATION

The Muzinich Credit Opportunities Fund (“Credit Opportunities Fund”), Muzinich U.S. High Yield Corporate Bond Fund (“U.S. High Yield Fund”), and Muzinich Low Duration Fund (“Low Duration Fund”) (each a “Fund”, collectively the “Funds”) are diversified series of shares of beneficial interest of Professionally Managed Portfolios (the “Trust”), which is registered under the Investment Company Act of 1940, as amended (the “1940 Act”) as an open-end management investment company. The Funds are investment companies and accordingly follow the investment company accounting and reporting guidance of the Financial Accounting Standards Board (FASB) Accounting Standard Codification Topic 946 “Financial Services—Investment Companies.” The Funds commenced operations on January 3, 2013, March 31, 2016, and June 30, 2016, respectively.

The Funds offer three classes of shares: Class A shares, Institutional Shares, and Supra Institutional Shares. Each class of shares has equal rights as to earnings and assets except that each class bears different distribution and shareholder servicing expenses. Each class of shares has exclusive voting rights with respect to matters that affect just that class. Income, expenses (other than expenses attributable to a specific class), and realized and unrealized gains/losses on investments are allocated to each class of shares based on its relative net assets. While all classes are available for the Credit Opportunities Fund, currently, the U.S. High Yield Fund offers Institutional and Supra Institutional shares, and only Supra Institutional shares are being offered for the Low Duration Fund.

The investment objective of the Credit Opportunities Fund is primarily to provide a high level of income and capital appreciation. The investment objective of the U.S. High Yield Fund is to provide a high level of income on a risk-adjusted basis over a full market cycle. The investment objective of the Low Duration Fund is to protect capital and generate positive returns under most market conditions.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies consistently followed by the Funds. These policies are in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

- A. *Security Valuation.* All equity securities, which may include Real Estate Investment Trusts (“REITs”), Business Development Companies (“BDCs”) and Master Limited Partnerships (“MLPs”), that are traded on U.S. national or foreign securities exchanges are valued either at the last reported sale price on the exchange on which the security is

Muzinich Funds

NOTES TO FINANCIAL STATEMENTS December 31, 2017 (Continued)

principally traded or the exchange's official closing price. If, on a particular day, an exchange-traded security does not trade, then the mean between the most recent quoted bid and asked prices will be used. All equity securities, which may include REITs, BDCs and MLPs that are not traded on a listed exchange are valued at the last sale price in the over-the-counter market. If a non-exchange traded security does not trade on a particular day, then the mean between the last quoted closing bid and asked price will be used.

Debt securities are valued by using an evaluated mean of the bid and asked prices provided by an independent pricing service. The independent pricing service may use various valuation methodologies including matrix pricing and other analytical pricing models as well as market transactions and dealer quotations. These models generally consider such factors as yields or prices of bonds of comparable quality, type of issue, coupon, maturity, ratings and general market conditions. In the absence of a price from a pricing service, securities are valued at their respective fair values as determined in good faith by the Valuation Committee.

Exchange traded options are valued at the composite price, using the National Best Bid and Offer quotes ("NBBO"). NBBO consists of the highest bid price and lowest ask price across any of the exchanges on which an option is quoted, thus providing a view across the entire U.S. options marketplace. Composite option pricing calculates the mean of the highest bid price and lowest ask price across the exchanges where the option is traded.

Forward foreign currency exchange contracts are presented at fair value measured by the difference between the forward exchange rates ("forward rates") at the dates of entry into the contracts and the forward rates at the reporting date, and such differences are included in the Statements of Assets and Liabilities.

Swap agreements, such as credit default swaps, total return swaps, interest rate swaps and currency swaps, are priced by an approved independent pricing service. The independent pricing service includes observable market data inputs in an evaluated valuation methodology.

Futures contracts are priced by an approved independent pricing service. Futures contracts are valued at the Settlement Price on the exchange on which they are principally traded.

Securities for which quotations are not readily available are valued at their respective fair values as determined in good faith by the Valuation Committee. When a security is "fair valued," consideration is given to

Muzinich Funds

NOTES TO FINANCIAL STATEMENTS December 31, 2017 (Continued)

the facts and circumstances relevant to the particular situation, including a review of various factors set forth in the pricing procedures adopted by the Board of Trustees. Fair value pricing is an inherently subjective process, and no single standard exists for determining fair value. Different funds could reasonably arrive at different values for the same security. The use of fair value pricing by a fund may cause the net asset value of its shares to differ significantly from the net asset value that would be calculated without regard to such considerations.

As described above, the Funds utilize various methods to measure the fair value of their investments on a recurring basis. U.S. GAAP establishes a hierarchy that prioritizes inputs to valuation methods. The three levels of inputs are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that the Funds have the ability to access.

Level 2 – Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.

Level 3 – Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available; representing the Funds' own assumptions about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3.

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety, is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Muzinich Funds

NOTES TO FINANCIAL STATEMENTS December 31, 2017 (Continued)

The following is a summary of the inputs used to value the Funds' investments and derivative positions as of December 31, 2017. See the Schedules of Investments for the industry breakout.

Credit Opportunities Fund

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
Corporate				
Bonds	\$ —	\$ 291,234,735	\$ —	\$ 291,234,735
Convertible				
Bonds	—	780,682	—	780,682
U.S. Government				
Notes/Bonds	—	7,563,566	—	7,563,566
Bank Loans	—	67,703,182	—	67,703,182
Short-Term				
Investments	—	9,773,951	—	9,773,951
Total Assets	<u>\$ —</u>	<u>\$ 377,056,116</u>	<u>\$ —</u>	<u>\$ 377,056,116</u>
Liabilities:				
Forward				
Foreign				
Currency				
Exchange				
Contracts	\$ —	\$ 1,961,797	\$ —	\$ 1,961,797
Total				
Liabilities	<u>\$ —</u>	<u>\$ 1,961,797</u>	<u>\$ —</u>	<u>\$ 1,961,797</u>

The Fund did not invest in any Level 3 securities nor have transfers into or out of Level 1 or Level 2 during the period.

U.S. High Yield Fund

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
Corporate				
Bonds	\$ —	\$ 20,858,549	\$ —	\$ 20,858,549
Exchange				
Traded Funds	1,474,518	—	—	1,474,518
Total Assets	<u>\$ 1,474,518</u>	<u>\$ 20,858,549</u>	<u>\$ —</u>	<u>\$ 22,333,067</u>

The Fund did not invest in any Level 3 securities nor have transfers into or out of Level 1 or Level 2 during the period.

Muzinich Funds

NOTES TO FINANCIAL STATEMENTS December 31, 2017 (Continued)

Low Duration Fund

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
Corporate				
Bonds	\$ —	\$580,909,902	\$ —	\$580,909,902
Convertible				
Bonds	—	3,903,409	—	3,903,409
Bank Loans	—	88,747,774	5,969,236	94,717,010
Total Assets	<u>\$ —</u>	<u>\$673,561,085</u>	<u>\$5,969,236</u>	<u>\$679,530,321</u>
Liabilities:				
Forward				
Foreign				
Currency				
Exchange				
Contracts	\$ —	\$ 7,685,433	\$ —	\$ 7,685,433
Total				
Liabilities	<u>\$ —</u>	<u>\$ 7,685,433</u>	<u>\$ —</u>	<u>\$ 7,685,433</u>

The Funds did not have transfers into or out of Level 1 or Level 2 during the period.

The following is a reconciliation of the Fund's Level 3 assets for which significant unobservable inputs were used to determine fair value:

	<u>Bank Loans</u>
Balance as of December 31, 2016	\$ —
Accrued discounts/premiums	—
Realized gain (loss)	—
Change in unrealized appreciation/depreciation	60,404
Acquisitions	5,908,832
Dispositions	—
Transfer in and/or out of Level 3	—
Balance as of December 31, 2017	<u>\$5,969,236</u>
Change in unrealized appreciation/depreciation for Level 3 investments held at December 31, 2017	<u>\$ 60,404</u>

<u>Security Type</u>	<u>Fair Value at 12/31/2017</u>	<u>Valuation Technique</u>	<u>Unobservable Input</u>	<u>Input Value</u>
Bank Loans	\$5,969,236	Issue Price	Market data	\$119.38

Significant increases (decreases) in any input in isolation would result in a significantly higher (lower) fair value measurement.

