Oberweis Asset Management

INTERNATIONAL OPPORTUNITIES STRATEGY

1Q 2017

The Quarter in Review

Global markets rallied 6.38% during the first quarter of 2017 as measured by the MSCI World Index. On a global basis, bullish sentiment prevailed again this quarter amid economic data that shows improving global growth prospects. Global manufacturing indices remained at multi-year highs, with the Eurozone and China posting their best manufacturing readings in over five years despite continued geopolitical uncertainty. While tax reform and expectations for a pro-business climate in the U.S. dominated American headlines, equities in Europe quietly outperformed the U.S. this quarter, with the Euro Stoxx 600 Index returning 7.8% and constituents, on average, reporting year-on-year earnings growth of 12%. European earnings growth far outpaced the 5% growth reported by the S&P 500, likely attributable to high European operating leverage that magnifies profit growth as the global economy recovers. The Nikkei underperformed the global market returning 4.4% during the quarter. However, the Japanese Yen strengthened 4.8% as less confidence in President Trump's political agenda took hold after the initial failure to replace Obamacare.

Overall returns in the first quarter were favorable, both in absolute and relative terms. The Oberweis International Opportunities Composite returned 10.76% (10.50% net of fees) versus 8.46% for the MSCI World ex-US Small Cap Growth Index, an outperformance of 230 bps (204 basis points net of fees). After facing a style headwind in 2016 -- when companies with negative earnings revisions outperformed those with positive revisions -- investors returned again to focusing on fundamentals. Companies earning profits in excess of market expectations fared well during the first quarter. This "normalization" of investor behavior is critical to the success of our process and helped with our ability to generate outperformance for the quarter.

Outlook

Consistent with last quarter's commentary, we continue to see a mixed bag in terms of our outlook for international markets. The underlying global growth environment remains relatively strong. Unemployment in some countries, such as Spain, Germany and Japan, is at multi-year lows, and private lending in the Eurozone is moving back into positive territory. While we expect macro data to remain solid, we are also cognizant of the potential for moderation in global manufacturing growth in the months to come, simply due to mean reversion over time. Additionally, tighter monetary policy could challenge growth as well. In addition to the potential for normalization of growth rates, another risk factor that continues to concern us is politics. International manufacturers remain subject to difficult-to-predict political externalities such as the proposed Border Adjustment Tax in the U.S., not to mention retaliatory responses by affected foreign counterparties, like China.

In terms of valuations, Europe still looks attractive relative to the U.S., with Barclays noting that European valuations were at the cheapest relative valuation to the U.S. since 1976. While aggregate earnings growth in Europe has lagged that of the U.S., since the global financial crisis, it appears that with the underlying pick-up in EU inflation the gap could narrow. Yet, investors still seem unconvinced that Europe is improving. Year-to-date fund flows to Europe have only been slightly positive and less than those to the U.S. Geopolitical fears remain at the forefront despite the liberal win in the recent Dutch election, which seems to have at least temporarily stemmed the rise of populism. The upcoming French and German elections will also be important gauges. A recent Merrill Lynch survey found that global investors most fear a market decline triggered by populist victories in France and Germany. As a result, while the improvements in the European macro picture and favorable valuations relative to the U.S. have gained some attention, many portfolios are still underinvested in the region and will likely remain so until the elections are over.

In Japan, valuations are below average but the market continues to be whipsawed by the volatility in the Yen. While the Yen remains highly correlated with the yield on the U.S. 10-year bond, we note that demographic-driven labor shortages in Japan may lead to higher wages in the future. If so, we may finally see higher Japanese inflation, which may lead to some normalization of the exceptional accommodative monetary policy in Japan and ultimately, a stronger Yen. Given the Yen's persistent volatility, we trimmed our Japanese export exposure during the quarter.

Lastly, after seeing the strategy's valuation compress significantly in 2016, valuations moved higher after a good first quarter performance. However, the strategy's appreciation in the first quarter, still trailed the increase in strategy's positive earnings revisions, suggesting that earnings are still being revised more than what is being reflected in share prices for the strategy. Additionally, the composition of the strategy has changed over the quarter with the strategy holding more technology (where valuations are generally higher than other sectors), paired with less industrials (where valuations are generally lower than other sectors). As a result, aggregate valuations still seem reasonable especially relative to our forward growth rates, which also increased during the quarter.

