



**Oberweis**  
Funds



## SEMI-ANNUAL REPORT

Oberweis International Opportunities Institutional Fund (OBIIIX)

**June 30, 2016**

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## PRESIDENT AND PORTFOLIO MANAGER'S LETTER

Dear Fellow Shareholder:

During the second quarter, the Oberweis International Opportunities Institutional Fund returned +0.79% versus -0.69% for the MSCI World ex-US Small Cap Growth Index (the "benchmark"). Year-to-date, the Fund has returned -1.07% vs. -0.65% for the benchmark.

Global uncertainty rose rapidly toward the end of the second quarter after the United Kingdom voted to leave the European Union (EU), in what has been termed Brexit. Just prior to the vote, global markets rallied amid high expectations from both investors and London gambling sites that the UK would vote to remain in the EU. At the time, we believed that global markets were underestimating the likelihood that the UK could surprise the world by instead voting to leave. In the second quarter, we were underweight economically-sensitive businesses (which rallied into the vote but which we felt would be most sensitive to price declines if the outcome varied from expectations). Once the results were in, risk aversion increased and those same economically-sensitive companies sold off sharply. On a country basis, we were also generally underweight the UK heading into the Brexit vote. As has been true for much of the past year and a half, we've largely found better ideas elsewhere in Continental Europe relative to the UK. Additionally, within our UK holdings, some of our investments have a more international customer focus, which has helped to shield our UK holdings from waning domestic UK demand. As a result, the portfolio's outperformance in the UK was the single most important return contributor for the first half.

Brexit will likely yield a slowdown in the UK economy, which may well spillover to the rest of the EU. After the vote, the Great Britain Pound (GBP) declined 14% versus the US dollar and global bond prices soared, pushing yields to subzero levels in countries like Germany and Japan. Gold and silver reacted positively to the uncertainty, rallying 7.3% and 21.2%, respectively, for the second quarter. Throughout the first half, we were negatively impacted by the sharp move higher in precious metals. The Materials sector, which includes Precious Metals as a sub-sector, was our second most negative contributing sector during the first half.

While economic data remains tepid in Japan, the Yen continued its move higher, appreciating by over 8%, and that is on top of a 6% increase in the first quarter. While Japan detracted from performance in the first quarter, it was our second best country contributor compared to the benchmark for the quarter. Despite continued currency headwinds, our Japanese holdings returned 7.97% in US dollar terms, compared to 5.47% for those in the benchmark during the second quarter.

### PORTFOLIO HIGHLIGHTS

At the end of the first half, the portfolio was invested in 92 stocks in 16 countries. Our top five country weightings (portfolio weighting versus the MSCI World ex-US Small Cap Growth Index) at the end of the first half were Japan (30.0% vs. 29.4%), the United Kingdom (15.8% vs. 14.8%), Canada (7.7% vs. 9.8%), Australia (7.3% vs. 5.7%), and Denmark (6.2% vs. 1.4%). On a sector basis, the portfolio was overweight consumer discretionary (21.9% vs. 17.7%) and underweight materials (6.1% vs. 9.3%).

## PRESIDENT AND PORTFOLIO MANAGER'S LETTER *(continued)*

Some of the top performers for the first half included: Japan Lifeline Co. Ltd. (7575 JP), which returned +92.6% and contributed 70 basis points to portfolio return; Genmab A/S (GEN DC), which returned +35.3% and contributed 60 bps; and V Technology Co. Ltd. (7717 JP), which returned +101.6% and contributed 48 bps. Some of the leading detractors for the first half included: Swedish Orphan Biovitrum (SOBI SS), which returned -24.0% and detracted 51 bps; Paddy Power Betfair PLC (PPB LN), which returned -30.0% and detracted 46 bps; and Mitsui Chemicals Inc. (4183 JP), which returned -33.3% and detracted 39 bps.

### OUTLOOK

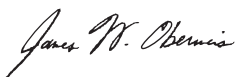
The Brexit event is likely to push the UK into an economic slowdown and an outright recession cannot be ruled out. We expect that, on the margin, investment and big consumption decisions are more likely to be put on hold until there is more economic and political clarity. However, such a slowdown appears to be already reasonably captured in stock prices for UK companies, many of which have already experienced downward earnings revisions. What is not clear is what actions the Bank of England (BoE) will take to counter such an economic slowdown. Already BoE Governor Mark Carney has suggested that lower interest rates and other monetary actions are possible if conditions warrant. Because of lower stock prices, diminished expectations, and the potential for UK stimulus, we have eliminated our underweight to the UK and are now weighted similarly to the benchmark.

The rest of the EU is also likely to experience a period of slowing growth given a potential decline in trade with the UK. Political uncertainty remains high, particularly in the face of upcoming elections this year in Italy and next year in France and Germany. Investors are also concerned about the European banking sector as Italian banks are under pressure and in need of additional capital. However, as long as inflation remains quite low, the ECB will remain accommodative. There is also the potential for the introduction of fiscal stimulus in an attempt to prop up growth.

From a sector perspective, the one notable change is that we reduced the underweight in industrials throughout the first half. This year we've begun to find more industrial ideas where companies largely exposed to commodity spending were beginning to see signs of increased activity. That attracted our interest, since market expectations seem to still reflect continued negative trends. Valuations (as measured by P/E's) for our strategy holdings have also come down significantly since the beginning of the year. Generally strong fundamentals of our portfolio holding companies have resulted in positive earnings revisions, which we believe are not yet fully reflected in share prices.

We appreciate your investment in The Oberweis International Opportunities Institutional Fund and are grateful for the trust you have shown us. If you have any questions, please contact Brian Lee (institutional clients) or John Collins (advisory accounts) at (800) 323-6166. Thank you for investing with us in The Oberweis Funds.

