



Second Quarter 2010 Commentary

Emerging Growth Fund (OBEGX)

After four consecutive quarters of positive returns, U.S. equities took a pause during the second quarter, with the S&P 500 Index returning -11.43%. Small cap stocks outperformed large cap stocks for the fourth time in the last five quarters, with the small cap Russell 2000 Growth Index returning -9.22% versus a return of -11.75% for the larger cap Russell 1000 Growth Index. Growth stocks also outperformed during the quarter, with the Russell 2000 Growth Index outperforming the Russell 2000 Value Index by 138 basis points.

Despite strong earnings reports from companies during the quarter and positive anecdotal commentary from management teams regarding improving business conditions, investors increasingly began to fret during the quarter about the possibility that the European sovereign debt crisis might have global repercussions. The Euro has been under severe pressure, depreciating 9.4% versus the U.S. dollar during the quarter and 14.5% year-to-date. As a result, investors have increasingly shunned risk, pushing safe-haven assets higher. Gold rallied over 11% during the quarter and the yield on 10-year U.S. Treasury Notes fell below 3%.

In the wake of the debacle in Greece, many European countries have announced austerity programs aimed at reducing fiscal deficits. Greece, Spain, Portugal and the United Kingdom have all announced such measures, including pay cuts and reductions in retirement benefits for public sector workers, and increased taxes. Even Germany, seemingly in the best fiscal shape in Europe, announced a program to cut more than 80 billion Euros from its budget over the next four years.

While this should help appease the fiscal vigilantes in the short-run, these austerity measures are likely, at a minimum, to curtail European growth, and could cause deflation and a double-dip recession in that region. It is premature at this point to speculate on the impact a weaker Europe will have on the global economy in general and the U.S. economy specifically, although the Fed already issued a preliminary warning in its statement on June 23: "Financial conditions have become less supportive of economic growth on balance, largely reflecting developments abroad." With May new home sales falling 33% from April (after the tax credit expired), and the Conference Board Consumer Confidence reading coming in below expectations at 52.9, the U.S. economy appears to have lost some momentum.

As mentioned last quarter, we remain concerned about the longer-term health of the U.S. economy. We expect U.S. federal debt could reach a European-like 94% of GDP by 2020, and unemployment remains stuck near the 10% level. Soon the Obama administration may be faced with very difficult decisions, including a no-win choice between rising interest rates and rising inflation. Ultimately the administration will also need to tend to massive amounts of government debt, possibly putting the tenuous economic recovery at risk in the process. As a result, we have very little conviction that the nation's economic problems will be solved in 2010 and expect only modest economic growth over the next three to five years.

In the meantime, investors should recognize that the global recovery is likely to be more measured compared to past recoveries. Our belief is that the next few years could be particularly advantageous for smaller cap companies likely to experience growth even if the broader economy stagnates. In

addition to above-average growth, we believe that investors will pay a premium P/E multiple to buy shares in high-growth, small-cap companies when growth is not easily found. We believe that our portfolio of rapidly growing small-cap companies is uniquely positioned to benefit during a period where a sluggish economy puts growth at a premium.

The Fund's positive view is also supported at the macro level by attractive valuations for small cap growth stocks. According to Bank of America Merrill Lynch, small cap growth stocks trade at a steep discount relative to small cap value stocks based on valuation metrics such as P/E, price/book, price/sales, and P/E to growth ratio. Additionally, our proprietary research suggests that high-growth small cap companies trade at median forward P/E ratios that are below-average.

The Quarter in Review

The Oberweis Emerging Growth Fund returned -7.48% versus -9.22% for the Russell 2000 Growth Index during the quarter. As of June 30, 2010, the Fund was 98.6% invested in 72 companies. On a sector basis, the Fund continues to have substantial investments in technology (an average weight during the quarter of 41.9% for the Fund versus an average weight during the quarter of 22.9% for the Russell 2000 Growth Index), healthcare (20.3% versus 24.2%), and consumer discretionary (19.9% versus 19.5%). Performance was bolstered by positive stock selection in technology and healthcare during the quarter, while stock selection in producer durables and consumer staples detracted from performance.

Organization Update

There were no changes in the domestic team at Oberweis Asset Management.