Muzinich Funds

NOTES TO FINANCIAL STATEMENTS December 31, 2017 (Continued)

The Trust's Board of Trustees has established a Valuation Committee to oversee valuation techniques in accordance with the adopted valuation procedures. The Board of Trustees ratifies valuation techniques quarterly.

It is the Funds' policy to recognize transfers in and transfers out at the fair value as of the end of period.

The Funds have provided additional disclosures below regarding derivatives and hedging activity intending to improve financial reporting by enabling investors to understand how and why the Funds use forward contracts and swap contracts (types of derivatives), how they are accounted for, and how they affect an entity's results of operations and financial position. The Funds may use derivatives in various ways. The Funds may, but are not required to, use derivatives for risk management purposes or as part of its investment strategies. Derivatives are financial contracts whose values depend on, or are derived from, the value of an underlying asset, reference rate or index. The Funds may use derivatives to earn income and enhance returns, to hedge or adjust the risk profile of its portfolio, to replace more traditional direct investments and to obtain exposure to otherwise inaccessible markets.

The Credit Opportunities Fund's average notional value of forward foreign currency exchange contracts outstanding during the year ended December 31, 2017, was \$65,809,256. The Low Duration Fund's average notional value for forward foreign currency exchange contracts outstanding during the period ended December 31, 2017, was \$317,233,215.

The average notional amount for forward foreign currency exchange contracts is calculated by the dollar value of open contracts at the end of the previous fiscal year and at each quarter end in the current fiscal year. The notional amount for forward foreign currency exchange contracts is calculated based on the currency being sold converted to U.S. dollars. The average notional amount for swap and futures contracts is based on the monthly notional amounts. The notional amount for swap contracts is the principal value. The notional amount for futures contracts represents the U.S. dollar value of the contract as of the day of opening the transaction or latest contract reset date. The table below shows the effects of derivative instruments on the financial statements.

Muzinich Funds

NOTES TO FINANCIAL STATEMENTS December 31, 2017 (Continued)

Statements of Assets and Liabilities

Fair values of derivative instruments as of December 31, 2017:

Credit Opportunities Fund

<u>Instrument</u>	<u>Asset Derivatives</u> <u>as of December 31, 2017</u>		<u>Liability Derivatives</u> <u>as of December 31, 2017</u>	
	<u>Balance Sheet</u>		<u>Balance Sheet</u>	
	<u>Location</u>	<u>Fair Value</u>	<u>Location</u>	<u>Fair Value</u>
Forward Foreign Currency Exchange Contracts	Unrealized Appreciation on Forward Foreign Currency Exchange Contracts	\$ —	Unrealized Depreciation on Forward Foreign Currency Exchange Contracts	\$(1,961,797)
		<u>\$ —</u>		<u>\$(1,961,797)</u>

Low Duration Fund

<u>Instrument</u>	<u>Asset Derivatives</u> <u>as of December 31, 2017</u>		<u>Liability Derivatives</u> <u>as of December 31, 2017</u>	
	<u>Balance Sheet</u>		<u>Balance Sheet</u>	
	<u>Location</u>	<u>Fair Value</u>	<u>Location</u>	<u>Fair Value</u>
Forward Foreign Currency Exchange Contracts	Unrealized Appreciation on Forward Foreign Currency Exchange Contracts	\$ —	Unrealized Depreciation on Forward Foreign Currency Exchange Contracts	\$(7,685,433)
		<u>\$ —</u>		<u>\$(7,685,433)</u>

Muzinich Funds

NOTES TO FINANCIAL STATEMENTS December 31, 2017 (Continued)

Statements of Operations

The effect of derivative instruments on the Statements of Operations for the period ended December 31, 2017:

Credit Opportunities Fund

<u>Instrument</u>	<u>Location of Gain (Loss) on Derivatives Recognized in Income</u>	<u>Realized Gain (Loss) on Derivatives Recognized in Income</u>	<u>Change in Unrealized Appreciation (Depreciation) on Derivatives Recognized in Income</u>
Interest Rate – Futures Contracts	Net realized and unrealized gain (loss) on futures contracts	\$ (599,022)	\$ 152,481
Forward Foreign Currency Exchange Contracts	Net realized and unrealized gain (loss) on forward foreign currency contracts	(2,520,629)	(2,125,658)
Credit – Swap Contracts	Net realized and unrealized gain (loss) on swap contracts	(595,455)	—

Low Duration Fund

<u>Instrument</u>	<u>Location of Gain (Loss) on Derivatives Recognized in Income</u>	<u>Realized Gain (Loss) on Derivatives Recognized in Income</u>	<u>Change in Unrealized Appreciation (Depreciation) on Derivatives Recognized in Income</u>
Forward Foreign Currency Exchange Contracts	Net realized and unrealized gain (loss) on forward foreign currency contracts	\$(13,161,565)	\$(10,494,241)

The U.S. High Yield Fund did not have derivatives activity during the year ended December 31, 2017.

- B. *Swap Contracts.* A swap, which may be a customized and privately negotiated agreement or a standardized and exchange-traded contract, obligates two parties to exchange a series of cash flows at specified intervals (payment dates) based upon, or calculated by, reference to

Muzinich Funds

NOTES TO FINANCIAL STATEMENTS December 31, 2017 (Continued)

changes in specified prices or rates for a specified amount of an underlying asset (the “notional” principal amount). Swaps are entered into on a net basis (i.e., the two payment streams are netted out, with a fund receiving or paying, as the case may be, only the net amount of the two payments). Examples of such swaps may include, but are not limited to, currency swaps, interest rate swaps, total return swaps, and credit default swaps. Payments received by the Funds from swap agreements will result in taxable income, either as ordinary income or capital gains. Except for currency swaps, the notional principal amount is used solely to calculate the payment streams but is not exchanged. With respect to currency swaps, actual principal amounts of currencies may be exchanged by the counterparties at the initiation, and again upon the termination, of the transaction. The swap market has grown substantially in recent years, with a large number of banks and investment banking firms acting both as principals and as agents utilizing standardized swap documentation. As a result, the swap market has become well-established and relatively liquid.

- C. *Futures Contracts.* Each Fund may purchase or sell futures contracts and options thereon to hedge against changes in interest rates, securities (through index futures or options) or currencies. The purchase of futures contracts may be more efficient or cost effective than actually buying the underlying securities or assets. A futures contract is an agreement that obligates the buyer to buy and the seller to sell a specified quantity of an underlying asset (or settle for cash the value of a contract based on an underlying asset, rate or index) at a specific price on the contract maturity date. Upon entering into a futures contract, each Fund is required to pledge to the counterparty an amount of cash, U.S. Government securities or other high quality debt securities equal to the minimum “initial margin” requirements of the exchange or the broker. Pursuant to a contract entered into with a futures commission merchant, each Fund agrees to receive from or pay to the firm an amount of cash equal to the cumulative daily fluctuation in the value of the contract. Such receipts or payments are known as “variation margin” and are recorded by the Funds as unrealized gains or losses. When the contract is closed, the Funds record a gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed. Each Fund will cover its current obligations under futures contracts by the segregation of liquid assets or by entering into offsetting transactions or owning positions covering its obligations. The Funds’ use of futures contracts may involve risks that are different from,

Muzinich Funds

NOTES TO FINANCIAL STATEMENTS December 31, 2017 (Continued)

or possibly greater than, the risks associated with investing directly in securities or other more traditional instruments. These risks include the risk that the value of the futures contracts may not correlate perfectly, or at all, with the value of the assets, reference rates, or indexes that they are designed to track. Other risks include: an illiquid secondary market for a particular instrument and possible exchange-imposed price fluctuation limits, either of which may make it difficult or impossible to close out a position when desired; the risk that adverse price movements in an instrument can result in a loss substantially greater than the Funds' initial investment in that instrument (in some cases, the potential loss is unlimited); and the risk that a counterparty will not perform its obligations. The Credit Opportunities Fund had futures contracts activity during the year ended December 31, 2017. Realized and unrealized gains and losses are included in the Statements of Operations. The U.S. High Yield Fund and the Low Duration Fund did not have futures contracts activity during the year ended December 31, 2017.