Sincerely,



James W. Oberweis, CFA  
President



Ralf Scherschmidt  
Portfolio Manager

PRESIDENT AND PORTFOLIO MANAGER'S LETTER *(continued)*

**AVERAGE ANNUAL TOTAL RETURNS (%)** *(as of June 30, 2016)*

<b>Ticker</b>	<b>Qtr</b>	<b>1 Yr</b>	<b>3 Yr</b>	<b>5 Yr</b>	<b>10 Yr</b>	<b>Life of Fund*</b>	<b>Expense Ratio**</b>
<b>OBIIX</b> .....	0.79	1.54	N/A	N/A	N/A	1.24	1.10

\* *Life of Fund returns are from commencement of operations on 03/10/14 for the Fund*

\*\* *Expense ratio is the total net annualized fund operating expense ratio as of 12/31/15. The expense ratio gross of any fee waivers or expense reimbursement was 1.28% the Fund. Oberweis Asset Management, Inc., the Fund's investment advisor, has contractually agreed to reimburse Fund expenses through April 30, 2017 to the extent necessary that Total Annual Fund Operating Expenses for OBIIX exceed 1.10% of average net assets, respectively.*

*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. 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. Foreign investments involve greater risks than U.S investments, including political and economic risks and the risk of currency fluctuations. There is no guarantee that the funds can achieve their objectives. Holdings in the Funds are subject to change. Before investing, consider the fund's investment objectives, risks, charges, and expenses. To obtain a copy of the prospectus or summary prospectus containing this and other information please visit our website at oberweisfunds.com or call 800-323-6166. Read it carefully before investing. The Oberweis Funds are distributed by Oberweis Securities, Inc. Member: FINRA & SIPC.*

*The MSCI World ex-US Small Cap Growth Index (Net) is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of small cap growth developed markets excluding the US, with minimum dividends reinvested net of withholding tax.*

## Oberweis International Opportunities Institutional Fund

At June 30, 2016 (Unaudited)

### Asset Allocation (%)

Common Stocks	95.3
Commercial Paper	2.7
Other Assets in excess of Liabilities	2.0
	<hr/>
	100.0

### Top Holdings (%)

Brembo SpA	2.0
Admiral Group PLC	1.8
Open House Co. Ltd.	1.8
Genmab A/S	1.8
Lion Corp.	1.8
Aggreko PLC	1.8
Deutsche Wohnen AG	1.8
Hochtief AG	1.7
Micro Focus International PLC	1.7
Gamesa Corp. Technologica SA	1.6
Other Holdings	82.2
	<hr/>
	100.0

### Top Industries (%)

Real Estate Management & Development	6.9
Hotels, Restaurants & Leisure	6.0
Construction & Engineering	5.5
Specialty Retail	4.6
Software	4.4
Biotechnology	3.9
Food Products	3.7
Machinery	3.3
Auto Components	3.1
Healthcare Equipment & Supplies	3.1
Other Industries	55.5
	<hr/>
	100.0

OBERWEIS INTERNATIONAL OPPORTUNITIES INSTITUTIONAL FUND<sup>a</sup>

**Schedule of Investments** June 30, 2016 (Unaudited)

	<u>SHARES</u>	<u>VALUE</u>
<b>Equities – 95.3%</b>		
AUSTRALIA – 7.3%		
Aristocrat Leisure Ltd. ....	595,700	\$ 6,197,315
Cochlear Ltd. ....	80,000	7,299,379
Domino's Pizza Enterprises Ltd. ....	160,700	8,269,482
Evolution Mining Ltd.* ....	3,646,400	6,372,497
Premier Investments Ltd. ....	202,000	2,170,551
Treasury Wine Estates Ltd. ....	772,000	5,364,675
Vocus Communications Ltd. ....	881,200	5,599,511
		<u>41,273,410</u>
BELGIUM – 1.9%		
Ion Beam Applications SA ....	70,400	3,335,371
NV Bekaert SA ....	169,300	7,374,761
		<u>10,710,132</u>
CANADA – 7.7%		
CCL Industries, Inc. ....	28,872	5,024,443
Cott Corp. ....	541,500	7,559,340
Dollarama, Inc. ....	108,300	7,560,882
FirstService Corp. ....	79,088	3,617,113
Maple Leaf Foods, Inc. ....	298,000	6,363,638
Parex Resources, Inc.* ....	794,700	7,694,812
Quebecor, Inc.* ....	190,600	5,461,310
		<u>43,281,538</u>
CHINA – 2.3%		
China Maple Leaf Educational Systems Ltd. ....	8,984,000	8,106,456
Sunny Optical Technology Group Co. Ltd. ....	1,465,000	5,158,044
		<u>13,264,500</u>
DENMARK – 6.2%		
DFDS A/S* ....	134,300	5,894,946
Genmab A/S* ....	55,104	10,047,987
H Lundbeck A/S* ....	242,300	9,083,115
Rockwool International A/S* ....	6,200	1,121,879
Royal Unibrew A/S ....	91,460	4,091,375
SimCorp A/S ....	94,200	4,622,975
		<u>34,862,277</u>
FINLAND – 2.4%		
Huhtamaki OYJ ....	173,900	7,216,840
Outotec OYJ* ....	732,900	3,315,740
Valmet OYJ* ....	204,400	2,727,949
		<u>13,260,529</u>
FRANCE – 5.3%		
Cellectis SA* ....	104,200	2,766,428
IPSOS SA* ....	76,900	2,188,787
Nexity SA ....	141,100	7,137,646
SEB SA ....	58,900	7,101,963

See accompanying notes to the financial statements.