Oberweis Asset Management's Investment Philosophy

We believe, and our experience has shown, that investing in rapidly growing small companies in the early stages of their growth cycles results in superior investment performance over long periods of time. We believe that innovation is the key to economic growth and wealth creation and are committed to investing in companies at the forefront of innovation – smaller company stocks that offer the potential for extraordinary revenue and earnings growth.

For over 20 years, we have focused exclusively on these companies, seeking opportunities where rapid change is driving growth and the potential exists for superior investment results over the long-term. Our time-tested and proprietary Oberweis Octagon is a specific research framework that allows us to quickly identify and understand the companies driving innovation in the global economy.

The entrepreneurial spirit is alive and well at these companies. Many are nimble and uniquely address the needs of their customers with patented new products and services. Successful investing, however, demands more than finding companies with good growth prospects. We must also buy these stocks for our clients at prices that make sense. We call our approach to investing AGARP---aggressive growth at a reasonable price. By paying careful attention to companies' valuations in relation to expected earnings growth rates, we seek to purchase stocks when they still have considerable appreciation potential.

Growth Equity Investing

James W. Oberweis, CFA
President, Portfolio Manager

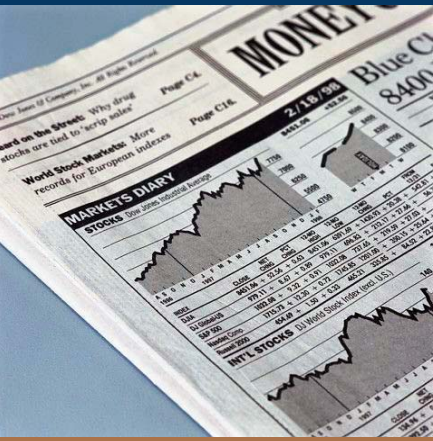
Ken Farsalas, CFA
Director of U.S. Equities,
Portfolio Manager



Oberweis Emerging Growth Fund (OBEGX) Second Quarter 2010

Investing in Small-Cap growth companies in the expansionary phase of their lifecycle.

Oberweis Asset Management, Inc.



Key Benefits

The Emerging Growth Fund invests at least 80% of its net assets in the securities of relatively small companies with a market capitalization of less than \$1.5 billion at the time of investment. The Emerging Growth Fund helps investors capitalize on the exceptional growth potential of rapidly growing emerging companies in the expansionary phase of their lifecycle.

The key benefits of the Oberweis Emerging Growth Fund are:

- Unique, style-consistent investment approach allows us to target exceptionally fast-growing small-cap stocks
- Emphasizing rapidly growing small companies expected to have exceptionally high revenue and earnings growth at a reasonable price/earnings to growth rates
- Moderate to low turnover through long-term investment horizon
- Monitors exposure to industry sectors and specific securities to manage risk
- Fully invested — no market timing
- Low historical correlation to the market (S&P 500)
- Investment process produces a risk controlled, disciplined and repeatable strategy
- Strategy intended to outperform the Russell 2000 Growth Index by 300 basis points net of fees

Minimum Investment: \$1,000

The Oberweis Funds invest in rapidly growing smaller and medium sized companies which may offer greater return potential. However, these investments often involve greater risks and volatility. There is no guarantee that the portfolios can achieve their objectives.

For more information
please contact
Brian Lee at:

Oberweis Asset Management, Inc.
3333 Warrenville Rd., Suite 500
Lisle, IL 60532
(800) 323-6166 • (630) 577-2321
brian.lee@oberweis.net
www.oberweisfunds.com

Oberweis Asset Management, Inc. – Advisor to The Oberweis Funds

Recognized as a leading small-cap stock specialist, Oberweis has been helping institutional investors manage their assets prudently and effectively for many years. Our key investment professionals include:

James W. Oberweis, CFA
President, Portfolio Manager (Principal)



- Holder of the Chartered Financial Analyst (CFA) designation
- MBA, University of Chicago
- Over 14 years of investment experience

Kenneth S. Farsalas, CFA Director of U.S. Equities, Portfolio Manager (Principal)



- Holder of the Chartered Financial Analyst (CFA) designation
- MBA, University of Chicago
- Over 15 years of investment experience

