Oberweis Asset Management

OBERWEIS EMERGING GROWTH FUND (OBEGX)

4Q 2016

AVERAGE ANNUAL TOTAL RETURNS *(as of December 31, 2016)*	QTD	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception 1/7/1987	Expense Ratio*
Oberweis Emerging Growth Fund (OBEGX)	**-6.44%**	**-1.54%**	**-0.39%**	**10.85%**	**2.74%**	**8.32%**	**1.59%**
MSCI ACWI Small-Cap Index	1.76%	11.59%	3.97%	11.29%	5.66%	N/A	

**Expense Ratio is the total annual net fund operating expense ratio as of 12/31/16. The expense ratio gross of any fee waivers or expense reimbursement as of 12/31/16 was 1.59%.*

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. 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 invest in rapidly growing smaller and medium-sized companies that 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.

The MSCI ACWI Small-Cap Index (Net is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of small cap developed markets and emerging markets, with minimum dividends reinvested net of withholding tax. The MSCI ACWI Small-Cap Index began on May 31, 1994.

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

The Quarter in Review

We will remember 2016 simply as a strange year, and we're not even talking about the Chicago Cubs winning the World Series. From the surprising Brexit vote in June to Donald Trump's unlikely victory in November, 2016 was a year when the unexpected actually happened. Even more surprising was the reaction in the equity markets to each of these profound events -- in both cases the expectation for extreme market volatility following the event proved surprisingly short-lived. In fact, the U.S. stock market's action following the election has been nothing short of amazing given the potential uncertainty surrounding a Trump administration. Some of his proposals, such as reduced regulations and tax reform, could prove quite favorable, while others, such as protectionist trade policies that could curtail free trade, have negative implications. In any event, it's safe to say change is coming. Equity markets, especially those trading at juicy valuations, do not typically react positively to uncertain change. But in this case, US investors have been downright giddy -- at least so far.

For investors in non-US equities, however, making money in 2016 was considerably more challenging. Even prior to Trump's election, the US economy was already on better footing than in most other countries. After Trump's victory, marginal investor preference for US equities accelerated, while a simultaneous appreciation of the US dollar relative to other currencies reduced the value of foreign assets in US-dollar terms. That helps to explain the large difference in performance between US small-cap growth stocks and those abroad. For the year, the Russell 2000 Growth Index gained 11.32% while the foreign stock MSCI ACWI ex-US Small-Cap Growth Index returned -0.28%. While a difficult period internationally, it is worth noting that US large-cap stocks, in our view, have become quite expensive, implying that a lot of good news has already been discounted. Meanwhile, we believe stock valuations in countries outside of the US remain more reasonable.

Our team faced multiple style headwinds in 2016 that generally proved difficult to fully overcome via stock selection. Our process focuses on growth stocks over value stocks, but in 2016 growth stocks dramatically underperformed value stocks. In the US, the Russell 2000 Growth Index lagged the Russell 2000 Value Index by 2,042 basis points (or over 20 percentage points) for the year and 1,050 basis points during the fourth quarter alone. Our process also seeks to identify companies achieving positive earnings surprises and upward analyst revisions, but such companies did not fare well on a relative basis in 2016. These style factors tend to be cyclical but do affect shorter-term performance; over the long-term data suggest the opposite is the norm, and that higher estimate revisions are usually positive for portfolio performance. Our experience has shown that disciplined process application, even during out-of-favor periods, normally proves prudent over a full market cycle.

Outlook

As a global investment firm, our most spirited team meeting typically occurs around the end of each year, when our investment team members from Chicago, New York, London, and Hong Kong all fly in to discuss and debate market opportunities all around the world. We don't always agree, but it is highly useful to compare the insights of our team, who bring diverse perspectives from all over the world.

In the US, we believe investors are betting big that President Trump will pass a significant cut in US corporate tax rates, which would help to justify today's above-average P/E's for US large-cap equities. But we also worry that other Trump-driven missteps are likely and that the present investor infatuation with US equities could be short-lived as the "honeymoon" period subsides. The devil, as always, is in the details, and as perception morphs into reality in Washington after the inauguration, 2017 could well be a year that international diversification proves prudent.

Outlook (continued)

In the Eurozone, overall economic conditions are not as good as in the US, but investor expectations are also far less ebullient. Remember that investor returns are strongly affected by the variation between reality and expectations. Europe is finally showing signs of modest inflation, with the highest Eurozone CPI reading in the last three years in December. PMI's across the European region have remained above 50 (implying expansion) and have broadly come in better than expected. The U.K. has yet to see dramatic economic contraction despite the Brexit vote. At the micro level, European corporate aggregate earnings remain well below US corporate aggregate earnings despite high historical correlations. As a result, there is significant potential for an improvement in European earnings that is not reflected in stock prices, which are trading in-line with long term averages. However, upcoming French, Dutch and German elections could result in short-term volatility, particularly if Brexit- and Trump-inspired populism spreads.