OBERWEIS INTERNATIONAL OPPORTUNITIES INSTITUTIONAL FUND<sup>a</sup>

**Schedule of Investments** June 30, 2016 (Unaudited) (continued)

	<b>SHARES</b>	<b>VALUE</b>
Sopra Steria Group SA* .....	35,400	\$ 3,648,797
Teleperformance SA .....	82,900	7,061,625
		<u>29,905,246</u>
GERMANY – 4.6%		
Aurelius AG .....	69,300	4,072,804
Deutsche Wohnen AG .....	291,000	9,908,048
Hochtief AG .....	75,600	9,760,815
Sixt SE .....	39,500	2,031,933
		<u>25,773,600</u>
IRELAND – 0.8%		
Paddy Power Betfair PLC* .....	40,392	4,250,027
ITALY – 2.0%		
Brembo SpA .....	203,200	11,193,454
JAPAN – 30.0%		
Adastria Co. Ltd. ....	222,800	8,828,830
Asahi Intecc Co. Ltd. ....	136,400	6,665,381
Daifuku Co. Ltd. ....	334,200	5,985,457
Hirata Corp.* .....	26,200	1,706,840
Iida Group Hldgs. Co. Ltd. ....	327,800	6,713,041
JAC Recruitment Co. Ltd.* .....	193,000	3,251,733
Japan Lifeline Co. Ltd.* .....	171,900	6,962,044
Kajima Corp. ....	798,000	5,543,490
Koito Manufacturing Co. Ltd. ....	137,800	6,344,925
Kusuri No Aoki Co. Ltd. ....	84,700	5,526,661
Kyudenko Corp.* .....	255,000	7,547,775
Lion Corp. ....	608,000	10,031,699
Megmilk Snow Brand Co. Ltd. ....	252,400	8,805,954
MISUMI Group, Inc. ....	385,900	6,967,315
Nexon Co. Ltd. ....	318,200	4,709,373
Nichirei Corp. ....	592,000	5,461,684
Nihon Trim Co. Ltd.* .....	41,800	2,904,570
Obayashi Corp. ....	452,000	4,812,402
Open House Co. Ltd.* .....	373,500	10,230,978
SanBio Co. Ltd.* .....	76,900	1,298,509
Shimamura Co. Ltd. ....	58,600	8,718,902
Shinoken Group Co. Ltd. ....	113,000	3,049,806
Stella Chemifa Corp.* .....	114,900	3,930,305
Tsuruha Hldgs., Inc. ....	74,600	9,033,210
Ulvac, Inc. ....	296,300	9,094,810
Unizo Hldgs. Co. Ltd.* .....	122,100	4,858,210
V Technology Co. Ltd.* .....	49,900	5,728,302
W-Scope Corp. ....	179,200	4,239,189
		<u>168,951,395</u>

See accompanying notes to the financial statements.



OBERWEIS INTERNATIONAL OPPORTUNITIES INSTITUTIONAL FUND<sup>a</sup>

**Schedule of Investments** June 30, 2016 (Unaudited) (continued)

	<u>SHARES</u>	<u>VALUE</u>
<b>NETHERLANDS – 0.9%</b>		
BE Semiconductor Industries NV .....	185,500	\$ 5,019,081
<b>SPAIN – 1.6%</b>		
Gamesa Corp. Technologica SA .....	463,700	9,238,802
<b>SWEDEN – 4.5%</b>		
Evolution Gaming Group AB .....	116,210	3,504,711
Mycronic AB .....	352,200	2,633,268
Saab AB* .....	193,400	6,031,126
Swedish Orphan Biovitrum AB* .....	651,500	7,998,133
Unibet Group PLC .....	588,300	5,404,556
		<u>25,571,794</u>
<b>SWITZERLAND – 2.1%</b>		
Swiss Life Hldg. AG .....	25,705	5,940,372
Temenos Group AG .....	122,100	6,094,222
		<u>12,034,594</u>
<b>UNITED KINGDOM – 15.7%</b>		
888 Hldgs. PLC .....	1,116,900	3,044,266
Admiral Group PLC .....	382,600	10,402,574
Aggreko PLC .....	583,800	9,984,363
Auto Trader Group PLC .....	382,900	1,810,008
Cairn Energy PLC* .....	1,658,700	4,612,873
DCC PLC .....	97,900	8,614,861
Dominos Pizza Group PLC .....	683,700	3,037,514
easyJet PLC* .....	96,100	1,396,444
Henderson Group PLC* .....	651,400	1,851,877
IG Group Hldgs. PLC* .....	701,600	7,596,837
JD Sports Fashion PLC .....	408,600	6,299,359
Micro Focus International PLC .....	442,600	9,548,364
Paysafe Group PLC* .....	1,530,500	7,982,356
Persimmon PLC .....	96,800	1,877,046
Rightmove PLC .....	106,200	5,186,722
Weir Group PLC* .....	260,700	5,034,856
		<u>88,280,320</u>
<b>Total Equities</b>		
(Cost: \$487,928,308) .....		<u>\$ 536,870,699</u>
<b>Rights – 0.0%</b>		
<b>AUSTRALIA</b>		
Vocus Communications Ltd.* .....	99,011	—
<b>Total Rights</b>		
(Cost: \$0) .....		<u>\$ —</u>

See accompanying notes to the financial statements.

OBERWEIS INTERNATIONAL OPPORTUNITIES INSTITUTIONAL FUND<sup>a</sup>

**Schedule of Investments** June 30, 2016 (Unaudited) (continued)

	<u>FACE AMOUNT</u>	<u>VALUE</u>
<b>Commercial Paper – 2.7%</b>		
Prudential Financial		
0.55% due 07/07/2016 .....	15,000,000	\$ 15,000,000
<b>Total Commercial Paper</b>		
(Cost: \$15,000,000) .....		<u>\$ 15,000,000</u>
<b>Total Investments – 98.0%</b>		
(Cost: \$502,928,308) .....		\$ 551,870,699
Other Assets Less Liabilities – 2.0% .....		11,330,466
<b>Net Assets – 100%</b> .....		<u><b>\$ 563,201,165</b></u>

Cost of investments is \$506,708,417 for federal income tax purposes and net unrealized appreciation consists of:

Gross unrealized appreciation .....	\$ 62,926,339
Gross unrealized depreciation .....	(17,764,057)
Net unrealized appreciation .....	<u>\$ 45,162,282</u>

<sup>a</sup> Certain securities were fair valued under the discretion of the Board of Trustees

\* Non-income producing security during the period ended June 30, 2016

**SECTOR ALLOCATIONS (As a percentage of Net Assets)**

Consumer Discretionary .....	21.9%
Consumer Staples .....	11.0%
Energy .....	2.2%
Financials .....	12.2%
Health Care .....	9.8%
Industrials .....	19.7%
Information Technology .....	11.4%
Materials .....	6.1%
Telecommunication Services .....	1.0%

See accompanying notes to the financial statements.