David I. Covas, CFA
Portfolio Manager (Principal)



- Holder of the Chartered Financial Analyst (CFA) designation
- MBA, University of Chicago
- Over 12 years of investment experience

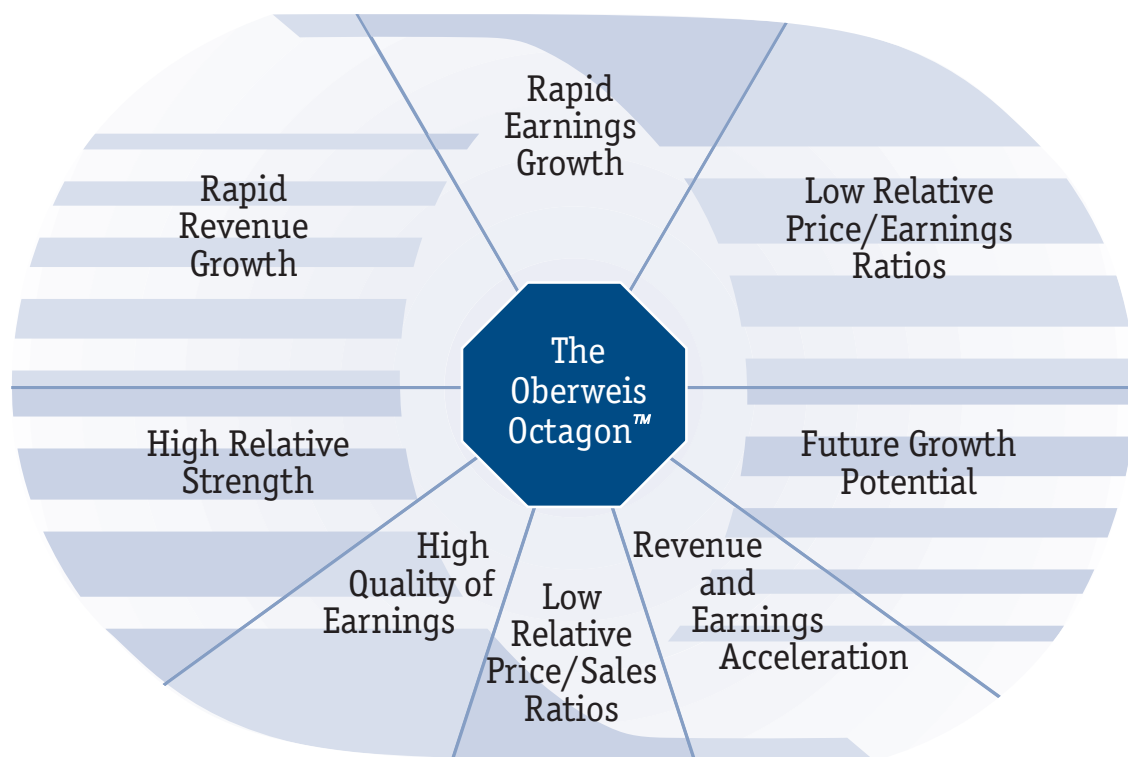


The Oberweis Octagon™

A unique blueprint for success

Our unique, highly disciplined investment approach includes a series of eight criteria to focus our research efforts. Beginning with a universe of approximately 14,000 companies, we select only those with the potential for exceptional growth. These companies must be profitable in the most recently reported quarter and have:

1. Revenue growth of 30% or more
2. Earnings growth of 30% or more
3. Price/earnings ratio less than half the company's rate of growth (12 month fwd P/E)
4. Products or services offering the potential for extraordinarily rapid and sustained growth
5. Ideally, the company should be experiencing revenue and earnings acceleration
6. Reasonable price/sales ratio
7. High quality of earnings
8. High relative strength





Oberweis Emerging Growth Fund Characteristics

(as of June 30, 2010)

