



PORTFOLIO 21

A Global Mutual Fund

Prospectus

October 28, 2009

Symbols:
PORTX/PORIX

The Securities and Exchange Commission has not approved or disapproved these securities or passed upon the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offense.

PORTFOLIO 21

Portfolio 21 is a global growth equity mutual fund. Portfolio 21 seeks long-term capital growth. Portfolio 21 Investments, formerly Progressive Investment Management Corporation, (the “Advisor”) is the investment advisor to Portfolio 21. Portfolio 21 is a series of Professionally Managed Portfolios (the “Trust”). Portfolio 21 does not hold itself out as related to any other series of the Trust for purposes of investment and investor services, nor does it share the same investment advisor with any other series.

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This Prospectus sets forth basic information about Portfolio 21 that you should know before investing. It should be read and retained for future reference.

PORTFOLIO 21

AN OVERVIEW OF PORTFOLIO 21

WHAT IS PORTFOLIO 21'S GOAL?

Portfolio 21 is a global growth equity fund. Portfolio 21 seeks long-term capital growth.

WHAT ARE PORTFOLIO 21'S PRINCIPAL INVESTMENT STRATEGIES?

Under normal market conditions, Portfolio 21 primarily invests in common stocks of domestic and foreign companies, including American Depositary Receipts ("ADRs"), of any size market capitalization. Currently, Portfolio 21 anticipates that it may invest in at least ten countries which may include: the United States, Sweden, the United Kingdom, Japan, Germany, Switzerland, Denmark, Finland, France and Australia. The companies must satisfy certain environmental criteria and exhibit certain financial characteristics that indicate positive prospects for long-term earnings growth. "Portfolio 21" refers to the progressive thinking that will be required to sustain society in the 21st century. In selecting investments, the Advisor concentrates on those companies that have made a commitment to environmental sustainability and have demonstrated this commitment through their business strategies, practices and investments. The Advisor employs a "bottom-up" approach to stock selection.

WHAT ARE THE PRINCIPAL RISKS OF INVESTING IN PORTFOLIO 21?

There is the risk that you could lose all or a portion of your investment in Portfolio 21. The following principal risks could affect the value of your investment:

- The stock market declines;
- Stocks held by Portfolio 21 may not increase their earnings at the rate anticipated or growth stocks fall out-of-favor with investors;
- Securities of small- and medium-capitalization companies involve greater risk than investing in larger-capitalization companies;
- Foreign investments involve additional risks including currency-rate fluctuations, political and economic instability, differences in financial reporting standards, less-strict regulation of securities markets and less liquidity and more volatility than domestic markets, which may result in delays in settling securities transactions;

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AN OVERVIEW OF PORTFOLIO 21, Continued

WHO MAY WANT TO INVEST IN PORTFOLIO 21?

- Foreign investments in emerging markets can be subject to relatively unstable governments, social and legal systems that do not protect shareholders, economies based on only a few industries, securities markets that trade a small number of issues and are generally more volatile than developed markets; and/or
- Portfolio 21's environmental policy could cause it to make or avoid investments that could result in Portfolio 21 under-performing similar funds that do not have an environmental policy.

Portfolio 21 may be appropriate for investors who:

- Want an equity investment in companies that are environmentally responsible;
- Are seeking investments in U.S. and non-U.S. companies;
- Are pursuing a long-term goal such as retirement;
- Want to add an investment with growth potential to diversify their investment portfolio; and
- Are willing to accept higher short-term risk along with higher potential for long-term growth.

Portfolio 21 may not be appropriate for investors who:

- Need regular income or stability of principal; or
- Are pursuing a short-term goal.

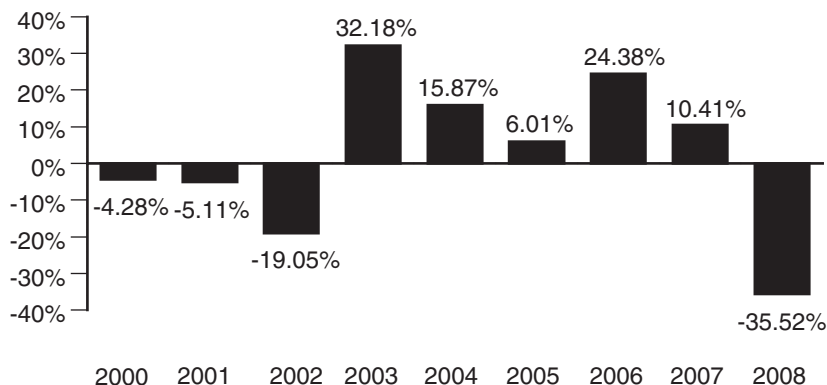
PORTFOLIO 21

PERFORMANCE

The following performance information indicates some of the risks of investing in Portfolio 21. The information below illustrates how Portfolio 21's total return has varied from year to year and the risks of investing in Portfolio 21 by showing its highest and lowest quarterly returns. The table below illustrates Portfolio 21's average annual return over time compared with a domestic broad-based market index, as well as an index that measures a number of global markets. Both Class R shares and Class I shares invest in the same portfolio of securities and their returns will only differ to the extent Class I shares have a lower level of expenses than the Class R shares. Portfolio 21's past performance, before and after taxes, is not necessarily an indication of how Portfolio 21 will perform in the future.

Calendar Year Total Return*

Class R



* Portfolio 21's year-to-date return for Class R shares as of September 30, 2009 was 26.37%.

During the period shown in the bar chart, Portfolio 21's Class R shares highest quarterly return was 16.67% for the quarter ended December 31, 2001, and the lowest quarterly return was -20.69% for the quarter ended September 30, 2002.

PORTFOLIO 21

PERFORMANCE, Continued

Average Annual Total Returns as of December 31, 2008

	1 Year	5 Years	Since Inception (9/30/99)
Class R			
Return Before Taxes	-35.52%	1.69%	1.60%
Return After Taxes on Distributions ⁽¹⁾	-35.51%	1.71%	1.59%
Return After Taxes on Distributions and Sale of Portfolio Shares ⁽¹⁾	-22.69% ⁽²⁾	1.68%	1.50%
Class I⁽³⁾			
Return Before Taxes	-35.32%	1.80%	1.66%
S&P 500[®] Index⁽⁴⁾	-37.00%	-2.19%	-2.05%
MSCI World IndexSM(5)	-40.33%	0.00%	-0.95%

- (1) After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on your situation and may differ from those shown. Furthermore, the after-tax returns shown are not relevant to those who hold their shares through tax-deferred arrangements such as 401(k) plans or Individual Retirement Accounts (“IRAs”).
- (2) The “Return After Taxes on Distributions and Sale of Portfolio Shares” may be higher than other return figures because when a capital loss occurs upon redemption of Portfolio shares, a tax deduction is provided that benefits the investor.
- (3) Class I shares of the Fund commenced operation on March 30, 2007. Performance shown for Class I shares for periods prior to its inception reflects the performance of Class R shares, adjusted to reflect Class I expenses.
- (4) The Standard & Poor’s 500[®] Index (“S&P 500[®] Index”) is an unmanaged index generally representative of the market for stocks of large-sized companies. The figures above reflect all dividends reinvested, but do not reflect any deductions for fees, expenses, or taxes. You cannot invest directly in an index.
- (5) The MSCI World IndexSM measures performance for a diverse range of developed country global stock markets, including, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States. The figures above reflect no deduction for fees, expenses or taxes and do not include reinvested dividends. You cannot invest directly in an index.

PORTFOLIO 21

FEES AND EXPENSES

The following table describes the fees and expenses that you may pay if you buy and hold shares of Portfolio 21. The expenses below are based on actual expenses incurred for the fiscal year ended June 30, 2009.