- D. *Forward Foreign Currency Exchange Contracts.* During the period ended December 31, 2017, the Credit Opportunities Fund and the Low Duration Fund entered into transactions to purchase or sell foreign currencies to protect the U.S. dollar value of the underlying non-U.S. portfolio securities against the effect of possible adverse movements in foreign exchange rates. When entering into a forward foreign currency exchange contract, the Funds agree to receive or deliver a fixed quantity of foreign currency for an agreed-upon price on an agreed future date. The unrealized gain or loss on the contracts and the forward rates at the reporting date is included in the Statements of Assets and Liabilities. Realized and unrealized gains and losses are included in the Statements of Operations.
- E. *Foreign Currency.* Foreign currency amounts, other than the cost of investments, are translated into U.S. dollar values based upon the spot exchange rate prior to the close of regular trading. The cost of investments is translated at the rates of exchange prevailing on the dates the portfolio securities were acquired. The Funds include foreign exchange gains and losses from interest receivable and other foreign currency denominated payables and receivables in "Change in net unrealized appreciation/depreciation on foreign currency translation" and "Net realized gain (loss) on foreign currency translation." The Funds do not isolate that portion of realized and unrealized gain (loss) on investments resulting from changes in foreign exchange rates on investments from fluctuations arising from changes in the market price of securities for financial reporting purposes. Fluctuations in foreign

Muzinich Funds

NOTES TO FINANCIAL STATEMENTS December 31, 2017 (Continued)

exchange rates on investments are thus included in “Change in net unrealized appreciation/depreciation on investments” and “Net realized gain (loss) on investments” as shown in the Statements of Operations.

- F. *Federal Income Taxes.* Each Fund has elected to be taxed as a “regulated investment company” and intends to distribute substantially all taxable income to its shareholders and otherwise comply with the provisions of the Internal Revenue Code applicable to regulated investment companies. Therefore, no provision for federal income taxes or excise taxes has been made.

In order to avoid imposition of the excise tax applicable to regulated investment companies, each Fund intends to declare each year as dividends in each calendar year at least 98.0% of its net investment income (earned during the calendar year) and at least 98.2% of its net realized capital gains (earned during the twelve months ended October 31) plus undistributed amounts, if any, from prior years.

Net capital losses incurred after October 31, and within the taxable year, are deemed to arise on the first business day of each Fund’s next taxable year.

As of December 31, 2017, the Credit Opportunities Fund and Low Duration Fund did not have any post-October losses. As of December 31, 2017, the U.S. High Yield Fund deferred, on a tax basis, post-October losses of \$6,714. As of December 31, 2017, the Credit Opportunities Fund and Low Duration Fund deferred, on a tax basis, late year losses of \$2,796,404 and \$9,718,275, respectively.

At December 31, 2017, the Funds did not have any capital loss carryovers.

As of December 31, 2017, the Funds did not have any tax positions that did not meet the “more likely-than-not” threshold of being sustained by the applicable tax authority. Generally, tax authorities can examine all the tax returns filed for the last three years.

The Funds identify their major tax jurisdictions as U.S. Federal and the Commonwealth of Massachusetts; however the Funds are not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will change materially.

- G. *Securities Transactions and Investment Income.* Investment securities transactions are accounted for on the trade date. Gains and losses realized on sales of securities are determined on a specific identification

Muzinich Funds

NOTES TO FINANCIAL STATEMENTS December 31, 2017 (Continued)

basis. Discounts/premiums on debt securities purchased are accreted/amortized over the life of the respective securities using the effective interest method. Dividend income is recorded on the ex-dividend date. Interest income is recorded on an accrual basis. Other non-cash dividends are recognized as investment income at the fair value of the property received. Withholding taxes on foreign dividends have been provided for in accordance with the Trust's understanding of the applicable country's tax rules and rates.

- H. *Distributions to Shareholders.* Distributions to shareholders from net investment income for the Credit Opportunities Fund normally are declared and paid on a quarterly basis. Distributions to shareholders from net investment income for the U.S. High Yield Fund and the Low Duration Fund normally are declared and paid on a monthly basis. Distributions are recorded on the ex-dividend date. Distributions to shareholders from net realized gains for the Funds normally are declared and paid on an annual basis.
- I. *Use of Estimates.* The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Actual results could differ from those estimates.
- J. *Share Valuation.* The net asset value ("NAV") per share of each Fund is calculated by dividing the sum of the value of the securities held by each Fund, plus cash or other assets, minus all liabilities (including estimated accrued expenses) by the total number of shares outstanding for each Fund, rounded to the nearest cent. The Funds' shares will not be priced on the days on which the NYSE is closed for trading. The offering and redemption price per share for each Fund is equal to the each Fund's net asset value per share. The Funds charge a 1% redemption fee on shares held less than 90 days. The fee is deducted from the redemption proceeds otherwise payable to the shareholder. The Funds will retain the fee charged as paid-in capital and such fees become part of that Funds' daily NAV calculation.
- K. *Guarantees and Indemnifications.* In the normal course of business, the Funds enter into contracts with service providers that contain general indemnification clauses. The Funds' maximum exposure under these arrangements is unknown as this would involve future claims that may

Muzinich Funds

NOTES TO FINANCIAL STATEMENTS December 31, 2017 (Continued)

be made against the Funds that have not yet occurred. However, based on experience, the Funds expect the risk of loss to be remote.

- L. *Illiquid Securities.* A security may be considered illiquid if it lacks a readily available market. Securities are generally considered liquid if they can be sold or disposed of in the ordinary course of business within seven days at approximately the price at which the security is valued by the Funds. Illiquid securities may be valued under methods approved by the Valuation Committee as reflecting fair value. Each Fund intends to invest no more than 15% of its net assets in illiquid securities.
- M. *Variable and Floating Rate Securities.* The Funds may invest in variable and floating rate securities. Fixed income securities that have variable or floating rates of interest may, under certain limited circumstances, have varying principal amounts. These securities pay interest at rates that are adjusted periodically according to a specified formula, usually with reference to one or more interest rate indices or market interest rates (the “underlying index”). The interest paid on these securities is a function primarily of the underlying index upon which the interest rate adjustments are based. These adjustments minimize changes in the market value of the obligation. Similar to fixed rate debt instruments, variable and floating rate instruments are subject to changes in value based on changes in market interest rates or changes in the issuer’s creditworthiness. The rate of interest on securities may be tied to U.S. Government Securities or indices on those securities as well as any other rate of interest or index.

Variable and floating rate demand notes of corporations are redeemable upon a specified period of notice. These obligations include master demand notes that permit investment of fluctuating amounts at varying interest rates under direct arrangements with the issuer of the instrument. The issuer of these obligations often has the right, after a given period, to prepay the outstanding principal amount of the obligations upon a specified number of days’ notice.

Certain securities may have an initial principal amount that varies over time based on an interest rate index, and, accordingly, a Fund might be entitled to less than the initial principal amount of the security upon the security’s maturity. A Fund intends to purchase these securities only when the Advisor believes the interest income from the instrument justifies any principal risks associated with the instrument. The Advisor may attempt to limit any potential loss of principal by purchasing similar

Muzinich Funds

NOTES TO FINANCIAL STATEMENTS December 31, 2017 (Continued)

instruments that are intended to provide an offsetting increase in principal. There can be no assurance that the Advisor will be able to limit the effects of principal fluctuations and, accordingly, a Fund may incur losses on those securities even if held to maturity without issuer default.

- N. *When-Issued Securities and Forward Commitments.* The Funds may purchase securities offered on a “when-issued” and “forward commitment” basis (including a delayed delivery basis). Securities purchased on a “when-issued” or “forward commitment basis” are securities not available for immediate delivery despite the fact that a market exists for those securities. A purchase is made on a “delayed delivery” basis when the transaction is structured to occur sometime in the future.