In Japan, less dramatic monetary actions from the Bank of Japan, combined with higher US interest rates, should prevent the Yen from being as volatile as it was in 2016. Recent Japanese economic data also appear to be improving slightly, with the December PMI reaching the highest level in a year. Fiscal spending is likely to drive moderate growth in 2017. Valuations in Japan appear to be the most interesting among the major developed markets, trading at a slight P/E discount to long-term averages.

In China, expectations by foreign investors regarding Chinese equity markets remain pitiful as the spectre of Trump looms large. However, Chinese investors, in our view, seem to be more sanguine. Macroeconomic data in China point to signs of stabilization. If growth in the US accelerates as many economists expect, it's hard to imagine that the Chinese economy will not benefit in spades. Unless, of course, President Trump launches a trade war, and that's the fear of many, but a risk that nearly everybody has thought of and perhaps has already been over-discounted in stock prices. Chinese equities have experienced a prolonged period of underperformance, despite favorable earnings growth at many of our portfolio companies. Within our China portfolio, we primarily own niche-oriented companies whose success or failure is more predicated on growth of the Chinese middle class, product quality and successful execution rather than overall GDP growth and exports, and these days we are finding cheaper-than-normal valuations because many investors remain fearful of a trade war. It would not surprise us to see Chinese equities perform relatively well in 2017 because investor expectations are already so low. Our experience is that some of our best investment opportunities in China have followed periods of investor apathy, and that seems to be the case today.

Fund Highlights

The Oberweis Emerging Growth Fund ("Fund") returned -6.44% in the fourth quarter of 2016 versus 1.76% for the MSCI ACWI Small-Cap Index ("Benchmark"). For the year, the Fund has returned -1.54% versus 11.59% for the Benchmark.

As of December 31, 2016, the Fund was 92.2% invested in 61 different positions. The Fund had its largest weightings in technology (31.0% average weighting during the quarter versus 14.0% for the MSCI ACWI Small Cap Index), health care (22.5% versus 9.4%), and consumer discretionary (17.7% versus 14.1%). The Fund was most underweight financial services (0.45% versus 13.4%), real estate (1.1% versus 10.6%), and industrials (13.4% versus 17.5%).

During the fourth quarter, the Fund was positively impacted by stock selection in the UK (where our holdings returned 1.61% versus -3.51% for the MSCI ACWI Small Cap Index) while performance was negatively impacted by stock selection in the United States (-0.74% versus 6.97%) and Japan (-10.91% versus -1.65%). The Fund was also negatively impacted by its overweight allocation to China. At a sector level, performance was negatively impacted by stock selection in consumer discretionary (-7.76% versus 0.59%), industrials (-5.41% versus 4.00%), and technology (-3.10% versus 0.57%). In terms of geographic distribution, the Fund was on average 47.28% invested in the United States, 14.28% in China, 8.17% in the Eurozone, and 5.68% invested in Japan.

Key Benefits

The Emerging Growth Fund invests, under normal circumstances, at least 80% of its net assets in the securities of relatively small companies, which, at the time of investment, have a market capitalization of less than or equal to $1.5 billion or are within the range of companies represented in the MSCI ACWI Small-Cap Index, whichever is greater, at the time of purchase. We anticipate that approximately 40-60% of the Fund's assets, on average over time, will be invested in emerging growth companies outside the United States.

The potential key benefits of the Emerging Growth Fund are:

- Exposure to our firm's highest conviction ideas across multiple geographies and currencies
- Emphasizes rapidly growing smaller-cap companies in the most dynamic phase of their development and companies that our team believes will grow faster than expectations
- Access to attractive but lesser-known companies globally that do not receive significant institutional coverage but possess a favorable growth profile
- Flexibility to navigate the global marketplace affords our team the ability to identify mis-priced companies undergoing significant positive transformational change
- Potential for significant alpha over a full market cycle

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. Investing in emerging markets involves risks and considerations not present when investing in more-established securities markets. Investing in international/emerging market investment funds should be considered speculative and thus not appropriate for all investors. There is no guarantee that the portfolios can achieve their objectives.