	<u>Class R</u>	<u>Class I</u>
Shareholder Fees⁽¹⁾		
(fees paid directly from your investment)		
Maximum Sales Charge (Load) Imposed on Purchases . . .	None	None
Maximum Deferred Sales Charge (Load)	None	None
Redemption Fee ⁽²⁾	2.00%	2.00%
Annual Portfolio Operating Expenses		
(expenses that are deducted from Portfolio assets)		
Management Fee	0.95%	0.95%
Distribution and Service (12b-1) Fee	0.25%	None
Other Expenses ⁽³⁾	0.31%	0.26%
Acquired Fund Fees and Expenses ⁽⁴⁾	0.03%	0.03%
Total Annual Portfolio Operating Expenses	1.54%	1.24%
Expense Reduction ⁽⁵⁾	-0.01%	-0.01%
Net Annual Portfolio Operating Expenses ⁽⁵⁾	<u>1.53%</u>	<u>1.23%</u>

Example

This Example is intended to help you compare the cost of investing in shares of Portfolio 21 with the cost of investing in other mutual funds. The Example assumes that you invest \$10,000 in Portfolio 21 for the time periods indicated and then redeem all of your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year, that dividends and distributions are reinvested and that Portfolio 21's operating expenses remain the same. The Example below reflects the expense limitation agreement for the first year only within each of the years shown below. Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

	<u>Class R</u>	<u>Class I</u>
One Year	\$ 156	\$ 125
Three Years	\$ 485	\$ 392
Five Years	\$ 838	\$ 680
Ten Years	\$1,834	\$1,499

(1) Although no sales loads or transaction fees are charged, you will be assessed a \$15 fee for outgoing wire transfers and a \$25 fee for returned checks and stop payment orders by U.S. Bancorp Fund Services, Portfolio 21's transfer agent. Please note that these fees are subject to change.

(2) The redemption fee applies only to those shares that have been held for 60 days or less. This fee will not be imposed on Portfolio shares acquired through the reinvestment of dividends or other distributions. The fee is payable to Portfolio 21 and is intended to benefit the remaining shareholders by reducing the costs of short-term trading.

PORTFOLIO 21

FEES AND EXPENSES, Continued

- (3) Other expenses include interest, custodian, transfer agency and other customary Portfolio expenses.
- (4) Portfolio 21 is required to disclose Acquired Fund Fees and Expenses in the fee table above. Acquired Fund Fees and Expenses are indirect fees that Portfolio 21 incurs from investing in the shares of other investment companies (“Acquired Fund(s)”). The indirect fee represents a pro rata portion of the cumulative expenses charged by the Acquired Fund. Acquired Fund Fees and Expenses are reflected in the Acquired Fund’s net asset value. Please note that the Net Annual Fund Operating Expenses in the table above do not correlate to the ratio of Expenses to Average Net Assets found within the “Financial Highlights” section of this prospectus. Without Acquired Fund Fees and Expenses, the Total Annual Fund Operating Expenses would have been 1.51% and 1.21% for the Class R shares and the Class I shares, respectively, and the Net Annual Operating Expenses would have been 1.50% and 1.20% for the Class R shares and the Class I shares, respectively, after the fee waiver.
- (5) The Advisor has contractually agreed to reduce its fees and/or pay Portfolio 21’s expenses (excluding Acquired Fund Fees and Expenses, interest, taxes and extraordinary expenses) in order to limit Net Annual Operating Expenses for the Class R shares and the Class I shares to 1.50% and 1.20%, respectively, of each class’ average net assets (the “Expense Caps”). The Expense Caps will remain in effect for at least the one year period shown in the Example above and may continue thereafter for an indefinite period thereafter as determined by the Trust’s Board of Trustees (the “Board”). The Advisor is permitted to be reimbursed for fee reductions and/or expense payments made in the prior three fiscal years. Any such reimbursement is subject to the Board’s review and approval. This reimbursement may be requested by the Advisor if the aggregate amount actually paid by the Class R shares and the Class I shares of Portfolio 21 toward operating expenses for such fiscal year (taking into account the reimbursement) does not exceed the Expense Caps.

INVESTMENT OBJECTIVE

Portfolio 21’s investment objective is long-term growth of capital. Portfolio 21 is a global growth equity fund. Portfolio 21’s investment objective may be changed without shareholder approval upon a 60-day written notice to shareholders. There is no assurance that the Fund will achieve its investment objective.

PRINCIPAL INVESTMENT STRATEGIES

To achieve its investment objective, under normal market conditions, Portfolio 21 will primarily invest in common stocks of domestic and foreign companies of any size market capitalization. Currently, Portfolio 21 anticipates that it may invest in at least ten countries which may include: the United States, Sweden, the United Kingdom, Japan, Germany, Switzerland, Denmark, Finland, France and Australia.

The Advisor selects stocks for their growth potential. Portfolio 21 may invest in companies of any size, from larger, well-established companies to smaller, emerging growth companies. Portfolio 21 may invest in domestic as well as foreign securities, including ADRs. ADRs are equity securities traded on U.S. exchanges that are generally issued by banks or trust companies to evidence ownership of foreign equity securities.

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PRINCIPAL INVESTMENT STRATEGIES, Continued

When choosing foreign securities, Portfolio 21 may consider such factors as the condition and growth potential of the various economies and securities markets, currency and taxation policies and other pertinent financial, social, national and political factors. Under normal market circumstances, at least 60% to 70% of Portfolio 21's investments will typically be in foreign securities, either directly or through ADRs. In addition, Portfolio 21 may invest in companies located in emerging markets. With respect to emerging markets, there is no maximum percentage in which Portfolio 21 may invest.

Portfolio 21 concentrates its investments in companies that have made a commitment to environmental sustainability and have demonstrated this commitment through their business strategies, practices and investments. The Advisor believes the essence of environmental sustainability is the acknowledgment of the limits of nature and society's dependence on nature. The Advisor's investment perspective recognizes the fundamental challenge we face: meeting human needs without undermining nature's ability to support our economy in the future. Some of these companies are changing the landscape of their industry or are forcing others in their industry to catch up. Others have product lines that are ecologically superior to their competition. Still others are developing vitally needed technologies that will provide cleaner energy sources for the future.

Companies selected for consideration must display some or all of the following qualities:

- Corporate leadership that has made an explicit commitment to sustainable practices and has allocated significant resources to achieve these goals;
- Earnings improvements that are derived from the efficient use and reuse of resources;
- Ecologically superior product lines;
- Investments in renewable energy;
- Innovative transportation and distribution strategies; and/or
- Fair and efficient use of resources with respect to meeting human needs.

The Advisor focuses on individual companies that meet Portfolio 21's environmental sustainability criteria. The Advisor then considers the company's standing relative to its competition in such areas as the ecological impact of its products and services, investments in sustainable technologies and processes, resource efficiency, waste and pollution intensity and environmental management. Companies that meet these criteria are investigated further through a review of their financial and environmental statements, third-party research and personal contact with company representatives.

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PRINCIPAL INVESTMENT STRATEGIES, Continued

In addition to the environmental sustainability criteria, a company selected for Portfolio 21 must exhibit certain financial characteristics that indicate positive prospects for long-term earnings growth. These may include some or all of the following:

- Rising trends in revenues and earnings;
- A sound balance sheet;
- Increasing profit margins; and/or
- Evolving product lines.

The Advisor uses a “bottom-up” approach in selecting investments. In a bottom-up approach, the Advisor concentrates on the specific characteristics of each company and then qualifies the company using financial and environmental criteria appropriate to its relevant industry group.

All companies are reviewed on an ongoing basis to confirm their continued commitment to sustainability. A security will be sold within a reasonable period of time after it is determined that one or both of the following has occurred:

- The company no longer meets the environmental sustainability criteria; and/or
- The company no longer meets minimum financial standards.

Under normal market conditions, Portfolio 21 will invest according to Portfolio 21’s principal investment strategies noted above. However, Portfolio 21 may temporarily depart from its principal investment strategies, and make short-term investments in cash, cash equivalents and short-term debt securities and money market instruments in response to adverse market, economic or political conditions. As a result, Portfolio 21 may not achieve its investment objective. To the extent Portfolio 21 uses a money market fund for its cash position, there will be some duplication of expenses because Portfolio 21 would bear its pro rata portion of such money market fund’s advisory fees and additional expenses.

Shares of Other Registered Investment Companies. Portfolio 21 may invest in shares of other registered investment companies, including money market funds, subject to the limitation of the Investment Company Act of 1940, as amended. To the extent that Portfolio 21 invests in shares of other registered investment companies, you will indirectly bear fees and expenses charged by the underlying funds in addition to Portfolio 21’s direct fees and expenses.

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PRINCIPAL RISKS OF INVESTING IN PORTFOLIO 21

The principal risks of investing in Portfolio 21 are discussed below.