When these transactions are negotiated, the price, which is generally expressed in yield terms, is fixed at the time the commitment is made, but delivery and payment for the securities take place at a later date. Normally, the settlement date occurs within two months after the transaction, but delayed settlements beyond two months may be negotiated. During the period between a commitment and settlement, no payment is made for the securities purchased by the purchaser and, thus, no interest accrues to the purchaser from the transaction. At the time a Fund makes the commitment to purchase securities on a when-issued basis or forward commitment, the Fund will record the transaction as a purchase and thereafter reflect the value each day of such securities in determining its NAV. No when-issued or forward commitments will be made by a Fund if, as a result, more than 5% of the Fund’s total assets would be committed to such transactions.

- O. *Offsetting Agreements.* The Funds are subject to various netting arrangements, which govern the terms of certain transactions with counterparties. The arrangements allow the Funds to close out and net its total exposure to a counterparty in the event of a default with respect to all transactions governed under a single agreement with a counterparty.

Muzinich Funds

NOTES TO FINANCIAL STATEMENTS December 31, 2017 (Continued)

The following table presents derivative financial instruments that are subject to enforceable netting arrangements, collateral arrangements or other similar agreements as of December 31, 2017:

Credit Opportunities Fund

Description	Gross Amounts	Gross Amounts Offset in the Statements of Assets & Liabilities	Net Amounts Presented in the Statements of Assets & Liabilities	Financial Instruments	Cash Collateral Pledged (Received)	Net Amount
Assets						
Forward foreign currency contracts	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Liabilities						
Forward foreign currency contracts	1,961,797	—	1,961,797	—	—	1,961,797
Total	<u>\$1,961,797</u>	<u>\$ —</u>	<u>\$1,961,797</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$1,961,797</u>

Low Duration Fund

Description	Gross Amounts	Gross Amounts Offset in the Statements of Assets & Liabilities	Net Amounts Presented in the Statements of Assets & Liabilities	Financial Instruments	Cash Collateral Pledged (Received)	Net Amount
Assets						
Forward foreign currency contracts	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Liabilities						
Forward foreign currency contracts	7,685,433	—	7,685,433	—	—	7,685,433
Total	<u>\$7,685,433</u>	<u>\$ —</u>	<u>\$7,685,433</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$7,685,433</u>

P. *Reclassification of Capital Accounts.* U.S. GAAP requires that certain components of net assets relating to permanent differences be reclassified between financial and tax reporting. These reclassifications have no effect on net assets or net asset value per share. These

Muzinich Funds

NOTES TO FINANCIAL STATEMENTS December 31, 2017 (Continued)

differences are primarily due to the tax treatment of foreign currency, forward foreign currency exchange contracts and interest on swap contracts. For the year ended December 31, 2017, the following adjustments were made.

	<u>Undistributed Net Investment Income/Loss</u>	<u>Accumulated Net Realized Gain/(Loss)</u>	<u>Paid-In Capital</u>
Credit Opportunities Fund	\$(2,666,439)	\$2,666,439	\$ —
U.S. High Yield Fund	3,611	(4,807)	1,196
Low Duration Fund	(7,285,397)	7,285,397	—

Q. *Subsequent Events.* In preparing these financial statements, the Funds have evaluated events and transactions for potential recognition or disclosure through the date the financial statements were issued. The Funds have determined that there were no subsequent events that would need to be disclosed in the Funds' financial statements.

NOTE 3 – COMMITMENTS AND OTHER RELATED PARTY TRANSACTIONS

Muzinich & Co., Inc. (the "Advisor") provides the Funds with investment management services under an Investment Advisory Agreement (the "Agreement"). Under the Agreement, the Advisor furnishes all investment advice, office space, facilities, and most of the personnel needed by each Fund. As compensation for its services, the Advisor is entitled to receive a monthly fee. For the Credit Opportunities Fund the Advisor is entitled to a monthly fee at the annual rate of 0.60% based upon the average daily net assets of the Fund. For the U.S. High Yield Fund the Advisor is entitled to a monthly fee at the annual rate of 0.55% based upon the average daily net assets of the Fund. For the Low Duration Fund the Advisor is entitled to a monthly fee at the annual rate of 0.45% based upon the average daily net assets of the Fund. The amount of investment advisory fees incurred by the Funds for the year ended December 31, 2017, is disclosed in the Statements of Operations. The investment advisory fees incurred are paid monthly to the Advisor, net of any monthly waiver or reimbursement discussed below.

The Advisor has contractually agreed to waive its fees and reimburse certain expenses (excluding taxes, leverage interest, portfolio transaction expenses, acquired fund fees and expenses, and extraordinary expenses) to limit total expenses for Class A Shares, Institutional Shares, and Supra Institutional Shares to 0.95%, 0.70% and 0.60%, respectively, of the Credit Opportunities Fund's average daily net assets, 0.93%, 0.68% and 0.58%, respectively for the U.S. High Yield Fund, and 0.85%, 0.60%, and 0.50%, respectively for the Low

Muzinich Funds

NOTES TO FINANCIAL STATEMENTS December 31, 2017 (Continued)

Duration Fund. The amount of fees waived and expenses absorbed by the Advisor during the period ended December 31, 2017, are disclosed in the Statements of Operations.

The Advisor is permitted to seek reimbursement from each Fund, subject to limitations for fees waived and/or Fund expenses it pays over the following three years after payment. At December 31, 2017, the remaining cumulative unreimbursed amounts paid and/or waived by the Advisor on behalf of the Funds that may be recouped are shown in the table below. The Advisor may recapture a portion of the unreimbursed amounts no later than the date stated.

Credit Opportunities Fund

<u>Expiration</u>	<u>Amount</u>
December 31, 2018	\$ 354,662
December 31, 2019	498,503
December 31, 2020	770,603
Total	<u>\$1,623,768</u>

U.S. High Yield Fund

<u>Expiration</u>	<u>Amount</u>
December 31, 2019	\$ 145,340
December 31, 2020	282,569
Total	<u>\$ 479,909</u>

Low Duration Fund

<u>Expiration</u>	<u>Amount</u>
December 31, 2019	\$ 178,907
December 31, 2020	887,946
Total	<u>\$1,066,853</u>

The Funds must pay its current ordinary operating expenses before the Advisor is entitled to any reimbursement of fees and/or expenses. A reimbursement may be requested if the aggregate amount actually paid by the Fund toward operating expenses for the period (taking into account any reimbursement) does not exceed the lesser of the expense limitations in place at the time of waiver or at the time of reimbursement. Any such reimbursement is also contingent upon the Board of Trustee's review and approval.

U.S. Bancorp Fund Services, LLC ("USBFS"), an indirect wholly-owned subsidiary of U.S. Bancorp, serves as the Funds' administrator, fund accountant, and transfer agent. In those capacities USBFS maintains the Funds' books and records, calculates the Funds' NAV, prepares various federal and

Muzinich Funds

NOTES TO FINANCIAL STATEMENTS December 31, 2017 (Continued)

state regulatory filings, coordinates the payment of fund expenses, reviews expense accruals, and prepares materials supplied to the Board of Trustees. The officers of the Trust and the Chief Compliance Officer are also employees of USBFS. Fees paid by the Funds to USBFS for these services for the year ended December 31, 2017, are disclosed in the Statements of Operations.

Quasar Distributors, LLC (the “Distributor”) acts as the Funds’ principal underwriter in a continuous public offering of the Funds’ shares. U.S. Bank N.A. (the “Custodian”) serves as custodian to the Funds. Both the Distributor and Custodian are affiliates of USBFS.

Pursuant to a Shareholder Service Plan (the “Plan”) adopted by the Trust and established by the Funds with respect to the Class A shares and Institutional Class shares of the Funds, the Advisor is authorized to provide, or arrange for others to provide, personal shareholder services relating to the servicing and maintenance of shareholder accounts not otherwise provided to the Funds (“Shareholder Servicing Activities”). Under the Plan, the Advisor may enter into shareholder service agreements with securities broker-dealers and other securities professionals (“Service Organizations”) who provide Shareholder Servicing Activities for their clients invested in the Funds. The shareholder servicing fees incurred by the Funds for the year ended December 31, 2017 are disclosed in the Statement of Operations.