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Portfolio Highlights

At quarter-end, the portfolio was invested in 97 stocks in 20 countries. Our top five country weightings (portfolio weighting versus the MSCI World ex-US Small Cap Growth Index) at the end of the quarter were Japan (23.6% vs. 27.6%), the United Kingdom (20.0% vs. 15.1%), Canada (7.8% vs. 9.7%), Switzerland (7.3% vs. 4.1%), and Australia (6.1% vs. 5.9%). On a sector basis, the portfolio is overweight information technology (24.3% vs. 15.6%) and underweight health care (6.8% vs. 11.1%).

At a sector level, technology performed exceptionally well worldwide. Our portfolio benefitted from the current semiconductor super-cycle, which is being driven by new features in the upcoming iPhone and new investments in Organic Light Emitting Display (OLED) technologies. Gains in the portfolio's technology investments were better than the benchmark and technology was our best performing sector this quarter. On the other hand, industrials were our worst performing sector.

COUNTRY ALLOCATION*
(As of March 31, 2017)

	International Opportunities	MSCI World ex-US Small-Cap Growth Index
Japan	23.6%	27.6%
United Kingdom	20.0%	15.1%
Canada	7.8%	9.7%
Switzerland	7.3%	4.1%
Australia	6.1%	5.9%
France	4.9%	4.4%
China	4.7%	0.0%
Sweden	2.8%	5.9%
Finland	2.6%	0.9%
Germany	1.8%	6.0%
Italy	1.6%	4.0%
Spain	1.1%	2.9%
Hong Kong	0.5%	2.1%
Other Countries	8.4%	11.4%
Cash	6.8%	N/A
Total:	100.0%	100.0%

*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

Key Benefits

The International Opportunities strategy seeks to identify and capitalize on the investment opportunities offered by smaller companies in Europe, the UK, Canada, Asia, Japan, and Latin America. The strategy focuses on identifying less well-known small-cap companies which traditionally receive less coverage than larger companies, consequently providing unique opportunities to unearth hidden values.

The potential key benefits of the International Opportunities strategy are:

- Diversified portfolio of smaller, non-U.S. companies with higher than expected earnings potential
- Combines empirically-proven Behavioral Finance principles with the very best of fundamental bottom-up research
- Access to attractive but lesser-known foreign companies that do not receive significant institutional coverage but possess higher than expected growth potential
- Achieve a more effective asset allocation, and greater long-term diversification of their portfolios through investments in non-U.S. equities
- Invests primarily in developed markets with some exposure to emerging markets
- Potential for significant alpha over a full market cycle

Minimum Account Size: $5 million for Institutional Account Management

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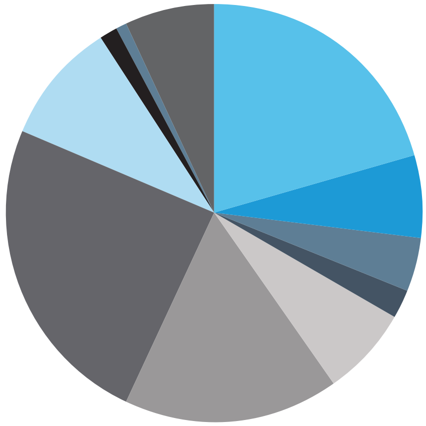
TOP TEN HOLDINGS *(as of March 31, 2017*

	Company		Line of Business
1	Logitech International S.A.	2.6%	Designs, manufactures and markets products that allow people to connect through music, gaming, video, and other digital platforms
2	Persimmon PLC	2.1%	Leading homebuilder in the United Kingdom
3	Subsea 7 SA	1.9%	Leading underwater oilfield service provider
4	Aristocrat Leisure	1.9%	Develops and manufactures gaming machines such as slot machines and electronic table games
5	Ulvac Inc.	1.7%	Manufactures vacuum equipment for industries such as semiconductor, electronics, chemical and food
6	JD Sports Fashion PLC	1.7%	Leading sports apparel retailing in the United Kingdom
7	Just Eat PLC	1.7%	United Kingdom market leading online takeaway food platform
8	Temenos Group AG	1.6%	Global provider of core banking software
9	Brembo SpA	1.6%	Develops and manufactures disc braking systems and components
10	Swedish Orphan Bivitrum AB	1.6%	Global manufacturer of hemophilia products

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

SECTOR WEIGHTINGS *(as of March 31, 2017*

Consumer Discretionary	20.8%
Consumer Staples	6.4%
Energy	4.1%
Financials	2.3%
Health Care	6.8%
Industrials	16.8%
Information Technology	24.3%
Materials	9.6%
Real Estate	1.3%
Telecomm Service	0.0%
Utilities	0.8%
Cash	6.8%
Total	100.0%



Sector weightings as a % of Total Net Assets.