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COUNTRY ALLOCATION *(As of December 31, 2016)*

	Oberweis Emerging Growth Fund (OBEGX)	MSCI ACWI Small-Cap Index
United States	50.5%	52.8%
China	11.7%	2.2%
Japan	6.0%	10.6%
United Kingdom	6.0%	5.9%
Sweden	4.7%	1.7%
Finland	3.2%	0.6%
Denmark	2.2%	0.5%
Canada	2.1%	3.7%
Germany	1.9%	2.1%
Australia	0.0%	2.2%
Other Countries	3.8%	17.7%
Cash	7.9%	N/A
	100%	100%

*Country Allocation is defined using MSCI's Country Classification methodology and represents countries whose allocation in the Strategy or Index is 2% or more. Country allocations representing less than 2% are categorized in "Other Countries". Country Allocation as a Percentage of Total Net Assets.
Source: Thomson Reuters Eikon.

TOP TEN HOLDINGS *(as of September 30, 2016)*

	Company		Line of Business
1	LogMeIn, Inc.	4.0%	Offers on-demand, remote connectivity services to small-and mid-size businesses and IT service providers
2	Dexcom, Inc.	2.9%	Designs and manufactures medical devices that continuously monitor glucose levels in patients
3	Inphi Corporation	2.7%	Provides high-speed analog semiconductor solutions for the communications and computing markets
4	TAL Education Group	2.6%	After-school tutoring provider for K-12 in China
5	Cooper-Standard Holdings, Inc.	2.3%	Global automotive supplier
6	Mycronic	2.2%	Sweden-based company active in the electronics industry.
7	YY Inc.	2.2%	A social platform that engages users in real-time online group activities through voice, video and text on personal computers and mobile devices
8	China Online Education Group	2.1%	Provides online English language education services to students in the People's Republic of China (PRC).
9	Inogen, Inc.	2.1%	Develops, manufactures and markets portable oxygen concentrators for patients suffering from chronic respriratory conditions
10	CT Environmental Group Ltd.	2.1%	Wastewater and industrial water supply services company focusing on industrial wastewater

Top 10 holdings as a percentage 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. Source: Thomson Reuters Eikon

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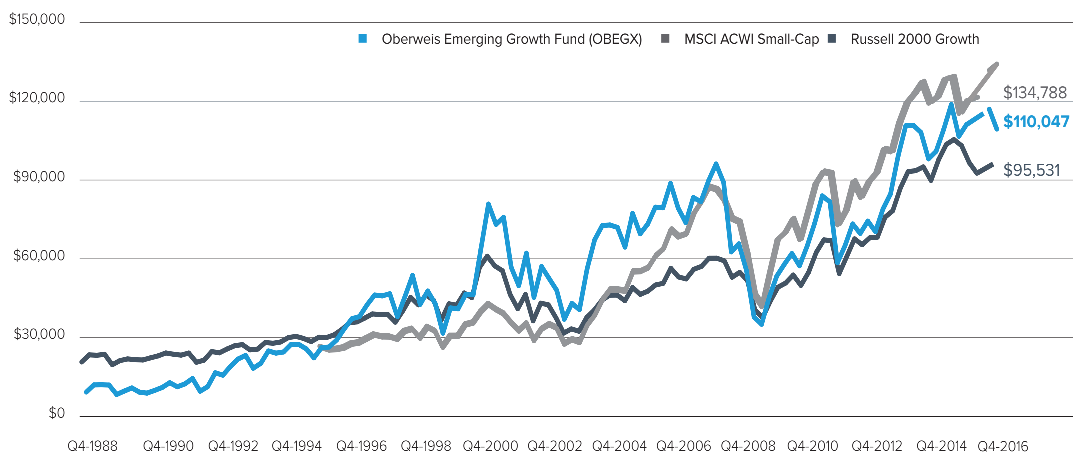
SECTOR WEIGHTINGS *(as of December 31, 2016)*

Consumer Discretionary	14.8%
Consumer Staples	0.9%
Energy	3.0%
Financials	0.0%
Health Care	21.3%
Industrials	12.6%
Information Technology	33.5%
Materials	4.9%
Real Estate	0.0%
Telecomm Service	0.0%
Utilities	1.1%
Cash	7.9%
Total	100.0%

Sector weightings as a % of Total Net Assets.

Source: Thomson Portfolio Analytics used unless otherwise noted. Sector data based on MSCI's revised Global Industry Classification Standards. For more details, visit www.msci.com.

GROWTH OF $10,000 — WITH INCOME INVESTED *(January 7, 1987-December 31, 2016)*



The MSCI ACWI Small-Cap Index began on May 31, 1994, and the line graph for the Index begins at the same value as the Fund on that date.

The Oberweis Aperture

Our unique, highly disciplined investment approach includes a series of eight criteria to focus our research efforts.

READ MORE

Oberweis Asset Management, Inc.

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

MEET THE TEAM