NOTE 4 – PURCHASES AND SALES OF SECURITIES

For the year ended December 31, 2017, the cost of purchases and proceeds from the sales and maturities of securities, excluding short-term investments, were as follows:

	<u>Purchases</u>	<u>Sales</u>
Credit Opportunities Fund	\$544,991,436	\$414,156,515
U.S. High Yield Fund	70,726,406	131,577,021
Low Duration Fund	645,078,911	233,642,397

For the year ended December 31, 2017, the cost of purchases and proceeds from the sales of long-term U.S. Government obligations included in the paragraph above, were as follows:

	<u>Purchases</u>	<u>Sales</u>
Credit Opportunities Fund	\$69,315,020	\$62,017,063

As of December 31, 2017, there were no purchases or sales of U.S. Government securities for U.S. High Yield Fund or Low Duration Fund.

Muzinich Funds

NOTES TO FINANCIAL STATEMENTS December 31, 2017 (Continued)

NOTE 5 – DISTRIBUTIONS TO SHAREHOLDERS

The tax character of distributions paid during the year ended December 31, 2017, and the year ended December 31, 2016, was as follows:

	Ordinary Income	
	December 31, 2017	December 31, 2016
Credit Opportunities Fund	\$9,214,713	\$9,049,168
U.S. High Yield Fund	4,310,722	718,026
Low Duration Fund	5,158,784	740,862
	Long-Term Capital Gains*	
	December 31, 2017	December 31, 2016
Credit Opportunities Fund	\$319,982	\$ —
U.S. High Yield Fund	126,600	—
Low Duration Fund	2,401	—

* Designated as long-term capital gain dividend, pursuant to Internal Revenue Code Section 852 (b)(3).

Distribution classifications may differ from the Statements of Changes in Net Assets as a result of the treatment of short-term capital gains as ordinary income for tax purposes.

The cost basis of investments for federal income tax purposes at December 31, 2017, was as follows:

	Credit Opportunities Fund	U.S. High Yield Fund	Low Duration Fund
Cost of investments	<u>\$368,009,487</u>	<u>\$22,134,760</u>	<u>\$651,545,821</u>
Gross tax unrealized appreciation	8,343,546	430,165	22,418,884
Gross tax unrealized depreciation	<u>(1,258,714)</u>	<u>(231,858)</u>	<u>(2,119,817)</u>
Net tax unrealized appreciation	<u>7,084,832</u>	<u>198,307</u>	<u>20,299,067</u>
Undistributed ordinary income	1,055,123	1,260,864	37,376
Undistributed long-term capital gain	<u>240,682</u>	<u>—</u>	<u>266,928</u>
Total distributable earnings	<u>1,295,805</u>	<u>1,260,864</u>	<u>304,304</u>
Other accumulated loss	<u>(3,319,099)</u>	<u>(1,267,578)</u>	<u>(9,381,817)</u>
Total accumulated earnings	<u>\$ 5,061,538</u>	<u>\$ 191,593</u>	<u>\$ 11,221,554</u>

Muzinich Funds

NOTES TO FINANCIAL STATEMENTS December 31, 2017 (Continued)

The difference between components of distributable earnings on a tax basis and the amounts reflected in the Statements of Assets and Liabilities are primarily due to the tax treatment of foreign currency contracts, capital loss carryovers, and wash sales.

NOTE 6 – CREDIT FACILITY

U.S. Bank N.A. (the “Bank”) has made available to the Funds a credit facility pursuant to a separate Loan and Security Agreement for temporary or extraordinary purposes. Credit facility details for the year ended December 31, 2017, are as follows:

Credit Opportunities Fund

Maximum available credit	\$20,000,000
Largest amount outstanding on an individual day	—
Average daily loan outstanding	—
Credit facility outstanding as of December 31, 2017	—
Average interest rate	—

U.S. High Yield Fund

Maximum available credit	\$4,000,000
Largest amount outstanding on an individual day	904,000
Average daily loan outstanding	2,863.01
Interest expense	123.37
Credit facility outstanding as of December 31, 2017	—
Average interest rate	4.25%

Low Duration Fund

Maximum available credit	\$50,000,000
Largest amount outstanding on an individual day	—
Average daily loan outstanding	—
Credit facility outstanding as of December 31, 2017	—
Average interest rate	—

Muzinich Funds

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders of the Muzinich Funds and Board of Directors of Professionally Managed Portfolios

Opinion on the Financial Statements

We have audited the accompanying statements of assets and liabilities of Muzinich Credit Opportunities Fund, Muzinich U.S. High Yield Corporate Bond Fund, and Muzinich Low Duration Fund (the “Funds”), each a series of Professionally Managed Portfolios (the “Trust”), including the schedule of investments, as of December 31, 2017, the related statement of operations for the year then ended, and with respect to Muzinich Credit Opportunities Fund, the statements of changes in net assets for each of the two years in the period then ended and the financial highlights for each of the four years in the period then ended and for the period January 3, 2013 (commencement of operations) to December 31, 2013, and with respect to Muzinich U.S. High Yield Corporate Bond Fund, the statements of changes in net assets and the financial highlights for the year then ended and the period March 31, 2016 (commencement of operations) to December 31, 2016, and with respect to Muzinich Low Duration Fund, the statements of changes in net assets and the financial highlights for the year then ended and for the period June 30, 2016 (commencement of operations) to December 31, 2016, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Funds as of December 31, 2017, the results of their operations for the year then ended, the changes in their net assets and their financial highlights for each of the periods stated above, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Funds’ management. Our responsibility is to express an opinion on the Funds’ financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Funds in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB. We have served as the auditor of one or more of the funds in the Trust since 1995.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Funds are not required to have, nor were we engaged to perform, an audit of the Funds’ internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Funds’ internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of December 31, 2017 by correspondence with the custodian, agent banks and brokers; when replies were not received, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

TAIT, WELLER & BAKER LLP

Philadelphia, Pennsylvania
March 1, 2018

Muzinich Funds

EXPENSE EXAMPLES For the Six Months Ended December 31, 2017 (Unaudited)

As a shareholder of the Funds, you incur two types of costs: (1) transaction costs, including sales charges (loads) on purchase payments and (2) ongoing costs, including investment advisory fees distribution (12b-1) and service fees and other Fund expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in the Funds and to compare these costs with the ongoing costs of investing in other mutual funds. The example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period (7/1/17 – 12/31/17).

Actual Expenses

The first line of the following tables provide information about actual account values based on actual returns and actual expenses. You will be assessed fees for outgoing wire transfers, returned checks and stop payment orders at prevailing rates charged by U.S. Bancorp Fund Services, LLC, the Funds' transfer agent. The Funds charge a redemption fee equal to 1% of the net amount of the redemption if you redeem your shares less than 90 days after you purchase them. If you request that a redemption be made by wire transfer, the Fund's transfer agent currently charges a \$15.00 fee. To the extent the Funds invest in shares of other investment companies as part of its investment strategy, you will indirectly bear your proportionate share of any fees and expenses charged by the underlying funds in which the Funds invest in addition to the expenses of the Funds. Actual expenses of the underlying funds may vary. These expenses are not included in the following examples. The examples include, but are not limited to, investment advisory fees, distribution expenses, shareholder servicing fees, fund accounting fees, custody fees and transfer agent fees. However, the examples do not include portfolio trading commissions and related expenses and other extraordinary expenses as determined under generally accepted accounting principles. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled "Expenses Paid During the Period" to estimate the expenses you paid on your account during this period.