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

Oberweis
Asset Management

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AVERAGE ANNUAL TOTAL RETURNS *(as of March 31, 2017)*						
	QTD	**1 Yr**	**3 Yr**	**5 Yr**	**10 Yr**	**Since Inception 2/1/2007**
International Opportunities (gross of fees)	**10.76%**	**8.02%**	**5.67%**	**16.72%**	**10.52%**	**11.12%**
International Opportunities (net of fees)	**10.50%**	**6.91%**	**4.58%**	**15.60%**	**9.37%**	**9.95%**
MSCI World ex-US Small-Cap Growth Index	8.46%	9.35%	3.59%	7.75%	2.87%	3.34%

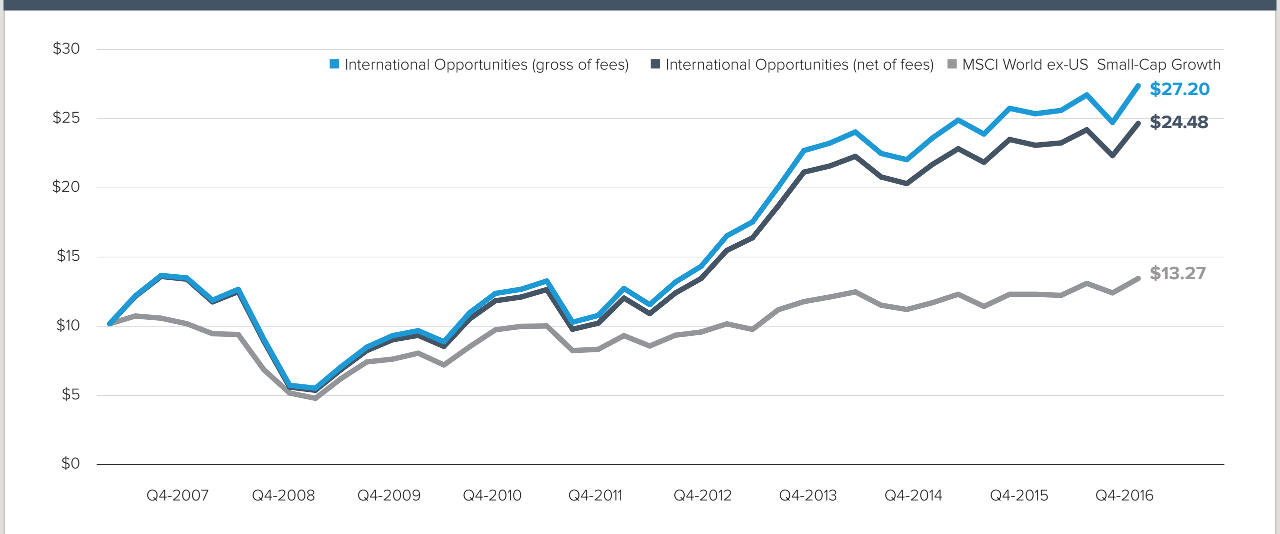
Oberweis Asset Management, Inc. ("OAM") is an independent investment management firm that is not affiliated with any parent organization. The composite returns are comprised of all fully discretionary accounts with a minimum value of $5 million. Performance results from 2-1-07 until 7-31-08, were derived solely from the performance of the Oberweis International Opportunities Fund, a registered, open-end mutual fund, for which OAM serves as investment adviser. Accounts are dollar-weighted within the composite and reported in U.S. dollars.

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 performance of small cap growth developed markets excluding the U.S. with minimum dividends reinvested net of withholding tax.

Advisory fees are disclosed in Part II of Form ADV. Performance is historical and includes the reinvestment of dividends and other income. Past performance is not necessarily indicative of future results.

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

GROWTH OF $10,000 — WITH INCOME INVESTED ***(February 1, 2007 – March 31, 2017)***



The Oberweis Aperture

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

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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.

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