# OBERWEIS INTERNATIONAL OPPORTUNITIES INSTITUTIONAL FUND

## Statement of Assets and Liabilities June 30, 2016 (Unaudited)

ASSETS	
Investment securities at value <sup>a</sup> . . . . .	\$ 551,870,699
Cash . . . . .	9,794,195
Receivable from securities sold . . . . .	1,703,816
Dividends and interest receivable . . . . .	1,061,699
Prepaid expenses . . . . .	<u>35,042</u>
Total Assets . . . . .	<u>564,465,451</u>
LIABILITIES	
Payable for securities purchased . . . . .	717,989
Payable to advisor (see note 2) . . . . .	426,254
Accrued expenses . . . . .	<u>120,043</u>
Total Liabilities . . . . .	<u>1,264,286</u>
NET ASSETS . . . . .	<u>\$ 563,201,165</u>
SHARES OUTSTANDING	
(shares of beneficial interest issued and outstanding, respectively, unlimited number of shares authorized with no par value) . . . . .	<u>55,170,887</u>
Net asset value, offering price and redemption price (see note 5) . . . . .	<u>\$ 10.21</u>
ANALYSIS OF NET ASSETS	
Capital . . . . .	\$ 541,300,089
Accumulated net investment income . . . . .	2,804,333
Accumulated net realized losses on investments and foreign currency transactions . . . . .	(29,862,197)
Net unrealized appreciation/depreciation on investments and translation of assets and liabilities denominated in foreign currencies . . . . .	<u>48,958,940</u>
Net Assets . . . . .	<u>\$ 563,201,165</u>
<sup>a</sup> Investment securities at cost . . . . .	<u>\$502,928,308</u>

See accompanying notes to the financial statements.

# OBERWEIS INTERNATIONAL OPPORTUNITIES INSTITUTIONAL FUND

## Statement of Operations *Period Ended June 30, 2016 (Unaudited)*

<b>INVESTMENT INCOME</b>	
Interest .....	\$ 51,189
Dividends <sup>a</sup> .....	5,161,462
Total Income .....	<u>5,212,651</u>
<b>EXPENSES</b>	
Investment advisory fees (see note 2) .....	2,232,999
Transfer agent fees and expenses .....	62,878
Custodian fees and expenses .....	265,340
Federal and state registration fees .....	19,554
Other .....	76,203
Total expenses before reimbursed expenses .....	<u>2,656,974</u>
Earnings credit (see note 5) .....	(15,528)
Expense reimbursement (see note 2) .....	<u>(185,147)</u>
Total Expenses .....	<u>2,456,299</u>
NET INVESTMENT INCOME .....	2,756,352
<b>NET REALIZED AND UNREALIZED GAINS (LOSSES) FROM INVESTMENTS</b>	
Net realized losses on investment transactions .....	(13,435,892)
Net realized gains on foreign currency transactions .....	39,588
Net realized losses on investment and foreign currency transactions .....	(13,396,304)
Change in net unrealized appreciation/depreciation on investments and translation of assets and liabilities denominated in foreign currencies .....	<u>13,350,014</u>
Net realized/unrealized losses on investments and foreign currencies .....	<u>(46,290)</u>
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS .....	<u>\$ 2,710,062</u>

<sup>a</sup> Dividends are net of foreign withholding tax of \$611,792

See accompanying notes to the financial statements.

OBERWEIS INTERNATIONAL OPPORTUNITIES INSTITUTIONAL FUND

Statement of Changes in Net Assets

	Period Ended June 30, 2016 (Unaudited)	Year Ended December 31, 2015
<b>FROM OPERATIONS</b>		
Net investment income	\$ 2,756,352	\$ 1,453,875
Net realized gains (losses) on investments and foreign currency transactions	(13,396,304)	2,628,746
Change in net unrealized appreciation/depreciation on investments and foreign currencies	13,350,014	29,740,935
Net increase in net assets resulting from operations	<u>2,710,062</u>	<u>33,823,556</u>
<b>FROM DISTRIBUTIONS</b>		
Distributions from net investment income	—	(1,967,928)
Net decrease in net assets from distributions	—	<u>(1,967,928)</u>
<b>FROM CAPITAL SHARE TRANSACTIONS</b>		
Proceeds from sale of shares	252,417,789	158,781,402
Proceeds from reinvestment of distributions	—	1,591,306
Redemption of shares	(53,328,725)	(9,817,613)
Net increase from capital share transactions	<u>199,089,064</u>	<u>150,555,095</u>
Total increase in net assets	201,799,126	182,410,723
<b>NET ASSETS</b>		
Beginning of period	361,402,039	178,991,316
End of period	<u>\$ 563,201,165</u>	<u>\$ 361,402,039</u>
ACCUMULATED NET INVESTMENT INCOME (LOSS)	<u>\$ 2,804,333</u>	<u>\$ (955,737)</u>
<b>TRANSACTIONS IN SHARES</b>		
Shares sold	25,492,412	15,917,373
Shares issued in reinvestment of distributions	—	153,453
Less shares redeemed	(5,357,858)	(988,167)
Net increase from capital share transactions	<u>20,134,554</u>	<u>15,082,659</u>

See accompanying notes to the financial statements.