General Market Risk. General market risk is the risk that the market value of a security may fluctuate, sometimes rapidly and unpredictably. These fluctuations may cause a security to be worth less than its cost when originally purchased or less than its worth at an earlier time. General market risk may affect a single issuer, industry, sector of the economy or the market as a whole. Recently, the financial markets have experienced a period of extreme stress which has resulted in unusual and extreme volatility in the equity markets and in the prices of individual stocks. In some cases, the prices of stocks of individual companies have been negatively impacted even though there may be little or no apparent degradation in the financial conditions or prospects of that company. These market conditions add significantly to the risk of short term volatility of Portfolio 21.

Small- and Medium-Size Company Risk. Investments in smaller and medium size companies may be speculative and volatile and involve greater risks than are customarily associated with larger companies. Many small to medium companies are more vulnerable than larger companies to adverse business or economic developments. Securities of these types of companies may have limited liquidity and their prices may be more volatile. They may have limited product lines, markets or financial resources. New and improved products or methods of development may have a substantial impact on the earnings and revenues of such companies. Any such positive or negative developments could have a corresponding positive or negative impact on the value of their shares. You should expect that the Fund's shares will be more volatile than a fund that invests exclusively in large-capitalization companies.

Management Risk. Management risk describes Portfolio 21's ability to meet its investment objective based on the Advisor's success or failure to implement investment strategies for Portfolio 21. The value of your investment is subject to the effectiveness of the Advisor's research, analysis and asset allocation among portfolio securities. If the Advisor's investment strategies do not produce the expected results, your investment could be diminished or even lost.

Foreign Securities and Emerging Markets Risk. Foreign securities risk entails risk relating to political, social and economic developments abroad and differences between U.S. and foreign regulatory requirements and market practices, including less government supervision and regulation of foreign exchanges, brokers and issuers than in the U.S. Securities that are denominated in foreign currencies are subject to the further risk that the value of the foreign currency will fall in relation to the U.S. dollar and/or will be affected by volatile currency markets or actions of U.S. and foreign governments or central banks. Also, foreign issuers are not necessarily subject to uniform accounting, auditing and financial reporting standards, practices

PORTFOLIO 21

PRINCIPAL RISKS OF INVESTING IN PORTFOLIO 21, Continued

and requirements comparable to those applicable to domestic issuers and as a result, there may be less publicly available information on such foreign issuers than is available from a domestic issuer.

In addition to developed markets, Portfolio 21 may invest in emerging markets, which are markets of countries in the initial stages of industrialization and generally have low per capita income. In addition to the risks of foreign securities in general, countries in emerging markets are generally more volatile and can have relatively unstable governments, social and legal systems that do not protect shareholders, economies based on only a few industries, and securities markets that trade a small number of issues which could reduce liquidity.

For additional information regarding foreign securities risk, please see Portfolio 21's most recent Statement of Additional Information ("SAI").

Environmental Sustainability Policy Risk. Portfolio 21's environmental sustainability policy could cause it to underperform compared to similar funds that do not have such a policy. Accordingly, Portfolio 21 may forego opportunities to buy certain securities when it might otherwise be advantageous to do so, or may sell securities for environmental reasons when it might be otherwise disadvantageous for it to do so.

PORTFOLIO HOLDINGS INFORMATION

Portfolio 21's holdings are disclosed quarterly within 60 days of the end of each period covered by the Annual Report and Semi-Annual Report to Portfolio 21 shareholders, and in the quarterly holdings report on Form N-Q. In addition, Portfolio 21 discloses its calendar quarter-end holdings and certain other characteristics on Portfolio 21's website at portfolio21.com within 10 calendar days after the calendar quarter-end. The calendar quarter-end holdings for Portfolio 21 will remain posted on the website at least until the date of the next required regulatory filing with the Securities and Exchange Commission (the "SEC"). Holdings information posted on Portfolio 21's website may be separately provided to any person commencing the day after it is first published on the website. A more detailed description of Portfolio 21's policies and procedures with respect to the disclosure of Portfolio 21's holdings is available in the SAI.

INVESTMENT ADVISOR

Portfolio 21 Investments, formerly Progressive Investment Management Corporation, Portfolio 21's investment advisor, is located at 721 N.W. Ninth Avenue, Suite 250, Portland, Oregon 97209. The Advisor, which was incorporated in 1987, provides advice on buying and selling securities and socially responsible investment management services to individual and institutional investors and

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INVESTMENT ADVISOR, Continued

managed assets of approximately \$450 million as of September 30, 2009. The Advisor also furnishes Portfolio 21 with office space and certain administrative services and provides most of the personnel needed by Portfolio 21. For its services, Portfolio 21 pays the Advisor a monthly management fee, calculated daily and payable monthly, equal to 0.95% of its average daily net assets. For the fiscal year ended June 30, 2009, the Advisor received advisory fees of 0.94% of Portfolio 21's average daily net assets, net of waiver. Any amount waived by the Advisor is subject to recoupment as discussed in the section "Portfolio Expenses" below.

A discussion regarding the basis for the Board's approval of Portfolio 21's investment advisory agreement with the Advisor is available in Portfolio 21's Semi-Annual Report to shareholders for the most recent period ended December 31.

Portfolio Expenses

Portfolio 21 is responsible for its own operating expenses. The Advisor has contractually agreed to reduce its fees and/or pay Portfolio 21's expenses for the Class R shares and the Class I shares to ensure that Net Annual Operating Expenses (excluding Acquired Fund Fees and Expenses, interest, taxes and extraordinary expenses) will not exceed 1.50% and 1.20%, respectively, of each class' average daily net assets. Any reduction in advisory fees or payment of expenses made by the Advisor is subject to reimbursement by Portfolio 21 if requested by the Advisor, and the Board approves such reimbursement in subsequent fiscal years. This reimbursement may be requested by the Advisor if the aggregate amount actually paid by the Class R shares and the Class I shares toward operating expenses for such fiscal year (taking into account the reimbursements) does not exceed the Expense Caps. The Advisor is permitted to be reimbursed for fee reductions and/or expense payments made in the prior three fiscal years. Portfolio 21 must pay its current ordinary operating expenses before the Advisor is entitled to any reimbursement of fees and/or expenses.

Portfolio Managers

Portfolio 21 is managed by a committee of investment professionals associated with the Advisor, each of whom provides particular expertise to the management function. Overall investment philosophy, including establishment, review and revision of the environmental sustainability selection criteria, is the responsibility of the entire team, headed by Leslie Christian. Jim Madden and Tony Tursich make all portfolio structure and trading decisions, including sector and country allocation, individual stock selection, and trading time and location. Carsten Henningsen is an active participant in all philosophy and general strategy decisions.

Leslie E. Christian, CFA, has been President of the Advisor since 1995 and is the co-founder of Portfolio 21. Leslie has more than 30 years experience in the

PORTFOLIO 21

INVESTMENT ADVISOR, Continued

investment field, including nine years in New York as a Director with Salomon Brothers, Inc. She received her Bachelor's degree from the University of Washington and her MBA in Finance from the University of California, Berkeley. Leslie is Chair of the Board of Upstream 21 Corporation and serves on the Board of Directors of Plymouth Housing Group in Seattle.

Carsten Henningsen, considered a pioneer in the field of socially and environmentally responsible investing, founded the Advisor in 1982 and is co-founder of Portfolio 21. He is a graduate of Stichting Nijenrode, The Netherlands School of Business and the University of Puget Sound. Carsten is a member of the Board of Upstream 21 Corporation and has served on the boards of The Social Investment Forum, 1000 Friends of Oregon Foundation, the Ecotrust Council and the City of Portland Sustainable Industries Committee.

James Madden, CFA, and Senior Portfolio Manager has been with the Advisor since 1991 and is jointly and primarily responsible for day-to-day management of Portfolio 21. Jim developed the Advisor's shareholder activism program, an essential element of the Advisor's social and environmental investment approach. He received his Bachelor's degree and Master of Science in Business Administration from University of Wisconsin. Jim is a member of the CFA Institute and the Portland Society of Financial Analysts.