Hypothetical Example for Comparison Purposes

The second line of the tables provide information about hypothetical account values and hypothetical expenses based on the Funds' actual expense ratios and an assumed rate of return of 5% per year before expenses, which is not the Funds' actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid

Muzinich Funds

EXPENSE EXAMPLES For the Six Months Ended December 31, 2017 (Unaudited) (Continued)

for the period. You may use this information to compare the ongoing costs of investing in the Funds and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds. Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as sales charges (loads), redemption fees or exchange fees. Therefore, the second line of the table is useful in comparing ongoing costs only and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

Credit Opportunities Fund

	Beginning Account Value 7/1/17	Ending Account Value 12/31/17	Expenses Paid During the Period 7/1/17 – 12/31/17*
Class A			
Actual	\$1,000.00	\$1,017.20	\$4.78
Hypothetical (5% annual return before taxes)	\$1,000.00	\$1,020.47	\$4.79
	Beginning Account Value 7/1/17	Ending Account Value 12/31/17	Expenses Paid During the Period 7/1/17 – 12/31/17*
Supra Institutional Class			
Actual	\$1,000.00	\$1,019.40	\$3.05
Hypothetical (5% annual return before taxes)	\$1,000.00	\$1,022.18	\$3.06
	Beginning Account Value 7/1/17	Ending Account Value 12/31/17	Expenses Paid During the Period 7/1/17 – 12/31/17*
Institutional Class			
Actual	\$1,000.00	\$1,019.20	\$3.31
Hypothetical (5% annual return before taxes)	\$1,000.00	\$1,021.93	\$3.31

* Expenses are equal to the annualized net expense ratio for the most recent six-month period. The annualized six-month expense ratios for Class A, Supra Institutional and Institutional Class shares were 0.94%, 0.60% and 0.65% (reflecting fee waivers in effect), respectively, multiplied by the average account value over the period multiplied by 184/365 (to reflect the one half-year period).

Muzinich Funds

EXPENSE EXAMPLES For the Six Months Ended December 31, 2017 (Unaudited) (Continued)

U.S. High Yield Fund

	Beginning Account Value 7/1/17	Ending Account Value 12/31/17	Expenses Paid During the Period 7/1/17 – 12/31/17**
Supra Institutional Class			
Actual	\$1,000.00	\$1,019.50	\$2.95
Hypothetical (5% annual return before taxes)	\$1,000.00	\$1,022.28	\$2.96
	Beginning Account Value 7/1/17	Ending Account Value 12/31/17	Expenses Paid During the Period 7/1/17 – 12/31/17**
Institutional Class			
Actual	\$1,000.00	\$1,021.00	\$3.46
Hypothetical (5% annual return before taxes)	\$1,000.00	\$1,021.78	\$3.47

Low Duration Fund

	Beginning Account Value 7/1/17	Ending Account Value 12/31/17	Expenses Paid During the Period 7/1/17 – 12/31/17***
Supra Institutional Class			
Actual	\$1,000.00	\$1,017.90	\$2.54
Hypothetical (5% annual return before taxes)	\$1,000.00	\$1,022.68	\$2.55

** Expenses are equal to the annualized net expense ratio for the most recent six-month period. The annualized six-month expense ratios for Supra Institutional and Institutional Class shares were 0.58% and 0.68% (reflecting fee waivers in effect), respectively, multiplied by the average account value over the period multiplied by 184/365 (to reflect the one half-year period).

*** Expenses are equal to the annualized net expense ratio for the most recent six-month period. The annualized six-month expense ratio for Supra Institutional Class shares was 0.50% (reflecting fee waivers in effect), multiplied by the average account value over the period multiplied by 184/365 (to reflect the one half-year period).

Muzinich Funds

APPROVAL OF INVESTMENT ADVISORY AGREEMENT (Unaudited)

MUZINICH CREDIT OPPORTUNITIES FUND MUZINICH U.S. HIGH YIELD CORPORATE BOND FUND MUZINICH LOW DURATION FUND

At a meeting held on August 22, 2017, the Board (which is comprised of five persons, all of whom are Independent Trustees as defined under the Investment Company Act) considered and approved the continuance of the Investment Advisory Agreement (the “Advisory Agreement”) between Professionally Managed Portfolios (the “Trust”) and Muzinich and Co., Inc. (the “Advisor”) for the Muzinich Credit Opportunities Fund, the Muzinich U.S. High Yield Corporate Bond Fund and the Muzinich Low Duration Fund (the “Funds”). At this meeting and at a prior meeting held on May 25, 2017, the Board received and reviewed substantial information regarding the Funds, the Advisor and the services provided by the Advisor to the Funds under the Advisory Agreement. This information, together with the information provided to the Board throughout the course of the year, formed the primary (but not exclusive) basis for the Board’s determinations. Below is a summary of the factors considered by the Board and the conclusions that formed the basis for the Board’s approval of the continuance of the Advisory Agreement:

- 1. The nature, extent and quality of the services provided and to be provided by the Advisor under the Advisory Agreement.** The Trustees considered the nature, extent and quality of the Advisor’s overall services provided to the Funds as well as its specific responsibilities in all aspects of day-to-day investment management of the Funds. The Board considered the qualifications, experience and responsibilities of the portfolio managers, as well as the responsibilities of other key personnel of the Advisor involved in the day-to-day activities of the Funds. The Board also considered the resources and compliance structure of the Advisor, including information regarding its compliance program, its chief compliance officer and the Advisor’s compliance record, as well as the Advisor’s cybersecurity program and business continuity plan. The Board also considered the prior relationship between the Advisor and the Trust, as well as the Board’s knowledge of the Advisor’s operations, and noted that during the course of the prior year they had met with the Advisor in person to discuss fund performance and investment outlook, as well as, various marketing and compliance topics, including the Advisor’s risk management process. The Board concluded that the Advisor had the quality and depth of personnel, resources, investment methods and compliance policies and procedures essential to performing its duties

Muzinich Funds

APPROVAL OF INVESTMENT ADVISORY AGREEMENT (Unaudited) (Continued)

under the Advisory Agreement and that the nature, overall quality and extent of such management services are satisfactory.

- 2. The Funds' historical performance and the overall performance of the Advisor.** In assessing the quality of the portfolio management delivered by the Advisor, the Board reviewed the performance of each Fund on both an absolute basis, and in comparison to its peer funds utilizing Morningstar classifications and appropriate securities benchmarks, all for periods ended March 31, 2017. While the Board considered both short-term and long-term performance, it placed greater emphasis on longer term performance. When reviewing each Fund's performance against its comparative peer group universe, the Board took into account that the investment objective and strategies of each Fund, as well as its level of risk tolerance, may differ significantly from funds in the peer universe.

For the Muzinich Credit Opportunities Fund, the Board noted that the Fund underperformed its peer group median for the one-year period and outperformed its peer group median for the three-year period. The Board also considered the underperformance of the Fund against its broad-based securities market benchmark for the one-year and three-year periods. The Board noted that the Fund outperformed the Advisor's similarly managed account composite for the one-year and three-year periods ended March 31, 2017.

For the Muzinich U.S. High Yield Corporate Bond Fund, the Board noted the Fund underperformed its peer group median for the one-year period. The Board noted that the Fund underperformed its broad-based securities market benchmark for the one-year period. The Board also noted that the Fund underperformed the Advisor's similarly managed account composite for the one-year period ended March 31, 2017.

For the Muzinich Low Duration Fund, which commenced operations on June 30, 2016, the Board noted the Fund's short period of operations.

- 3. The costs of the services provided by the Advisor and the structure of the Advisor's fees under the Advisory Agreement.** In considering the advisory fee and total fees and expenses of each Fund, the Board reviewed comparisons to the peer funds and similarly managed accounts for other types of clients advised by the Advisor, as well as all expense waivers and reimbursements. When reviewing fees charged to other similarly managed accounts, the Board took into account the type of account and the differences in the management of that account that

Muzinich Funds

APPROVAL OF INVESTMENT ADVISORY AGREEMENT (Unaudited) (Continued)

might be germane to the difference, if any, in the fees charged to such accounts. The Trustees found that the fees charged to each Fund were generally in line with the fees charged by the Advisor to its similarly managed separate account clients and UCITS funds and that where there are differences it is due to a number of factors.