# OBERWEIS INTERNATIONAL OPPORTUNITIES INSTITUTIONAL FUND

## Notes to Financial Statements *June 30, 2016 (Unaudited)*

### 1. Significant Accounting Policies

**Description of business.** The Oberweis Funds (the “Trust”) is registered under the Investment Company Act of 1940 as a diversified open-end management investment company. The Trust is authorized to operate numerous Funds under various trading strategies. The Oberweis International Opportunities Institutional Fund is one fund in a series issued by the Trust.

**Investment valuation.** Investments in securities are stated at value as of the close of the regular trading session on the New York Stock Exchange (“NYSE”) (generally 3 p.m., Central Standard Time). Each listed and unlisted security for which last sale information is regularly reported is valued at the last reported sales price on that day. If there has been no sale on such day, then such security is valued at the current day’s bid price. Any unlisted security for which last sale information is not regularly reported and any listed debt security which has an inactive listed market for which over-the-counter market quotations are readily available are valued at the closing bid price determined on the basis of reasonable inquiry. Options are valued at the last reported bid price on the primary exchange as of the close of the regular trading session of the Chicago Board Options Exchange (“CBOE”). Restricted securities and any other securities or other assets for which market quotations are not readily available are valued by appraisal at their fair value as determined in good faith under procedures established by and under the general supervision and responsibility of the Board of Trustees. Short-term debt obligations, commercial paper and repurchase agreements are valued on the basis of quoted yields for securities of comparable maturity, quality and type or on the basis of amortized cost.

The Oberweis International Opportunities Institutional Fund holds foreign equity securities. Foreign securities are fair valued as described in the following circumstances. Generally, trading in foreign securities markets is completed each day at various times prior to the close of the regular trading session of the NYSE. Due to the time differences between the closings of the relevant foreign securities exchanges and the close of the regular trading session of the NYSE for the Fund, the Fund will fair value their foreign investments when it is determined that the market quotations for the foreign investments either are not readily available or are unreliable and, therefore, do not represent fair value. When the fair value prices are utilized, these prices will attempt to reflect the impact of the U.S. financial markets’ perceptions and trading activities on the Funds’ foreign investments since the last closing prices of the foreign investments were calculated on their primary foreign securities markets or exchanges. For these purposes, the Board of Trustees of the Trust has determined that movements in relevant indices, after the close of the foreign securities exchanges, may demonstrate that market quotations are unreliable, and may trigger fair value pricing for certain securities. Consequently, fair valuation of portfolio securities may occur on a daily basis. In determining fair value prices, the Trust utilizes data furnished by an independent pricing service (and that data draws upon, among other information, the market values of foreign investments). When a Fund uses fair value pricing, the values assigned to the Fund’s foreign investments may not be the quoted or published prices of the investments on their primary markets or exchanges.

# OBERWEIS INTERNATIONAL OPPORTUNITIES INSTITUTIONAL FUND

## Notes to Financial Statements June 30, 2016 (Unaudited) (continued)

**Fair Value Measurements.** In accordance with Financial Accounting Standards Board (“FASB”) guidance, the Fund utilizes the “Fair Value Measurements and Disclosures” to define fair value, set out a framework for measuring fair value, and expand disclosures regarding fair value measurements.

Various inputs are used in determining the value of the Fund’s investments. These inputs are summarized in the three levels listed below:

- Level 1 – Quoted prices in active markets for identical securities.
- Level 2 – Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc).
- Level 3 – Significant unobservable inputs (including the Fund’s own assumptions in determining the fair value of investments).

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The following is a summary of the inputs used to value the Fund’s net assets as of June 30, 2016:

	Level 1	Level 2	Level 3	Total
Investment Securities				
Common Stocks				
Total Asia . . . . .	\$ —	\$ 182,215,895	\$ —	\$ 182,215,895
Total Australia . . . . .	5,599,511	35,673,899	—	41,273,410
Total Europe . . . . .	3,044,266	267,055,590	—	270,099,856
Total North America . . . . .	43,281,538	—	—	43,281,538
Commercial Paper . . . . .	—	15,000,000	—	15,000,000
Total Investments . . . . .	<u>\$ 51,925,315</u>	<u>\$ 499,945,384</u>	<u>\$ —</u>	<u>\$ 551,870,699</u>

The Fund’s assets include certain foreign securities for which a third party statistical pricing service may be employed for purposes of fair market valuation. The pricing service provides fair market valuation on days when the movement in relevant indices exceeds a predetermined threshold. When fair market valuations are employed these techniques may result in transfers between Level 1 and Level 2. For movements between the levels within the fair value hierarchy, the Funds have adopted a policy of recognizing the transfers as of year-end.

Significant transfers between Levels 1 and 2 included securities valued at \$288,880,773 at June 30, 2016. These movements were primarily the result of certain foreign securities using a systematic fair value model at December 31, 2015 but not at June 30, 2016.

**Foreign Currency Transactions.** The accounting records of the Fund are maintained in U.S. dollars. Foreign currency amounts are translated into U.S. dollars at the current rate of exchange to determine the value of investments, assets and liabilities. Purchases and sales of securities, and income and expenses are translated at the prevailing rate of exchange on the respective date of these transactions. The Fund does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from fluctuations arising from changes in market prices of securities held. These fluctuations are included with the net realized and unrealized gains or losses from investments and foreign currencies.

**Risks Associated with Foreign Securities and Currencies.** Investments in securities of foreign issuers carry certain risks not ordinarily associated with investments in securities of U.S. issuers. These risks include future political and economic developments, and the

# OBERWEIS INTERNATIONAL OPPORTUNITIES INSTITUTIONAL FUND

## Notes to Financial Statements June 30, 2016 (Unaudited) (continued)

possible imposition of exchange controls or other foreign governmental laws and restrictions. In addition, with respect to certain countries, there is the possibility of expropriation of assets, confiscatory taxation, political or social instability or diplomatic developments, which could adversely affect investments in those countries.