Tony S. Tursich, CFA, and Portfolio Manager, has been with the Advisor since July 1997, and is jointly and primarily responsible for day-to-day management of Portfolio 21. He has over ten years of experience in the securities industry. Tony received his Bachelor's degree from Montana State University and a Master of Science in Business Administration from Portland State University. He has studied European business at Ecole Superieure de Commerce Marseille-Provence in France. Tony is a member of the CFA Institute and the Portland Society of Financial Analysts.

The SAI provides additional information about the portfolio managers' compensation, other accounts they manage and their ownership of Portfolio 21 shares.

SHAREHOLDER INFORMATION

Electronic Delivery

Consistent with Portfolio 21's commitment to environmental sustainability, you may sign up to receive prospectuses, supplements and Annual and Semi-Annual Reports electronically on portfolio21.com. You may change your delivery preference and resume receiving these documents through the mail at any time by updating your electronic delivery preferences on portfolio21.com or contacting Portfolio 21 at 877.351.4115.

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SHAREHOLDER INFORMATION, Continued

Pricing of Portfolio Shares

A fund's share price is known as its net asset value ("NAV"). The NAV is determined by dividing the value of Portfolio 21's securities, cash and other assets, minus all expenses and liabilities, by the number of shares outstanding (assets – liabilities / number of shares = NAV). The NAV takes into account the expenses and fees of Portfolio 21, including management, administration and other fees, which are accrued daily. Portfolio 21's share price is calculated as of the close of regular trading (generally 4:00 p.m., Eastern time) on each day that the New York Stock Exchange ("NYSE") is open for business.

All shareholders transaction orders received in good form (as described below under "How to Purchase Shares") by U.S. Bancorp Fund Services, LLC ("Transfer Agent"), Portfolio 21's transfer agent, or an authorized financial intermediary by 4:00 p.m., Eastern time will be processed at that day's NAV. Transaction orders received after 4:00 p.m., Eastern time will receive the next day's NAV. Portfolio 21's NAV, however, may be calculated earlier if trading on the NYSE is restricted or as permitted by the SEC. Portfolio 21 does not determine the NAV of its shares on any day when the NYSE is not open for trading, such as weekends and certain national holidays as disclosed in the SAI (even if there is sufficient trading in its portfolio securities on such days to materially affect the NAV per share). Fair value determinations may be made as described below under procedures adopted by the Board.

Fair Value Pricing

Occasionally, reliable market quotations are not readily available or there may be events affecting the value of foreign securities or other securities held by Portfolio 21 that occur when regular trading on foreign or other exchanges is closed, but before trading on the NYSE is closed (a "Significant Event"). Fair value determinations are then made in good faith in accordance with procedures adopted by the Board. Generally, the fair value of a portfolio security or other assets shall be the amount the owner of the security or asset might reasonably expect to receive upon its current sale. To help determine whether a Significant Event has occurred with respect to securities traded principally in foreign markets, Portfolio 21 has engaged a third party service provider to systematically recommend the adjustment of closing market prices of non-U.S. securities based upon changes in a designated U.S. securities market index occurring from the time of the close of the relevant foreign market and the close of trading on the NYSE.

Attempts to determine the fair value of securities introduces an element of subjectivity to the pricing of securities. As a result, the price of a security determined through fair valuation techniques may differ from the price quoted or published by other sources and may not accurately reflect the market value of the security when trading resumes. If a reliable market quotation becomes available for

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SHAREHOLDER INFORMATION, Continued

a security formerly valued through fair valuation techniques, Portfolio 21 would compare the new market quotation to the fair value price to evaluate the effectiveness of its fair valuation. If any significant discrepancies are found, the Trust may adjust its fair valuation procedures.

How to Purchase Shares

Portfolio 21 offers two classes of shares: Class R and Class I. The classes differ with respect to their minimum investments. In addition, Class R shares impose a Rule 12b-1 fee that is assessed against the assets of that class. Class I shares are primarily for direct investment by investors such as pension and profit-sharing plans, employee benefit trusts, endowments, foundations and corporations. Class I shares also may be offered through certain financial institutions that charge their customers transaction or other distribution or service fees with respect to their customers' investments in Portfolio 21.

To purchase shares of Portfolio 21, you must make a minimum initial investment as listed in the table below.

<u>Minimum Investments</u>	<u>To Open Regular Account</u>	<u>To Open Retirement or Tax-Deferred Account</u>	<u>To Open an AIP</u>	<u>To Add to Your Account</u>
Class R Shares	\$5,000	\$1,000	\$1,000	\$100
Class I Shares	\$1,000,000	\$1,000,000	N/A	\$1,000

You may purchase shares of Portfolio 21 by completing an Account Application and mailing it along with a check payable to "Portfolio 21."

If you invest in Class R shares and make your initial investment through a retirement or tax-deferred account, or enroll in Portfolio 21's Automatic Investment Plan ("AIP"), the minimum initial investment is \$1,000. Subsequent investments in the amount of at least \$100 may be made by mail, by wire or electronic funds transfer.

If you invest in Class I shares, you may be entitled to a waiver of the minimum initial investment requirement. Circumstances that may warrant waiving or reducing the initial minimum investment include, but are not limited to, the following:

- Defined contribution plans with plan assets of at least \$50 million;
- Registered investment advisors purchasing at least \$1 million of shares on behalf of their clients;
- Institutional clients of the Advisor;
- Trustees and officers of the Trust; and

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SHAREHOLDER INFORMATION, Continued

- Employees of the Advisor and its affiliates and their immediate families (i.e., parent, child, spouse, domestic partner, sibling, step or adopted relationships, grandparent, grandchild and Uniform Gift or Transfer to Minor Act accounts naming qualifying persons).

These minimums can be changed or waived by the Advisor at any time. Shareholders will be given at least a 30-day notice of any increase in the minimum dollar amount of initial or subsequent investments.

Subject to the Advisor's approval, if investors currently holding Class R shares would like to convert to Class I shares, there are no tax consequences and investors are not subject to the redemption fees. To inquire about converting your Class R shares to Class I shares, please call 877.351.4115.

Account Applications will not be accepted unless they are accompanied by payment in U.S. dollars, drawn on a U.S. financial institution. Portfolio 21 does not accept payment in cash or money orders. Portfolio 21 does not accept cashier's checks in amounts less than \$10,000. To prevent check fraud, Portfolio 21 does not accept third party checks, U.S. treasury checks, credit card checks, traveler's checks or starter checks for the purchase of shares. Portfolio 21 is unable to accept post dated checks, post dated on-line bill paychecks or any conditional order or payment. If your check does not clear, your purchase will be cancelled. If your check is returned for any reason, a \$25 fee will be assessed against your account. You will also be responsible for any losses suffered by Portfolio 21 as a result.

All Account Applications to purchase Portfolio 21 shares are subject to acceptance by Portfolio 21 and are not binding until so accepted. Portfolio 21 reserves the right to reject any purchase order in whole or in part. For example, a purchase order may be refused if, in the Advisor's opinion, it is so large it would disrupt the management of Portfolio 21. Purchases may also be rejected from persons believed by Portfolio 21 to be "market timers."

If Portfolio 21 does not have a reasonable belief of the identity of a customer, the Account Application will be rejected or the customer will not be allowed to perform a transaction on the account until such information is received. Portfolio 21 also reserves the right to close the account within 5 business days if clarifying information/documentation is not received.

Portfolio 21 does not issue share certificates and its shares have not been registered for sale outside of the United States. Portfolio 21 generally does not sell shares to investors residing outside the United States, even if they are United States citizens or lawful permanent residents, except to investors with United States military APO or FPO addresses.

PORTFOLIO 21

SHAREHOLDER INFORMATION, Continued

If you have questions about buying shares or completing the Account Application, please call 877.351.4115. Account Applications may also be downloaded from Portfolio 21's website at portfolio21.com.

PATRIOT Act

The USA PATRIOT Act of 2001 requires financial institutions, including Portfolio 21, to adopt certain policies and programs to prevent money laundering activities, including procedures to verify the identity of customers opening new accounts. When completing a new Account Application, you will be required to supply Portfolio 21 with your full name, date of birth, social security number and permanent street address to assist Portfolio 21 in verifying your identity. Mailing addresses containing only a P.O. Box will not be accepted. Until such verification is made, Portfolio 21 may temporarily limit additional share purchases. In addition, Portfolio 21 may limit additional share purchases or close an account if it is unable to verify a shareholder's identity. As required by law, Portfolio 21 may employ various procedures, such as comparing the information to fraud databases or requesting additional information or documentation from you, to ensure that the information supplied by you is correct. Please contact the Transfer Agent at 866.209.1962 if you need additional assistance when completing your Account Application.