For the Muzinich Credit Opportunities Fund, the Board noted that the Advisor had contractually agreed to maintain an annual expense ratio of 0.95%, 0.70% and 0.60% for the Fund's Class A Shares, Institutional Shares and Supra Institutional Shares, respectively (the "Expense Caps"). The Board noted that the Fund's advisory fee was slightly higher than its peer group median and average. The Board also noted the net expense ratio (less Rule 12b-1 fees) was among the lowest of its peer group median and average. The Board concluded that the fees paid to the Advisor were fair and reasonable in light of the comparative performance and advisory fee information.

For the Muzinich U.S. High Yield Corporate Bond Fund, the Board noted that the Advisor had contractually agreed to maintain an annual expense ratio of 0.93%, 0.68% and 0.58% for the Fund's Class A Shares, Institutional Shares and Supra Institutional Shares, respectively (the "Expense Caps"). The Trustees also noted that the advisory fee and net expense ratio (less Rule 12b-1 fees) were lower than its peer group median and average. The Board concluded that the fees paid to the Advisor were fair and reasonable in light of the comparative performance and advisory fee information.

For the Muzinich Low Duration Fund, the Board noted that the Advisor had contractually agreed to maintain an annual expense ratio of 0.85%, 0.60% and 0.50% for the Fund's Class A Shares, Institutional Shares and Supra Institutional Shares, respectively (the "Expense Caps"). The Trustees also noted that the advisory fee and net expense ratio (less Rule 12b-1 fees) were lower than its peer group median and average. The Board concluded that the fees paid to the Advisor were fair and reasonable.

- 4. Economies of Scale.** The Board also considered whether economies of scale were being realized by the Advisor that should be shared with shareholders. The Board noted that the Advisor has contractually agreed to reduce its advisory fees or reimburse Fund expenses so that each Fund does not exceed its specified Expense Caps. The Board noted that at current asset levels, it did not appear that there were

Muzinich Funds

APPROVAL OF INVESTMENT ADVISORY AGREEMENT (Unaudited) (Continued)

additional significant economies of scale being realized by the Advisor that should be shared with shareholders and concluded that it would continue to monitor economies of scale in the future as circumstances changed and assuming asset levels continued to increase.

- 5. The profits to be realized by the Advisor and its affiliates from their relationship with the Funds.** The Board reviewed the Advisor's financial information and took into account both the direct benefits and the indirect benefits to the Advisor from advising the Funds. The Board considered the profitability to the Advisor from its relationship with the Funds and considered any additional benefits derived by the Advisor from its relationship with the Funds, including Rule 12b-1 distribution fees for Class A Shares of the Muzinich Credit Opportunities Fund and particularly benefits to be received in exchange for shareholder servicing fees paid to the Advisor. The Board also reviewed information regarding fee offsets for separate accounts invested in the Funds and determined that the Advisor was not receiving an advisory fee both at the separate account and at the Fund level for these accounts, and as a result was not receiving additional fall-out benefits from these relationships. After such review, the Board determined that the profitability to the Advisor with respect to the Advisory Agreement was not excessive, and that the Advisor had maintained adequate profit levels to support the services it provides to the Funds.

No single factor was determinative of the Board's decision to approve the continuance of the Advisory Agreement, but rather the Board based its determination on the total combination of information available to them. Based on a consideration of all the factors in their totality, the Board determined that the advisory arrangements with the Advisor, including the advisory fee, were fair and reasonable. The Board therefore determined that the continuance of the Advisory Agreement would be in the best interests of the Funds and their shareholders.

Muzinich Funds

TRUSTEES AND EXECUTIVE OFFICERS

The Board is responsible for the overall management of the Trust, including general supervision and review of the investment activities of the Fund. The Board, in turn, elects the officers of the Trust, who are responsible for the day-to-day operations of the Trust and its separate series. The current Trustees and executive officers of the Trust, their birth dates, positions with the Trust, terms of office with the Trust and length of time served, their principal occupations during the past five years and other directorships are set forth in the table below.

<u>Name, Address And Age</u>	<u>Position with the Trust⁽¹⁾</u>	<u>Term of Office and Length of Time Served</u>	<u>Principal Occupation During Past Five Years</u>	<u>Number of Portfolios in Fund Complex⁽²⁾ Overseen by Trustees</u>	<u>Other Directorships Held During the Past Five Years</u>
Independent Trustees of the Trust⁽¹⁾					
Dorothy A. Berry (born 1943) c/o U.S. Bancorp Fund Services, LLC 2020 E. Financial Way Suite 100 Glendora, CA 91741	Chairman and Trustee	Indefinite Term; Since May 1991.	Formerly, President, Talon Industries, Inc. (business consulting); formerly, Executive Vice President and Chief Operating Officer, Integrated Asset Management (investment adviser and manager) and formerly, President, Value Line, Inc. (investment advisory and financial publishing firm).	3	Director, PNC Funds (34 series), PNC Advantage Funds (1 series).
Wallace L. Cook (born 1939) c/o U.S. Bancorp Fund Services, LLC 2020 E. Financial Way Suite 100 Glendora, CA 91741	Trustee	Indefinite Term; Since May 1991.	Investment Consultant; formerly, Chief Executive Officer, Rockefeller Trust Co., (prior thereto Senior Vice President), and Managing Director, Rockefeller & Co. (Investment Manager and Financial Advisor); formerly, Senior Vice President, Norton Simon, Inc. (international consumer products conglomerate.)	3	Trustee, The Dana Foundation.

Muzinich Funds

TRUSTEES AND EXECUTIVE OFFICERS (Continued)

<u>Name, Address And Age</u>	<u>Position with the Trust⁽¹⁾</u>	<u>Term of Office and Length of Time Served</u>	<u>Principal Occupation During Past Five Years</u>	<u>Number of Portfolios in Fund Complex⁽²⁾ Overseen by Trustees</u>	<u>Other Directorships Held During the Past Five Years</u>
Eric W. Falkeis (born 1973) c/o U.S. Bancorp Fund Services, LLC 2020 E. Financial Way Suite 100 Glendora, CA 91741	Trustee	Indefinite Term; Since September 2011.	Chief Operating Officer, Direxion Funds since 2013; formerly, Senior Vice President and Chief Financial Officer (and other positions), U.S. Bancorp Fund Services, LLC 1997-2013.	3	Interested Trustee, Direxion Funds (24 series), Direxion Shares ETF Trust (142 series) and Direxion Insurance Trust.
Carl A. Froebel (born 1938) c/o U.S. Bancorp Fund Services, LLC 2020 E. Financial Way Suite 100 Glendora, CA 91741	Trustee	Indefinite Term; Since May 1991.	Formerly, President and Founder, National Investor Data Services, Inc. (investment related computer software).	3	None.
Steven J. Paggioli (born 1950) c/o U.S. Bancorp Fund Services, LLC 2020 E. Financial Way Suite 100 Glendora, CA 91741	Trustee	Indefinite Term; Since May 1991.	Consultant, since July 2001; formerly, Executive Vice President, Investment Company Administration, LLC (mutual fund administrator).	3	Independent Trustee, AMG Funds (67 series); Advisory Board Member, Sustainable Growth Advisers, LP; Independent Director, Chase Investment Counsel.

