



Dear Oberweis Shareholder,

We would like to take this opportunity to inform you of new Internal Revenue Service (“IRS”) tax reporting requirements for mutual fund companies, and explain how these new reporting requirements may impact you.

Beginning on January 1, 2012, all mutual fund companies will be required to expand the information they report to the IRS. In addition to the current reporting of gross proceeds for fund shares redeemed, mutual fund companies will now be required to report information about shareholders’ cost basis for the disposition of “covered” shares, and indicate whether the holding period was short-term or long-term in nature. Covered shares are shares acquired on or after January 1, 2012. Non-covered shares will be depleted first with no cost basis or holding period being reported to the IRS. These new rules were established as part of the Emergency Economic Stabilization Act of 2008 with the objective to ensure that investors accurately report realized gains and losses on securities in their annual tax filings.

It is important to understand that while you may currently receive average share cost basis information on your Consolidated Form 1099s, this information was not previously provided to the IRS. It was shared with you as a courtesy to help you complete Form 1040, Schedule D. Be aware that this expanded reporting to the IRS by mutual fund companies does not change any responsibilities you have to accurately report realized gains and losses in your annual tax filing.

The Oberweis Funds (the “Fund”) have elected High Cost First-Out Long-Term (“HIFL”) as the standing (default) tax lot identification method for all shareholders beginning January 1, 2012. The Fund’s standing tax lot identification method is the method by which covered shares will be reported on your Consolidated Form 1099 if you do not select a different depletion method. You may choose a method different than the Fund’s standing method and will be able to do so at the time of your purchase or upon the sale of covered shares. The tax lot identification methods currently available for you to select from are as follows:

- Average Cost: cost of shares is derived by dividing the total dollar amount invested in a particular fund position by the number of shares held prior to the trade date. Shares are removed in FIFO order.
- First-In, First-Out (FIFO): The depletion order of covered lots is to release the shares with the earliest acquisition date.
- Last-In, First-Out (LIFO): The depletion order of covered shares is to release shares purchased most recently, to be sold first.
- Highest-In, First-Out (HIFO): The depletion order is to release covered shares with the highest cost across all covered shares are sold first.
- Highest-In, First-Out Long-Term Shares (HIFL): The depletion order of the lots are covered tax lots held more than one year with the highest cost first.
- Highest-In, First-Out Short-Term Shares (HIFs): The depletion order of the lots are covered tax lots held less than one year with the highest cost first.
- Lowest-In, First-Out (LOFO): The lots with the lowest value across all covered shares are sold first.
- Lowest-In, First-Out Long-Term Shares (LOFL): The depletion order of the lots are covered tax lots held more than one year with the lowest cost first
- Lowest-In, First-Out Long-Term Shares (LOFS): The depletion order of the lots are covered tax lots held more less one year with the lowest cost first
- Specific Identification: You direct the fund on each trade as to the shares to be sold.

Please contact the Fund's Shareholder Services Department at 1-800-245-7311 to change your tax lot identification method. We also strongly recommend that you confer with your tax professional about this decision. Please be aware that you may change your depletion method at any time, but certain tax lot identification methods cannot be applied retroactively.

We look forward to answering any questions you may have about this topic. Please do not hesitate to contact us with any questions or concerns you may have.

As always, we would like to sincerely thank you for investing in The Oberweis Funds.

Sincerely,

A handwritten signature in black ink that reads "James W. Oberweis". The signature is written in a cursive style with a large initial "J" and "O".

James W. Oberweis CFA
President & Portfolio Manager