Purchase by Mail.

If you are making an initial investment in Portfolio 21, simply complete and sign an Account Application and mail it, along with a check made payable to "Portfolio 21" to the address below.

Regular Mail:

Portfolio 21
c/o U.S. Bancorp Fund Services, LLC
P.O. Box 701
Milwaukee, WI 53201-0701

Overnight Delivery:

Portfolio 21
c/o U.S. Bancorp Fund Services, LLC
615 East Michigan Street, 3rd Floor
Milwaukee, WI 53202

Note: Portfolio 21 does not consider the U.S. Postal Service or other independent delivery services to be its agents.

If you are making a subsequent purchase, a stub is attached to the account statement you receive after each transaction. Detach the stub from the statement and mail it, together with a check made payable to "Portfolio 21," using the envelope provided with your statement or to the address below. Your account number should be written on the check. If you do not have the stub from your account statement, include your name, address and account number on a separate piece of paper.

By Telephone. If you have completed the "Telephone Options" section of the Account Application and your account has been open for at least 15 days, you may purchase additional shares of Portfolio 21 by calling toll free at 866.209.1962.

PORTFOLIO 21

SHAREHOLDER INFORMATION, Continued

Telephone orders will be accepted via electronic funds transfer from your pre-designated account through the Automated Clearing House (“ACH”) network. You must have banking information established on your account prior to making a purchase by telephone. Only bank accounts held at domestic institutions that are ACH members may be used for telephone transactions. If your order is received prior to 4:00 p.m., Eastern time, on a day when the NYSE is open, shares will be purchased at the NAV next calculated on that day. For security reasons, requests by telephone may be recorded.

By Wire.

Initial Investment

If you are making an initial investment in Portfolio 21, before you wire funds, please contact the Transfer Agent by phone at 866.209.1962 to make arrangements with a telephone customer service representative to submit your completed Account Application via mail, overnight delivery or facsimile. Upon receipt of your Account Application, your account will be established and a service representative will contact you within 24 hours to provide you with an account number and wiring instructions.

Once your account has been established, you may then contact your bank to initiate the wire using the instructions you were given. Prior to sending the wire, please call the Transfer Agent at 866.209.1962 to advise of your wire to ensure proper credit upon receipt. Your bank must include the name of Portfolio 21, your name and your account number so that your wire can be correctly applied.

Subsequent Investment

If you are making a subsequent purchase, your bank should wire funds as indicated below. Before each wire purchase, please contact the Transfer Agent at 866.209.1962 to advise of your intent to wire funds. This will ensure prompt and accurate credit upon receipt. *It is essential that your bank include the name Portfolio 21 and your name and account number in all wire instructions.* If you have questions about how to invest by wire, you may call the Transfer Agent. Your bank may charge you a fee for sending a wire to Portfolio 21.

Your bank should transmit funds by wire to:

U.S. Bank, N.A.
777 E. Wisconsin Ave.
Milwaukee, WI 53202
ABA# 075000022

Credit: U.S. Bancorp Fund Services

Account Number: 112-952-137

Further Credit: Portfolio 21,
(Shareholder name)
(account number)

PORTFOLIO 21

SHAREHOLDER INFORMATION, Continued

Wired funds must be received prior to 4:00 p.m., Eastern time, to be eligible for same day pricing. Neither Portfolio 21 nor U.S. Bank, N.A., Portfolio 21's custodian, are responsible for the consequences of delays resulting from the banking or Federal Reserve wire system or from incomplete wiring instructions. If you have questions about how to invest by wire, you may call the Transfer Agent.

Through a Financial Intermediary. You may buy and sell shares of Portfolio 21 through certain financial intermediaries and their agents that have made arrangements with the Fund and are authorized to buy and sell shares of Portfolio 21 (collectively, "Financial Intermediaries"). Your order will be priced at Portfolio 21's NAV next computed after it is received by a Financial Intermediary and accepted by Portfolio 21. A Financial Intermediary may hold your shares in an omnibus account in the Financial Intermediary's name and the Financial Intermediary may maintain your individual ownership records. Portfolio 21 may pay the Financial Intermediary for maintaining individual ownership records as well as providing other services. Financial Intermediaries may charge fees for the services they provide to you in connection with processing your transaction order or maintaining your account with them. Financial Intermediaries are responsible for placing your order correctly and promptly with Portfolio 21, forwarding payment promptly as well as ensuring that you receive copies of Portfolio 21's Prospectus. If you transmit your order to these Financial Intermediaries before close of regular trading (generally 4:00 p.m., Eastern time) on each day that the NYSE is open, your order will be priced at Portfolio 21's NAV next computed after it is received by the Financial Intermediary. Investors should check with their Financial Intermediary to determine if it is subject to these arrangements.

Automatic Investment Plan. Class R Shares Only. For your convenience, Portfolio 21 offers an AIP. Under the AIP, after your minimum initial investment, you authorize Portfolio 21 to withdraw the amount you wish to invest from your personal bank account on a monthly basis. Each AIP investment must be \$100 or greater. If you wish to participate in the AIP, please complete the "Automatic Investment Plan" section on the Account Application and mail it to Portfolio 21 at the address listed under "Purchase by Mail", or call the Transfer Agent at 866.209.1962. In order to participate in the AIP, your bank or financial institution must be a member of the ACH network. Any request to change or terminate your participation in the AIP should be submitted to Portfolio 21 sufficiently in advance of the next withdrawal. If your payment is rejected by your bank, the transfer agent will charge a \$25 fee to your account. Portfolio 21 may terminate or modify this privilege at any time.

The AIP is a method of using dollar cost averaging as an investment strategy that involves investing a fixed amount of money at regular time intervals. However, a

PORTFOLIO 21

SHAREHOLDER INFORMATION, Continued

program of regular investment cannot ensure a profit or protect against a loss as a result of declining markets. By continually investing the same amount, you will be purchasing more shares when the price is low and fewer shares when the price is high. Please call 866.209.1962 for additional information regarding Portfolio 21's AIP.

Retirement Plans. You may invest in Portfolio 21 by establishing a tax-sheltered IRA. Portfolio 21 offers Traditional, Roth, SIMPLE and SEP IRAs. You may obtain information about opening an IRA account by calling the Transfer Agent at 866.209.1962. If you wish to open a Keogh, Section 403(b) or other type of retirement plan, please contact your Financial Intermediary.

How to Redeem Shares

In general, orders to sell (redeem) Portfolio 21 shares may be placed either directly with Portfolio 21 or through your Financial Intermediary. You may redeem part or all of your Portfolio 21 shares at the next determined NAV after Portfolio 21 receives your order. You should request your redemption prior to the close of the NYSE, generally 4:00 p.m., Eastern time to obtain that day's closing NAV. Redemption requests received after the close of the NYSE will be treated as though received on the next business day.

No redemption request will become effective until all necessary documents have been received, in proper form, by the transfer agent. Shareholders should contact Portfolio 21's transfer agent for further information concerning documentation required for a redemption of Portfolio 21 shares.

By Mail. You may redeem your shares by simply sending a written request to the Transfer Agent. Please provide the name of Portfolio 21, account number and state the number of shares or dollar amount you would like redeemed. The letter should be signed by all of the shareholders whose names appear on the account registration. Please have the signature(s) guaranteed, if applicable. (Please see "Account and Transaction Policies" below). Redemption requests will not become effective until all documents have been received in good form by Portfolio 21. Additional documents are required for certain types of shareholders, such as corporations, partnerships, executors, trustees, administrators, or guardians (i.e. corporate resolutions, or trust documents indicating proper authorization.) Shareholders should contact the transfer agent for further information concerning documentation required for redemption of Portfolio 21 shares.

Shareholders who have an IRA or other retirement plan must indicate on their redemption request whether to withhold federal income tax. Redemption requests failing to indicate an election not to have tax withheld will generally be subject to a 10% withholding tax.