Muzinich Funds

TRUSTEES AND EXECUTIVE OFFICERS (Continued)

<u>Name, Address And Age</u>	<u>Position with the Trust⁽¹⁾</u>	<u>Term of Office and Length of Time Served</u>	<u>Principal Occupation During Past Five Years</u>	<u>Number of Portfolios in Fund Complex⁽²⁾ Overseen by Trustees</u>	<u>Other Directorships Held During the Past Five Years</u>
Officers of the Trust					
Elaine E. Richards (born 1968) c/o U.S. Bancorp Fund Services, LLC 2020 E. Financial Way Suite 100 Glendora, CA 91741	President	Indefinite Term; Since March 2013.	Vice President and Legal Compliance Officer, U.S. Bancorp Fund Services, LLC, since July 2007.	Not Applicable.	Not Applicable.
	Secretary	Indefinite Term; Since February 2008.			
Aaron J. Perkovich (born 1973) c/o U.S. Bancorp Fund Services, LLC 615 East Michigan St. Milwaukee, WI 53202	Vice President	Indefinite Term; Since March 2017.	Vice President, U.S. Bancorp Fund Services, LLC, since June 2006.	Not Applicable.	Not Applicable.
	Treasurer	Indefinite Term; Since August 2016.			
Melissa Breitzman (born 1983) c/o U.S. Bancorp Fund Services, LLC 615 East Michigan St. Milwaukee, WI 53202	Assistant Treasurer	Indefinite Term; Since August 2016.	Assistant Vice President, U.S. Bancorp Fund Services, LLC since June 2005.	Not Applicable.	Not Applicable.
	Assistant Treasurer	Indefinite Term; Since August 2016.	Assistant Vice President, U.S. Bancorp Fund Services, LLC since November 2007.	Not Applicable.	Not Applicable.
Craig Benton (born 1985) c/o U.S. Bancorp Fund Services, LLC 615 East Michigan St. Milwaukee, WI 53202	Assistant Treasurer	Indefinite Term; Since August 2016.	Assistant Vice President, U.S. Bancorp Fund Services, LLC since November 2007.	Not Applicable.	Not Applicable.
	Assistant Treasurer	Indefinite Term; Since August 2017.	Assistant Vice President, U.S. Bancorp Fund Services, LLC since October 2006.	Not Applicable.	Not Applicable.

Muzinich Funds

TRUSTEES AND EXECUTIVE OFFICERS (Continued)

<u>Name, Address And Age</u>	<u>Position with the Trust⁽¹⁾</u>	<u>Term of Office and Length of Time Served</u>	<u>Principal Occupation During Past Five Years</u>	<u>Number of Portfolios in Fund Complex⁽²⁾ Overseen by Trustees</u>	<u>Other Directorships Held During the Past Five Years</u>
Donna Barrette (born 1966) c/o U.S. Bancorp Fund Services, LLC 615 East Michigan St. Milwaukee, WI 53202	Chief Compli- ance Officer Anti- Money Laun- dering Officer Vice President	Indefinite Term; Since July 2011. Indefinite Term; Since July 2011. Indefinite Term; Since July 2011.	Senior Vice President and Compliance Officer, U.S. Bancorp Fund Services, LLC since August 2004.	Not Applicable.	Not Applicable.

- (1) All Trustees of the Trust are not “interested persons” of the Trust as defined under the 1940 Act (“Independent Trustees”)
- (2) The Trust is comprised of numerous series managed by unaffiliated investment advisers. The term “Fund Complex” applies only to the Funds. The Funds do not hold themselves out as related to any other series within the Trust for purposes of investment and investor services, nor do they share the same investment advisor with any other series.

Muzinich Funds

QUALIFIED DIVIDEND INCOME/DIVIDENDS RECEIVED DEDUCTION (Unaudited)

For the fiscal year ended December 31, 2017, certain dividends paid by the Funds may be subject to a maximum tax rate of 23.8%, as provided for by the Jobs and Growth Tax Relief Reconciliation Act of 2012.

The percentage of dividends declared from ordinary income designated as qualified dividend income was as follows:

Credit Opportunities Fund	0.00%
U.S. High Yield Fund	0.00%
Low Duration Fund	0.00%

Dividends received deduction for the fiscal year ended December 31, 2017 was as follows:

Credit Opportunities Fund	0.00%
U.S. High Yield Fund	0.00%
Low Duration Fund	0.00%

The percentage of taxable ordinary income distributions that are designated as short-term capital gain distributions under Internal Revenue Section 871(k)(2)(C) for each Fund were as follows (unaudited).

Credit Opportunities Fund	7.85%
U.S. High Yield Fund	44.55%
Low Duration Fund	11.91%

INFORMATION ABOUT PROXY VOTING (Unaudited)

A description of the policies and procedures that the Funds use to determine how to vote proxies relating to portfolio securities is available upon request without charge, by calling 1-855-MUZINICH (1-855-689-4642) or by accessing the Funds' web site at www.muzinichusfunds.com. Furthermore, you can obtain the description on the SEC's web site at www.sec.gov.

Information regarding how the Funds voted proxies relating to portfolio securities during the most recent 12 months ended June 30 is available upon request without charge by calling 1-855-MUZINICH (1-855-689-4642) or by accessing the SEC's web site at www.sec.gov.

Muzinich Funds

INFORMATION ABOUT THE PORTFOLIO HOLDINGS (Unaudited)

The Funds file their complete schedule of portfolio holdings for their first and third fiscal quarters with the SEC on Form N-Q. The Funds' Form N-Q may be reviewed and copied at the SEC's Public Reference Room in Washington D.C. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330. The Funds' Form N-Q is available upon request without charge by calling 1-855-MUZINICH (1-855-689-4642). Furthermore, you can obtain the Form N-Q on the SEC's web site at www.sec.gov.

INFORMATION ABOUT HOUSEHOLDING (Unaudited)

To reduce expenses, the Funds may mail only one copy of the each Fund's prospectus and each annual and semi-annual report to those addresses shared by two or more accounts. If you wish to receive individual copies of these documents, please call us at 1-855-MUZINICH (1-855-689-4642) (or contact your financial institution). We will begin sending you individual copies thirty days after receiving your request.

INFORMATION ABOUT THE FUNDS' TRUSTEES (Unaudited)

The Statement of Additional Information ("SAI") includes additional information about the Funds' Trustees and is available without charge, upon request, by calling 1-855-MUZINICH (1-855-689-4642). Furthermore, you can obtain the SAI on the SEC's web site at www.sec.gov or the Funds' website at www.muzinichusfunds.com.

Muzinich Funds

PRIVACY NOTICE (Unaudited)

The Funds collect non-public information about you from the following sources:

- Information we receive about you on applications or other forms;
- Information you give us orally; and
- Information about your transactions with us or others.

We do not disclose any non-public personal information about our shareholders or former shareholders without the shareholder's authorization, except as permitted by law or in response to inquiries from governmental authorities. We may share information with affiliated parties and unaffiliated third parties with whom we have contracts for servicing the Funds. We will provide unaffiliated third parties with only the information necessary to carry out their assigned responsibility. We maintain physical, electronic and procedural safeguards to protect your non-public personal information and require third parties to treat your non-public information with the same high degree of confidentiality.

In the event that you hold shares of a Fund through a financial intermediary, including, but not limited to, a broker-dealer, bank or trust company, the privacy policy of your financial intermediary would govern how your non-public personal information would be shared by those entities with unaffiliated third parties.

(This Page Intentionally Left Blank.)

Advisor
MUZINICH & CO., INC
450 Park Avenue
New York, New York 10022

Distributor
QUASAR DISTRIBUTORS, LLC
777 East Wisconsin Avenue, 6th Floor
Milwaukee, Wisconsin 53202

Custodian
U.S. BANK N.A.
Custody Operations
1555 N. RiverCenter Drive, Suite 302
Milwaukee, Wisconsin 53212

**Transfer Agent, Fund Accountant,
and Fund Administrator**
U.S. BANCORP FUND SERVICES, LLC
P.O. Box 701
Milwaukee, Wisconsin 53201-0701
1-855-689-4642

Independent Registered Public Accounting Firm
TAIT, WELLER & BAKER LLP
1818 Market Street, Suite 2400
Philadelphia, Pennsylvania 19103

Legal Counsel
SCHIFF HARDIN LLP
666 Fifth Avenue, Suite 1700
New York, New York 10103

<u>Fund</u>	<u>Class</u>	<u>Symbol</u>	<u>CUSIP</u>
Muzinich Credit Opportunities Fund	Class A Supra Institutional Class Institutional Class	MZCRX MZCSX MZCIX	74316J557 74316J532 74316J540
Muzinich U.S. High Yield Corporate Bond Fund	Supra Institutional Class Institutional Class	MZHSX MZHIX	74316J565 74316J573
Muzinich Low Duration Fund	Supra Institutional Class	MZLSX	74316P132