Certain countries also may impose substantial restrictions on investments in their capital markets by foreign entities, including restrictions on investments in issuers of industries deemed sensitive to relevant national interests. These factors may limit the investment opportunities available and result in a lack of liquidity and a high price volatility with respect to securities of issuers from developing countries.

**Fund share valuation.** Fund shares are sold and redeemed on a continuous basis at net asset value. On each day the NYSE is open for trading, the net asset value per share is determined as of the close of the NYSE by dividing the total value of each Fund's investments and other assets, less liabilities, by the number of each Fund's shares outstanding.

**Investment transactions and investment income.** Investment transactions are accounted for on the trade date (date the order to buy or sell is executed). Dividend income is recorded on the ex-dividend date, except that certain dividends from foreign securities are recorded as soon as the information is available to the Fund, and interest income is recorded on the accrual basis and includes amortization of premium and discount. Realized gains and losses from investment transactions are reported on an identified cost basis. Gains and losses on premiums from expired options are recognized on the date of expiration.

**Federal income taxes and dividends to shareholders.** It is the policy of the Fund to comply with all requirements of the Internal Revenue Code of 1986, as amended ("the Code"), applicable to regulated investment companies and to distribute substantially all of their taxable income to their shareholders. The Fund has met the requirements of the Code applicable to regulated investment companies for the period ended June 30, 2016. Therefore, no federal income tax provision is required. Income and capital gains of the Fund is determined in accordance with both tax regulations and accounting principles generally accepted in the U.S. ("GAAP"). Such treatment may result in temporary and permanent differences between tax basis earnings and earnings reported for financial statement purposes. These reclassifications, which have no impact on the net asset value of the Fund, are primarily attributable to certain differences in computation of distributable income and capital gains under federal tax rules versus GAAP.

For the period ended June 30, 2016, permanent book and tax differences resulting primarily from differing treatments for foreign currency transactions, and passive foreign investment company ("PFIC") adjustments were identified and reclassified among the components of the Fund's net assets.

The tax character of distributions paid during the fiscal year ended December 31, 2015 was as follows:

	Distributions Paid from Ordinary Income	Distributions Paid from Net Long-Term Capital Gains	Total Distributions Paid
International Opportunities Institutional Fund .....	\$1,967,928	\$ —	\$1,967,928



# OBERWEIS INTERNATIONAL OPPORTUNITIES INSTITUTIONAL FUND

## Notes to Financial Statements June 30, 2016 (Unaudited) (continued)

The tax character of distributions paid during the fiscal year ended December 31, 2014 was as follows:

	Distributions Paid from Ordinary Income	Distributions Paid from Net Long-Term Capital Gains	Total Distributions Paid
International Opportunities Institutional Fund .....	\$396,444	\$ —	\$396,444

As of December 31, 2015, the following Funds had net capital loss carryforwards to offset future net capital gains, if any, to the extent provided by treasury regulations:

	Expires 2017 (Pre-Enactment)		Not Subject to Expiration (Post-Enactment)	
	Short-Term	Long-Term	Short-Term	Long-Term
International Opportunities Institutional Fund .....	\$ —	\$ —	\$11,423,197	\$ —

Capital loss carryforwards are subject to certain limitations to offset future gains, if any, due to the ownership change limitations set forth in Internal Revenue Code Section 382. All losses may not be available in any particular year.

Under the Regulated Investment Company Modernization Act of 2010 (the "Act"), the Funds will be permitted to carryforward capital losses incurred in taxable years beginning after December 22, 2010, the date of enactment of the Act, for an unlimited period. However, any losses incurred during those future taxable years will be required to be utilized prior to the losses incurred in pre-enactment taxable years. As a result of this ordering rule, pre-enactment capital loss carryforwards may be more likely to expire unused. Additionally, post-enactment capital loss that are carried forward will retain their character as either short-term or long-term capital losses rather than being considered all short-term as under previous law.

Post-October capital losses and Qualified late-year losses incurred after October 31 and within the taxable year are deemed to arise on the first business day of the Funds' next taxable year. For the year ended December 31, 2015, the following Funds deferred to January 1, 2016 post-October capital losses and Qualified late-year losses:

	Post-October Capital Losses	Qualified Late-Year Losses
International Opportunities Institutional Fund .....	\$1,562,027	\$27,950

As of December 31, 2015 the components of accumulated earnings (deficit) on a tax basis were as follows:

	Undistributed Ordinary Income (Deficit)	Undistributed Long-Term Capital Gains	Accumulated Capital and Other Losses	Unrealized Appreciation on Investments	Appreciation Foreign Currency Translations
International Opportunities Institutional Fund .....	\$ —	\$ —	\$(13,013,174)	\$32,196,168	\$8,019

# OBERWEIS INTERNATIONAL OPPORTUNITIES INSTITUTIONAL FUND

## Notes to Financial Statements June 30, 2016 (Unaudited) (continued)

Accumulated capital and other losses consists of capital loss carryovers and qualified late-year losses. The difference between book-basis and tax basis unrealized appreciation/(depreciation) is primarily attributable to timing differences in recognizing certain gains and losses on investment transactions.

The Funds have reviewed all open tax years and major jurisdictions and concluded that there are no significant uncertain tax positions that would require recognition in the financial statements. Open tax years are those that are open for exam by taxing authorities and, as of June 30, 2016, open Federal tax years include the tax years ended 2014 through 2016. The Funds have no examinations in progress and are also not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months.

**Use of estimates.** The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**Indemnifications.** Under the Trusts' organizational documents, its present and former Officers and Trustees are indemnified against certain liabilities arising out of the performance of their duties to the Trust. In addition, in the normal course of business, the Trust enters into contracts that provide general indemnifications to other parties. The Trusts' maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Trust that have not yet occurred. However, the Trust has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote.

## 2. Transactions with affiliates

The Fund has written agreements with Oberweis Asset Management, Inc. ("OAM") as the Funds' investment adviser and manager. Oberweis Securities, Inc. ("OSI"), the Funds' principal distributor, is an affiliate of OAM.