PORTFOLIO 21

SHAREHOLDER INFORMATION, Continued

You should send your redemption requests to:

Regular Mail:

Portfolio 21

c/o U.S. Bancorp Fund Services, LLC

P.O. Box 701

Milwaukee, WI 53201-0701

Overnight Delivery:

Portfolio 21

c/o U.S. Bancorp Fund Services, LLC

615 East Michigan Street, 3rd Floor

Milwaukee, WI 53202

Note: Portfolio 21 does not consider the U.S. Postal Service or other independent delivery services to be its agents.

By Telephone. You may redeem Portfolio 21 shares by telephone by completing the “Telephone Options” portion of the Account Application. For information on how to request telephone redemption privileges after your account is open, you may call the Transfer Agent at 866.209.1962. If you have a retirement account, you may not redeem shares by telephone. Once a telephone transaction has been placed, it cannot be cancelled or modified. During periods of high market activity, you may encounter higher than usual wait times. Please allow sufficient time to ensure that you will be able to complete your telephone transaction prior to market close. You may make your redemption request in writing.

You may redeem all or some of your shares by calling the Transfer Agent at 866.209.1962 prior to the close of trading on the NYSE, generally 4:00 p.m., Eastern time. For joint accounts, instructions or inquires from either party will be carried out without prior notice to the other account owners. The maximum amount that may be redeemed by telephone is \$50,000. Redemption proceeds will generally be sent on the next business day to the mailing address that appears on the transfer agent’s records. Per your request, redemption proceeds may be wired or sent by electronic funds transfer via the ACH network to your pre-designated bank account. There is a \$15 wire charge per wire which will be deducted from your account balance on dollar specific trades or from the proceeds on complete redemptions and share specific trades. You are not charged for any proceeds sent via the ACH network. Credit for proceeds sent via ACH is available in your bank account within two to three days. Telephone redemptions cannot be made if you notify the transfer agent of a change of address within 15 days before the redemption request.

Prior to executing instructions received to redeem shares by telephone, Portfolio 21 and the Transfer Agent will use reasonable procedures to confirm that the telephone instructions are genuine. The telephone call may be recorded and the caller may be asked to verify certain personal identification information. If Portfolio 21 or its agents follow these procedures, they cannot be held liable for any loss, expense or cost arising out of any telephone redemption request that is reasonably believed to be genuine. This includes any fraudulent or unauthorized request. Once a telephone transaction has been placed, it cannot be canceled or modified.

PORTFOLIO 21

SHAREHOLDER INFORMATION, Continued

Portfolio 21 may change, modify or terminate these privileges at any time upon at least a 60-day notice to shareholders.

By Wire. To redeem shares by wire, call Portfolio 21 at 866.209.1962 and specify the amount of money you wish to be wired. Your bank may charge a fee to receive wired funds. The transfer agent charges a \$15 outgoing wire fee. Proceeds will be wired on the following business day to the predetermined bank instructions on your account at the time of the redemption.

Through a Financial Intermediary. You may redeem Portfolio 21 shares through your Financial Intermediary. Redemptions made through a Financial Intermediary may be subject to procedures established by that institution. Your Financial Intermediary is responsible for sending your order to Portfolio 21 and for crediting your account with the proceeds. For redemptions through Financial Intermediaries, your order will be processed at the NAV per share next effective after receipt of the order. Please keep in mind that your Financial Intermediary may charge additional fees for its services.

Systematic Withdrawal Program. Class R shares Only. As another convenience, you may redeem your Portfolio 21 shares through the Systematic Withdrawal Program (“SWP”). Under the SWP, shareholders or their Financial Intermediaries may request that a payment drawn in a predetermined amount be sent to them on a monthly, quarterly or annual basis. In order to participate in the SWP, your account balance must be at least \$10,000 and each withdrawal amount must be for a minimum of \$100. If you elect this method of redemption, Portfolio 21 will send a check directly to your address of record or will send the payment directly to your bank account via electronic funds transfer through the ACH network. For payment through the ACH network, your bank must be an ACH member and your bank account information must be maintained on your account. This program may be terminated at any time by Portfolio 21. You may also elect to terminate your participation in this program at any time sufficiently in advance of the next withdrawal.

A withdrawal under the Systematic Withdrawal Program involves a redemption of shares of Portfolio 21 and may result in a gain or loss for federal income tax purposes. In addition, if the amount withdrawn exceeds the dividends credited to your account, your account may ultimately be depleted. To establish the SWP, complete the “Systematic Withdrawal Plan” section of the Account Application. Please call 866.209.1962 for additional information regarding Portfolio 21’s SWP.

Redemption Fees. Portfolio 21 is intended for long-term investors. Short-term “market timers” that engage in frequent purchases and redemptions can disrupt Portfolio 21’s investment program and create additional transaction costs that are borne by Portfolio 21’s shareholders. For these reasons, Portfolio 21 will assess a

PORTFOLIO 21

SHAREHOLDER INFORMATION, Continued

2.00% fee on the redemption of Portfolio 21 shares held for 60 days or less. Portfolio 21 uses the “first in, first out” (“FIFO”) method to determine the holding period. The FIFO method states that if a shareholder purchases shares on different days, the shares he/she held the longest will be redeemed first for purposes of determining whether the redemption fee applies. The redemption fee is deducted from your proceeds and retained by Portfolio 21 for the benefit of long-term shareholders. This fee does not apply to (i) shares purchased through reinvested dividends or capital gains; (ii) redemptions under Portfolio 21’s SWP; (iii) the redemption of shares previously purchased under an AIP; or (iv) the involuntary redemption of low balance accounts. Portfolio 21 reserves the right to change the terms and amount of this fee upon at least a 60-day notice to shareholders.

Although Portfolio 21 has the goal of applying this redemption fee to most redemption of shares held for 60 days or less, Portfolio 21 may not always be able to track short-term trading effected through Financial Intermediaries in non-disclosed or omnibus accounts. These may include, but are not limited to, 401(k) and other employer-sponsored retirement plans (excluding IRA and other 1-person plans). This fee may not be applicable to an account of a qualified retirement plan (such as a 401(k) plan). While Portfolio 21 has entered into information sharing agreements with such Financial Intermediaries as described under “Tools to Combat Frequent Transactions” which contractually require such Financial Intermediaries to provide Portfolio 21 with information relating to its customers investing in Portfolio 21 through non-disclosed or omnibus accounts, Portfolio 21 cannot guarantee the accuracy of the information provided to it from Financial Intermediaries and may not always be able to track short-term trading effected through these Financial Intermediaries. In addition, because Portfolio 21 is required to rely on information from the Financial Intermediary as to the applicable redemption fee, Portfolio 21 cannot ensure that the Financial Intermediary is always imposing such fee on the underlying shareholder in accordance with Portfolio 21’s policies.

ACCOUNT AND TRANSACTION POLICIES

Payment of Redemption Proceeds. Proceeds will generally be processed within seven calendar days after Portfolio 21 receives your redemption request.

Before selling recently purchased shares, please note that if the Transfer Agent has not yet collected payment for the shares you are selling, it may delay sending the proceeds until the payment is collected, which may take up to 15 calendar days from the purchase date. Furthermore, there are certain times when you may be unable to sell Portfolio 21’s shares or receive proceeds. Specifically, Portfolio 21 may suspend the right to redeem shares or postpone the date of payment upon redemption for more than three business days (1) for any period during which the NYSE is closed

PORTFOLIO 21

ACCOUNT AND TRANSACTION POLICIES, Continued

(other than customary weekend or holiday closings) or trading on the NYSE is restricted; (2) for any period which an emergency exists as result of which disposal by Portfolio 21 of securities owned by it is not reasonably practicable or it is not reasonably practicable for Portfolio 21 fairly to determine the value of its net assets; or (3) for such other periods as the SEC may permit for the protection of Portfolio 21's shareholders.

Redemption requests will be sent to the address of record. Portfolio 21 will not be responsible for interest lost on redemption amounts due to lost or misdirected mail. If the proceeds of redemption are requested to be sent to an address other than the address of record, or if the address of record has been changed within 30 days of the redemption request, the request must be in writing with your signature guaranteed.

Low Balance Accounts. If your total account balance falls below \$1,000 for Class R shares or \$1,000,000 for Class I shares due to redemptions you have made, Portfolio 21 may redeem your shares. This does not apply to retirement plans or Uniform Gifts or Transfers to Minors Act accounts. Portfolio 21 will inform you in writing 30 days prior to making an involuntary redemption. If you do not bring your total account balance up to the minimum initial investment within 30 days, Portfolio 21 may redeem your shares and send you the proceeds. Portfolio 21 will not redeem your shares if your account value falls as a result of market fluctuations.