Source: Baseline

	Oberweis Emerging Growth Fund (OBEGX)	Russell 2000 Growth Index
Number of Stocks	72	1291
Weighted Market Capitalization (in millions)	\$1,062	\$977
Median Market Capitalization (in millions)	\$736	\$421
2010 Price to Earnings Ratio (estimated)	16.5x	24.5x
2011 Price to Earnings Ratio (estimated)	15.0x	17.3x
Long-Term Future EPS Growth Rate (estimated)	23.0%	17.0%
2010 P/E to Growth Rate Ratio (estimated)	0.7x	1.4x
2011 P/E to Growth Rate Ratio (estimated)	0.6x	1.0x
Dividend Yield	0.0%	0.6%
Price to Book Ratio	3.2x	2.9x
Price to Cash Flow Ratio	15.4x	13.8x
Price to Sales Ratio	1.74x	0.95x
Long-Term Debt to Total Equity	11.0%	19.0%
Return on Equity	16.5%	10.1%
Net Profit Margin	9.6%	3.3%
Cash Position	1.4%	N/A
Portfolio Turnover (2009)	97.0%	N/A



Oberweis Emerging Growth Fund Sector Weightings

(as of June 30, 2010)

Source: Baseline

	Oberweis Emerging Growth Fund (OBEGX)	Russell 2000 Growth Index
Consumer Discretionary	17.5%	19.8%
Consumer Staples	1.9%	2.9%
Energy	3.5%	4.2%
Financial Services	0.0%	6.4%
Health Care	19.3%	21.5%
Materials & Processing	5.0%	7.4%
Producer Durables	8.1%	13.3%
Technology	43.4%	23.3%
Utilities	0.0%	1.2%
Cash	1.4%	N/A
Total	100.0%	100.0%

Sector Weightings as a % of Total Net Assets



Company Name	Percentage	Line of Business
1. IMAX Corporation	4.8%	Designs, manufactures, markets and leases proprietary projection and sound systems for IMAX theaters
2. Grand Canyon Education, Inc.	4.6%	Provider of online post-secondary education services
3. ArcSight, Inc.	3.8%	Provides security and compliance management software solutions
4. DG Fastchannel, Inc.	3.8%	Provides media distribution & related services to the communications industry
5. Green Mountain Coffee	3.5%	Distributes roasted coffee in single servings
6. SXC Health Solutions Corp.	3.4%	Provides pharmacy benefits management services and healthcare IT solutions
7. Impax Laboratories	3.4%	Generic and branded pharmaceutical drug company
8. American Superconductor	3.1%	Designs, develops manufactures & markets high temperature superconductor wires and power electronic converters
9. Netlogic Microsystems, Inc.	2.8%	Develops high performance knowledge-based processors used in networking equipment
10. OpenTable	2.7%	Operates an internet website where diners can make reservations at restaurants

Top 10 Holdings as a % of Total Net Assets

Portfolio Holdings are subject to change at any time. References to specific securities should not be construed as a recommendation to buy or sell and should not be assumed profitable.

Oberweis Emerging Growth Fund Ten Largest Equity Holdings

(as of March 31, 2010)

Source: Baseline

Oberweis Emerging Growth Fund Total Returns

(as of June 30, 2010)

	Quarter	YTD	Annualized			
			1-Year	3-Year	5-Year	10-Year
Oberweis Emerging Growth Fund (OBEGX)	-7.48%	-0.99%	26.02%	-13.71%	-4.73%	-2.37%
Russell 2000 Growth Index	-9.22%	-2.31%	17.96%	-7.54%	1.14%	-1.72%

Performance data shown represents past performance and is no guarantee of future results. Investment return and principal value will fluctuate, so that you may have gain or loss when shares are sold. Current performance may be higher or lower than quoted. Visit us online at oberweisfunds.com for most recent month-end performance. Foreign investments involve greater risks than U.S. investments, including political and economic risks and the risk of currency fluctuations.

The Russell 2000 Index measures the performance of approximately 2,000 companies with small-market capitalizations. The Russell 2000 Growth Index measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted earnings growth rates. Each index is an unmanaged group of stocks, whose performance does not reflect the deduction of fees, expenses or taxes.

Before investing, consider the fund's investment objectives, risks, charges, and expenses. To obtain a copy of the prospectus please visit our website at oberweisfunds.com or call 800-323-6166. Read it carefully.

The Oberweis Funds are distributed by Oberweis Securities, Inc. Member: FINRA & SIPC.



Growth of \$10,000 invested

1/7/87 (with income reinvested)