**Investment advisory agreement.** Under the Advisory Agreement, OAM provides investment advisory and management services to the International Opportunities Institutional Fund. The International Opportunities Institutional Fund paid monthly investment advisory and management fees at an annual rate equal to 1.00% of average daily net assets. For the period ended June 30, 2016, the International Opportunities Institutional Fund incurred investment advisory and management fees totaling \$2,232,999.

**Expense reimbursement.** OAM is contractually obligated to reduce its investment and management fees or reimburse the International Opportunities Institutional Fund to the extent that total ordinary operating expenses, as defined, exceed in any one year 1.10% expressed as a percentage of the Funds' average daily net assets. For the period ended June 30, 2016 OAM reimbursed the International Opportunities Institutional Fund in the amount of \$185,147.

**Officers and trustees.** Certain officers and trustees of the Trust are also officers and/or directors of OAM and OSI. During the period ended June 30, 2016, the Trust made no direct payments to its officers and paid \$26,000 to its unaffiliated trustees.

**Affiliated Commissions.** For the period ended June 30, 2016, the International Opportunities Institutional Fund did not execute any security transactions through OSI and therefore did not pay commissions to OSI.

## OBERWEIS INTERNATIONAL OPPORTUNITIES INSTITUTIONAL FUND

### Notes to Financial Statements June 30, 2016 (Unaudited) (continued)

#### 3. Investment transactions

The cost of securities purchased and proceeds from securities sold during the period ended June 30, 2016, other than options written and money market investments, aggregated \$447,291,992 and \$288,268,295, respectively. The Fund did not hold government securities during the period ended June 30, 2016.

The Fund may write covered call options. The premiums received provide a partial hedge (protection) against declining prices and enables the Fund to generate a higher return during periods when OAM does not expect the underlying security to make any major price moves in the near future but still deems the underlying security to be, over the long term, an attractive investment for each Fund. The Fund may write covered call options for which premiums received are recorded as liabilities and are subsequently adjusted to the current value of the options written. Premiums received from writing options that expire are treated as realized gains. Premiums received from writing options, which are either exercised or closed, are offset against the proceeds received or amount paid on the transaction to determine realized gains or losses. Amounts recovered for securities litigation are included in the realized gains of the Fund and are recorded when received. The Fund did not write covered call options for the period ended June 30, 2016.

#### 4. In-Kind Transaction

On March 31, 2016, the International Opportunities Institutional Fund received cash and securities with a fair value of \$40,991,906, from an advisory client of the investment advisor, in exchange for 4,046,585 shares subscribed in-kind at a net asset value of \$10.13.

#### 5. Redemption fee

The Oberweis International Opportunities Institutional Fund is designed for long-term investors. To discourage market timers, redemptions of shares within 90 days of purchase are subject to a 2% redemption fee of the total redemption amount. The redemption fee is deducted from the redemption proceeds and is retained by the Fund.

The redemption fee is retained by the Fund for the expense they incur in connection with shareholder redemptions. Redemption fees received by the Fund were \$79,632, for the period ended June 30, 2016, and were recorded as a reduction of the cost of shares redeemed in the statement of changes in net assets.

#### 6. Earnings credits and interest charges

The Trust, as part of the agreement with the Custodian, receives credits against its custodian fees on its uninvested cash balances and is allowed to borrow for temporary purposes. Borrowings are not to exceed 5% of the value of each Fund's total assets at the time of any such borrowing. Interest on amounts borrowed is calculated at the prime rate and is payable monthly. During the period ended June 30, 2016, the Fund received credits of \$15,528. The Fund incurred interest charges of \$454, which is included in custodian fees and expenses in the statement of operations.

## OBERWEIS INTERNATIONAL OPPORTUNITIES INSTITUTIONAL FUND

### **Notes to Financial Statements** *June 30, 2016 (Unaudited) (continued)*

#### **7. Subsequent events**

The Fund has evaluated subsequent events through the issuance of the financial statements and determined that no events have occurred that require disclosure.

At its February 18, 2016 meeting, the Trust's Board of Trustees (the "Board") and the Trust's Audit Committee approved BBD LLP as the Funds' independent registered public accounting firm. PricewaterhouseCoopers LLP ("PwC") was previously engaged as the independent registered public accounting firm to audit the Funds' financial statements. PwC issued reports on the Funds' financial statements from 2002 through 2015. During that period ended December 31, 2015 the reports from PwC did not contain any adverse opinion or disclaimer of opinion, and were not qualified or modified as to uncertainty, audit scope or accounting principles. The Funds had no disagreements with PwC on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure.

# OBERWEIS INTERNATIONAL OPPORTUNITIES INSTITUTIONAL FUND

## Financial Highlights

Per share income and capital for a share outstanding throughout each period is as follows:

	Six Months Ended June 30, 2016 (Unaudited)	Year Ended December 31, 2015	Period Ended December 31, 2014 <sup>a</sup>
Net asset value at beginning of period . . . .	\$ 10.32	\$ 8.97	\$ 10.00
<b>INCOME (LOSS) FROM INVESTMENT OPERATIONS</b>			
Net investment income <sup>b</sup> . . . . .	.06	.06	.01
Net realized and unrealized gains (losses) on investments . . . . .	(17)	1.35	(1.02)
Total from investment operations . . . . .	(11)	1.41	(1.01)
Redemption Fees <sup>b</sup> . . . . .	— <sup>g</sup>	— <sup>g</sup>	— <sup>g</sup>
Less dividends:			
Dividends from net investment income . . .	—	(.06)	(.02)
Net asset value at end of period . . . . .	<u>\$ 10.21</u>	<u>\$ 10.32</u>	<u>\$ 8.97</u>
Total Return (%) . . . . .	(1.07)	15.68	(10.10) <sup>e</sup>
<b>RATIO/SUPPLEMENTAL DATA</b>			
Net Assets at end of period (in thousands)	\$563,201	\$361,402	\$178,991
Ratio of gross expenses to average net assets (%) . . . . .	1.19 <sup>d</sup>	1.28	1.39 <sup>d</sup>
Ratio of net expenses to average net assets (%) <sup>c</sup> . . . . .	1.10 <sup>d</sup>	1.10	1.10 <sup>d</sup>
Ratio of net investment income to average net assets (%) . . . . .	1.23 <sup>d</sup>	.59	.11 <sup>d</sup>
Portfolio turnover rate (%) . . . . .	68 <sup>e,f</sup>	211	152 <sup>e,f</sup>

Notes:

<sup>a</sup> For the period from March 10, 2014 (commencement of operations) through December 31, 2014.