Redemption "In-Kind." Portfolio 21 reserves the right to pay redemption proceeds to you in whole or in part by a distribution of securities from its portfolio (a redemption "in-kind"). It is not expected that Portfolio 21 would do so except during unusual market conditions. If Portfolio 21 pays your redemption proceeds by a distribution of securities, you could incur brokerage or other charges in converting the securities to cash and will bear any market risks associated with such securities until they are converted into cash. A redemption in-kind is treated as a taxable transaction and a sale of the redeemed shares, generally resulting in capital gain or loss to you, subject to certain loss limitation rules.

Signature Guarantee. A signature guarantee may be required for certain redemption requests. A signature guarantee assures that your signature is genuine and protects you from unauthorized account redemptions.

A signature guarantee is required in the following situations:

- If the ownership is changed on your account;
- When redemption proceeds are payable to or sent to any person, address or bank account not on record;
- For written requests to wire redemption proceeds (if not previously authorized on an account);

PORTFOLIO 21

ACCOUNT AND TRANSACTION POLICIES, Continued

- If a change of address request has been received by Portfolio 21's transfer agent within the last 30 days;
- When establishing or modifying certain services on an account; and/or
- For all redemptions in excess of \$50,000 from any account.

In addition to the situations described above, Portfolio 21 and/or the transfer agent reserve the right to require a signature guarantee in other instances based on the circumstances relative to the particular situation. Signature guarantees will be generally accepted from domestic banks, brokers, dealers, credit unions, national securities exchanges, registered securities associations, clearing agencies and savings associations, as well as from participants in the New York Stock Exchanges Medallion Signature Program and the Securities Transfer Agents Medallion Program ("STAMP"). A notary public is not an acceptable signature guarantor.

TOOLS TO COMBAT FREQUENT TRANSACTIONS

Portfolio 21 is intended for long-term investors. Short-term "market-timers" who engage in frequent purchases and redemptions can disrupt Portfolio 21's investment program and create additional transaction costs that are borne by all of Portfolio 21's shareholders. The Board has adopted a policy regarding excessive trading. Portfolio 21 discourages excessive, short-term trading and other abusive trading practices and Portfolio 21 may use a variety of techniques to monitor trading activity and detect abusive trading practices. These steps may include, among other things, monitoring trading activity, imposing redemption fees, and using fair value pricing under procedures adopted by the Board when the Advisor determines current market prices are not readily available. As approved by the Board, these techniques may change from time to time as determined by Portfolio 21 in its sole discretion.

In an effort to discourage abusive trading practices and minimize harm to Portfolio 21 and its shareholders, Portfolio 21 reserves the right, in its sole discretion, to reject any purchase order or exchange request, in whole or in part, for any reason (including, without limitation, purchases by persons whose trading activity in Portfolio 21's shares is believed by the Adviser to be harmful to Portfolio 21) and without prior notice. Portfolio 21 may decide to restrict purchase and sale activity in their shares based on various factors, including whether frequent purchase and sale activity will disrupt portfolio management strategies and adversely affect Portfolio 21's performance. Although these efforts are designed to discourage abusive trading practices, these tools cannot eliminate the possibility that such activity will occur. Portfolio 21 seeks to exercise its judgment in implementing these tools to the best of their ability in a manner that it believes is consistent with shareholder interests. Except as noted in the Prospectus, Portfolio 21 applies all restrictions uniformly in all applicable cases.

PORTFOLIO 21

TOOLS TO COMBAT FREQUENT TRANSACTIONS, Continued

Due to the complexity and subjectivity involved in identifying abusive trading activity and the volume of shareholder transactions Portfolio 21 handles, there can be no assurance that Portfolio 21's efforts will identify all trades or trading practices that may be considered abusive. In particular, since Portfolio 21 receives purchase and sale orders through financial intermediaries that use group or omnibus accounts, Portfolio 21 cannot always detect frequent trading. However, Portfolio 21 will work with Financial Intermediaries as necessary to discourage shareholders from engaging in abusive trading practices and to impose restrictions on excessive trades. In this regard, Portfolio 21 has entered into information sharing agreements with Financial Intermediaries pursuant to which these intermediaries are required to provide to Portfolio 21, at Portfolio 21's request, certain information relating to their customers investing in Portfolio 21 through non-disclosed or omnibus accounts. Portfolio 21 will use this information to attempt to identify abusive trading practices. Financial Intermediaries are contractually required to follow any instructions from Portfolio 21 to restrict or prohibit future purchases from shareholders that are found to have engaged in abusive trading in violation of Portfolio 21's policies. However, Portfolio 21 cannot guarantee the accuracy of the information provided to it from Financial Intermediaries and cannot ensure that they will always be able to detect abusive trading practices that occur through non-disclosed and omnibus accounts. As a consequence, Portfolio 21's ability to monitor and discourage abusive trading practices in omnibus accounts may be limited.

RULE 12B-1 FEES (Class R Shares Only)

Portfolio 21 has adopted a distribution plan pursuant to Rule 12b-1 under the Investment Company Act of 1940 (the "Plan"). This rule allows Portfolio 21 to pay distribution fees for the sale and distribution of its shares and for services provided to shareholders. The Plan provides for the payment of distributions and services at the annual rate of 0.25% of Portfolio 21's average daily net assets which are payable to the Advisor, as distribution coordinator. Because these fees are paid out of Portfolio 21's assets on an on-going basis, over time these fees will increase the cost of your investment in Portfolio 21 shares and may cost you more than paying other types of sales charges.

SERVICE FEES AND OTHER THIRD PARTY FEES

In addition to paying fees under the Plan, Portfolio 21 may pay service fees to intermediaries such as banks, broker-dealers, financial advisors or other financial institutions, including affiliates of the Advisor, for sub-administration, sub-transfer agency and other shareholder services associated with shareholders whose shares are held of record in omnibus accounts, other group accounts or accounts traded through registered securities clearing agents.

PORTFOLIO 21

SERVICE FEES AND OTHER THIRD PARTY FEES, Continued

The Advisor, out of its own resources, and without additional cost to Portfolio 21 or its shareholders, may provide additional cash payments or non-cash compensation to intermediaries who sell shares of Portfolio 21. Such payments and compensation are in addition to sales charges (including Rule 12b-1 fees) and service fees paid by Portfolio 21. These additional cash payments are generally made to intermediaries that provide shareholder servicing, marketing support and/or access to sales meetings, sales representatives and management representatives of the intermediary. Cash compensation may also be paid to intermediaries for inclusion of Portfolio 21 on a sales list, including a preferred or select sales list, in other sales programs or as an expense reimbursement in cases where the intermediary provides shareholder services to Portfolio 21's shareholders. The Advisor may also pay cash compensation in the form of finder's fees that vary depending on Portfolio 21 and the dollar amount of the shares sold.

DIVIDENDS AND DISTRIBUTIONS

Portfolio 21 distributes dividends from its net investment income at least annually. Based on the investment strategies of Portfolio 21 as summarized above, it is anticipated that Portfolio 21's net investment income generally will consist of interest income and dividends received on investments, less expenses.

Portfolio 21 also distributes any realized net capital gain at least annually. Portfolio 21 realizes capital gains mainly from sales of its assets for a profit. Net capital gains of Portfolio 21 (net long-term capital gain over net short-term capital loss) realized and distributed by Portfolio 21 and designated as capital gains dividends are taxable to shareholders as long-term capital gains, without regard to the length of time the shareholders have held shares of Portfolio 21.

Dividends and capital gain distributions (collectively, "Distributions") will be reinvested automatically at the NAV unless you request otherwise in writing. If you wish to change your Distribution option, write to Portfolio 21 in advance of the payment date of the Distribution. Normally, Distributions are taxable events for shareholders whether the Distributions are received in cash or reinvested. If you elect to receive Distributions from Portfolio 21 by check and the U.S. Postal Service cannot deliver such check or your check remains uncashed for six months, Portfolio 21 reserves the right to reinvest the check in your account at Portfolio 21's then current NAV per share and to reinvest all subsequent Distributions in shares of Portfolio 21 until an updated address is received.

PORTFOLIO 21

TAX CONSEQUENCES

Portfolio 21 intends to make distributions of dividends and capital gains. Dividends are taxable to shareholders as ordinary income or, under current law, qualified dividend income. The rate you pay on capital gain distributions will depend on how long Portfolio 21 held the securities that generated the gains, not on how long you owned your Portfolio 21 shares. There is no requirement that Portfolio 21 take into consideration any tax implication when implementing its investment strategy. You will be taxed in the same manner whether you receive your Distributions in cash or reinvest them in additional Portfolio 21 shares. Shareholders should note that Portfolio 21 may make taxable distributions of income and capital gains even when share values have declined.

By law, Portfolio 21 must withhold a percentage of your taxable Distributions and redemption proceeds if you do not provide your correct social security or taxpayer identification number and certify that you are not subject to backup withholding, or if the Internal Revenue Service instructs Portfolio 21 to do so.

If you sell your Portfolio 21 shares, it is considered a taxable event for you. Depending on the purchase price and the sale price of the shares you sell, and any other adjustments to your tax basis for your shares, you may have a gain or a loss on the transaction. You are responsible for any tax liabilities generated by your transaction.

Because everyone's tax situation is unique, any person reviewing this discussion should seek advice based on such person's particular circumstances from an independent tax advisor.

FINANCIAL HIGHLIGHTS

This following tables show Portfolio 21's financial performance for the periods shown. Certain information reflects financial results for a single Portfolio 21 share. "Total return" shows how much your investment in Portfolio 21 would have increased or decreased during the period, assuming you had reinvested all dividends and distributions. This information has been audited by Tait, Weller & Baker LLP, an independent registered public accounting firm. Its report and Portfolio 21's financial statements are included in the Annual Report to shareholders for the most recent fiscal period ended June 30, which is available upon request.

PORTFOLIO 21

FINANCIAL HIGHLIGHTS, Continued

For a capital share outstanding throughout each period

Class R	Year Ended June 30, 2009	Year Ended June 30, 2008	Year Ended June 30, 2007	Period Ended June 30, 2006 ⁽⁴⁾	Year Ended August 31, 2005 2004	
Net asset value, beginning of year/period	\$32.56	\$36.54	\$29.05	\$25.49	\$21.64	\$19.47
Income from investment operations:						
Net investment income	0.18	0.34	0.32	0.37	0.18	0.08
Net realized and unrealized gain (loss) on investments	(7.64)	(3.98)	7.79	3.41	3.77	2.13
Total from investment operations	(7.46)	(3.64)	8.11	3.78	3.95	2.21
Less distributions:						
From net investment income	(0.37)	(0.23)	(0.32)	(0.16)	(0.10)	(0.04)
From net realized gain	(0.02)	(0.11)	(0.30)	(0.06)	—	—
Total distributions	(0.39)	(0.34)	(0.62)	(0.22)	(0.10)	(0.04)
Paid-in capital from redemption fees	— ⁽¹⁾	— ⁽¹⁾	— ⁽¹⁾	— ⁽¹⁾	— ⁽¹⁾	— ⁽¹⁾
Net asset value, end of year/period	\$24.71	\$32.56	\$36.54	\$29.05	\$25.49	\$21.64
Total return	(22.78)%	(10.09)%	28.18%	14.88(2)	18.27%	11.36%
Ratios/supplemental data:						
Net assets, end of year/period (millions)	\$155.8	\$176.9	\$172.2	\$119.8	\$88.4	\$51.5
Ratio of expenses to average net assets:						
Before fees waived and expenses absorbed	1.51%	1.49%	1.57%	1.63%(3)	1.69%	1.90%
After fees waived and expenses absorbed	1.50%	1.50%	1.50%	1.50%(3)	1.50%	1.50%
Ratio of net investment income to average net assets:						
Before fees waived and expenses absorbed	0.86%	1.13%	0.99%	1.60%(3)	0.71%	0.02%
After fees waived and expenses absorbed	0.87%	1.12%	1.06%	1.73%(3)	0.90%	0.42%
Portfolio turnover rate	13%	4%	0%	4%(2)	1%	4%

(1) Less than \$0.01 per share.

(2) Not annualized.

(3) Annualized.

(4) On June 20, 2006, the Board approved a change in the Fund's fiscal year-end from August 31 to June 30, effective with the ten-month period ending June 30, 2006.

PORTFOLIO 21

FINANCIAL HIGHLIGHTS, Continued

For a capital share outstanding throughout each period

Class I	Year Ended June 30, 2009	Year Ended June 30, 2008	Period Ended June 30, 2007 ⁽¹⁾
Net asset value, beginning of year/period	\$32.59	\$36.57	\$34.44
Income from investment operations:			
Net investment income	0.38	0.42	0.16
Net realized and unrealized gain on investments	(7.78)	(3.96)	1.97
Total from investment operations	(7.40)	(3.54)	2.13
Less distributions:			
From net investment income	(0.50)	(0.33)	—
From net realized gain	(0.02)	(0.11)	—
Total distributions	(0.52)	(0.44)	—
Paid-in capital from redemption fees	— ⁽²⁾	—	—
Net asset value, end of year/period	\$24.67	\$32.59	\$36.57
Total return	(22.57)%	(9.82)%	6.18% ⁽³⁾
Ratios/supplemental data:			
Net assets, end of year/period (millions)	\$96.5	\$96.5	\$67.7
Ratio of expenses to average net assets:			
Before fees waived and expenses absorbed	1.21%	1.19%	1.23% ⁽⁴⁾
After fees waived and expenses absorbed	1.20%	1.20%	1.20% ⁽⁴⁾
Ratio of net investment income to average net assets:			
Before fees waived and expenses absorbed	1.21%	1.42%	2.28% ⁽⁴⁾
After fees waived and expenses absorbed	1.22%	1.41%	2.31% ⁽⁴⁾
Portfolio turnover rate	13%	4%	0% ⁽³⁾

(1) Institutional shares have been offered since March 30, 2007.

(2) Less than \$0.01 per share.

(3) Not annualized.

(4) Annualized.

PORTFOLIO 21

PRIVACY NOTICE

Portfolio 21 collects 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 Portfolio 21. 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 Portfolio 21 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.

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Portfolio 21 Investments
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877.351.4115

Distributor
Quasar Distributors, LLC
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Milwaukee, Wisconsin 53202

Custodian
U.S. Bank, National Association
Custody Operations
1555 N. River Center Drive, Suite 302
Milwaukee, Wisconsin 53212

Transfer Agent, Fund Accountant & Fund Administrator
U.S. Bancorp Fund Services, LLC
615 East Michigan Street
Milwaukee, Wisconsin 53202

PORTFOLIO 21

You can find more information about Portfolio 21 in the following documents:

Statement of Additional Information (“SAI”): The SAI provides additional details about the investments and techniques of Portfolio 21 and certain other additional information. A current SAI is on file with the SEC and is herein incorporated by reference into this Prospectus. It is legally a part of the Prospectus.

Annual/Semi-Annual Reports: Additional information about Portfolio 21’s investments is available in Portfolio 21’s Annual and Semi-Annual Reports to shareholders. Portfolio 21’s Annual Report contains a discussion of the market conditions and investment strategies that significantly affected Portfolio 21’s performance during its last fiscal year.

You can obtain a free copy of these documents, request other information or make general inquires about Portfolio 21 by contacting Portfolio 21 at:

Portfolio 21
721 N.W. Ninth Avenue
Suite 250
Portland, OR 97209
Telephone: 877.351.4115
portfolio21.com

You can review and copy information including Portfolio 21’s reports to shareholders and SAI at the Public Reference Room of the SEC, 100 F Street, N.E. Washington, D.C. 20549-1520 You can obtain information on the operation of the Public Reference Room by calling (202) 551-8090. Shareholder reports and other information about Portfolio 21 are also available:

- Free of charge from Portfolio 21’s website at portfolio21.com; or
- Free of charge from the SEC’s EDGAR database on the SEC’s website at <http://www.sec.gov>; or
- For a fee, by writing to the Public Reference Room of the SEC, Washington, DC 20549-1520; or
- For a fee, by email request to: publicinfo@sec.gov.

(The Trust’s SEC Investment Company Act
file number is 811-05037)