<sup>b</sup> The net investment income per share data and the redemption fee data were determined using average shares outstanding during the period.

<sup>c</sup> The ratios in this row reflect the impact, if any, of expense offset arrangements and expense reimbursement from the advisor.

<sup>d</sup> Annualized.

<sup>e</sup> Not annualized.

<sup>f</sup> Excludes the value of portfolio securities received as a result of in-kind purchases of the Fund's capital shares.

<sup>g</sup> Less than \$0.005 per share.

## OBERWEIS INTERNATIONAL OPPORTUNITIES INSTITUTIONAL FUND

### Supplemental Information *(Unaudited)*

#### Proxy Voting:

The Oberweis Funds has delegated authority to vote proxies related to the International Opportunities Institutional Fund's portfolio securities to the Funds' investment adviser, Oberweis Asset Management, Inc. ("OAM"). A description of the policies and procedures that OAM uses in fulfilling this responsibility is available, without charge upon request, by calling 800-323-6166. It also appears on [oberweisfunds.com](http://oberweisfunds.com) and in the Funds' Statement of Additional Information, which can be found on the Securities and Exchange Commission's ("SEC") website at <http://www.sec.gov>. Information on how the Funds voted proxies relating to portfolio securities during the most recent 12 month period ended June 30 is available (1) without charge, upon request, by calling 800-323-6166, and (2) on the SEC's website at <http://www.sec.gov>.

#### Availability of Schedules of Portfolio Investments:

The Funds file their complete schedule of portfolio investments with the SEC for the first and third quarter of each fiscal year (March 31 and September 30) on Form NQ. The Funds' Forms NQ are available, without charge, on the SEC's website at <http://www.sec.gov> and may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information on the operation of the Public Reference Room may be obtained by calling 800-SEC-0330.

#### Expense Examples:

As a shareholder of The Oberweis Funds, you may incur two types of costs: (1) transaction costs, including redemption fees and (2) ongoing costs, including management fees; distribution (and/or service) 12b-1 fees; and other Fund expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in The Oberweis Funds and to compare these costs with the ongoing costs of investing in other mutual funds.

The Example is based on an investment of \$1,000 investment at the beginning of the period and held for the entire period.

#### Actual Expenses:

The first line for each Fund in the table below provides information about actual account values and actual expenses. You may use the information below; together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000=8.6), then multiply the result by the number in the table under the heading entitled "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

#### Hypothetical Example for Comparison Purposes:

The second line for each Fund in the table below provides information about hypothetical account values and hypothetical expenses based on each Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return.

The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds.

OBERWEIS INTERNATIONAL OPPORTUNITIES INSTITUTIONAL FUND

**Supplemental Information** (Unaudited) (continued)

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as redemption fees. Therefore, the second line for each Fund in the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

	<b>Beginning Account Value 1/1/16</b>	<b>Ending Account Value 6/30/16</b>	<b>Expense Paid during Period* 1/1/16– 6/30/16</b>	<b>Expense Ratio during Period 1/1/16– 6/30/16</b>
Actual . . . . .	\$1,000.00	\$ 989.30	\$5.44	1.10%
Hypothetical (5% return before expenses) . . . . .	\$1,000.00	\$1,019.39	\$5.52	1.10%

\* Expenses are equal to the average account value times the Fund's annualized expense ratio multiplied by the number of days in the most recent fiscal half-year divided by the number of days in the fiscal year.

## **Trustees and Officers**

James D. Oberweis  
*Trustee*

Gary D. McDaniel  
*Trustee*

James W. Oberweis  
*President*

David I. Covas  
*Vice President*

Kenneth S. Farsalas  
*Vice President*

Katherine Smith Dedrick  
*Trustee*

James G. Schmidt  
*Trustee*

Patrick B. Joyce  
*Executive Vice President*  
*Treasurer*

Eric V. Hannemann  
*Secretary*

## **Manager and Investment Advisor**

Oberweis Asset Management, Inc.  
3333 Warrenville Road, Suite 500, Lisle, IL 60532  
800-323-6166  
oberweisfunds.com

## **Distributor**

Oberweis Securities, Inc.  
3333 Warrenville Road, Suite 500, Lisle, IL 60532  
630-577-2300  
oberweisfunds.com

## **Custodian**

UMB Bank, n.a.  
928 Grand Blvd., Kansas City, MO 64106

## **Transfer Agent**

UMB Fund Services, Inc.  
P.O. Box 711, Milwaukee, WI 53201-0711  
800-245-7311

## **Counsel**

Vedder Price P.C.  
222 North LaSalle Street, Chicago, IL 60601

## **Independent Registered Public Accounting Firm**

BBD, LLP  
1835 Market Street, 26th Floor, Philadelphia, PA 19103

## **International Opportunities Institutional Fund**

800-245-7311  
[oberweisfunds.com](http://oberweisfunds.com)



[oberweisfunds.com](http://oberweisfunds.com)

800-323-6166

630-577-2300

Shareholder Services

800-245-7311



**Oberweis**  
Asset Management

3333 Warrenville Road

Suite 500

Lisle, IL 60532