Oberweis
Asset Management

OBERWEIS MICRO-CAP FUND (OBMCX)

1Q 2017

AVERAGE ANNUAL TOTAL RETURNS ***(as of March 31, 2017)***

	QTD	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception 1/1/1996	Expense Ratio*
Oberweis Micro-Cap Fund (OBMCX)	**7.36%**	**34.92%**	**8.38%**	**16.13%**	**6.61%**	**10.05%**	**1.64%**
Russell Microcap Growth Index	2.63%	20.24%	1.62%	10.72%	5.51%	N/A	
Russell 2000 Growth Index	5.35%	23.03%	6.72%	12.10%	8.06%	6.72%	

** Expense ratio is the total net annualized fund operating expense ratio as of 12/31/16. The expense ratio gross of expense offset arrangements and expense reimbursement was 1.65% for OBMCX. Effective May 1, 2017 through April 30, 2018, Oberweis Asset Management, Inc., the Fund's investment advisor, is contractually obligated to reduce its management fees or reimburse OBMCX to the extent that total ordinary operating expenses, as defined, exceed in any one year the following amounts expressed as a percentage of each Fund's average daily net assets: 1.8% of the first $50 million; plus 1.6% of average daily net assets in excess of $50 million. The annual expense ratio will reflect a blend of both the old and new expense reimbursement arrangements in effect for 2017.*

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 a gain or loss when shares are sold. Current performance may be higher or lower than quoted. Visit us online at oberweis.funds.com for the 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 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. The Russell Microcap Growth Index measures the performance of those Russell Micro Cap companies with higher price-to-book ratios and higher forecasted growth values. The performance data includes reinvested dividends.

The Russell Microcap Index is represented by the smallest 1,000 securities in the small cap Russell 2000 Index plus the next 1,000 securities. Each index is an unmanaged group of stocks, whose performance does not reflect the deduction of fees, expenses or taxes.

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

The Quarter in Review

The Oberweis Micro-Cap Growth Fund returned 7.36% during the March quarter versus a 5.35% return for the benchmark Russell 2000 Growth Index, an outperformance of 201 basis points. Versus the Russell Microcap Growth Index, which returned 2.63%, the Fund exceeded the benchmark by 473 basis points.

Fund performance was favorable despite some style cross-winds during the quarter. On the positive side, small-cap growth stocks outperformed small-cap value stocks by some 548 basis points[1], and companies with higher growth rates within the benchmark itself – those in the highest two quintiles based on sales growth – performed the best. On the negative side, "small-cap" was the worst performing of seven style factors and micro-cap stocks, particularly those with market caps less than $500 million, were the worst performing stocks within the Russell 2000 Growth Index. Additionally, although healthcare was the best performing sector, much of the healthcare return was driven by a 20% return in biotech stocks, which comprise approximately 9% of the Russell 2000 Growth Index. We lack material biotech exposure in the Fund.

The strength in equities was not limited to U.S. small caps as global equities rallied broadly during the quarter. In fact, emerging markets and developed markets international equities were among the strongest asset classes, while commodities were lower and fixed income[2] posted only a nominally positive return. The Federal Reserve raised its Fed Funds target by 25 basis points for the second time in three meetings in March, although its pace of tightening in this cycle (three hikes in 16 months) ranks as the slowest since the 1970's. We expect the Fed to deliver another two to three increases over the rest of the year, continuing its measured pace relative to historical tightening cycles. While additional hikes might increase angst among equity investors, history suggests that when U.S. 10-year bond yields are below 5% (it closed the quarter at 2.4%), rising rates have historically been associated with rising stock prices[3]. Only when yields eclipse 6% is there typically a negative correlation between yield movements and stock returns.

[1] The Russell 2000 Value Index returned –0.13% during the quarter.
[2] As measured by the Barclays Aggregate
[3] Source: JP Morgan's "Guide to the Markets, 2Q17", page 17.

Quarter In Review (continued)

Those in the mainstream financial media have labeled the recent run in stocks the "Trump Rally," and while we think his pro-business, anti-regulation posture has surely had an impact on business confidence and equity prices, the data suggest that global economies began to improve even before the U.S. election in November. Manufacturing PMI's accelerated in the U.S., Canada, the Eurozone, Australia, and Japan last autumn, a trend that has continued into the first quarter of 2017. Additionally, the U.S. consumer is confident and healthy: U.S. consumer sentiment, as measured by the University of Michigan, reached its highest level since February 2007, and the household debt service ratio remains at historically low levels. U.S. housing, despite higher mortgage rates, also remains at historically affordable levels, and housing starts are still below average, suggesting strength in the housing market – a key economic driver – could be sustainable for some time.

The result: analysts are expecting accelerating S&P 500 earnings in 2017, driven by strengthening global economies and a return to positive earnings in the U.S. energy sector. We believe the sustainability of the rally will depend on the materialization of this anticipated growth and President Trump's ability to implement substantive tax reform, reduced regulations, and fiscal stimulus. His recent failure to repeal and replace the Affordable Care Act was a warning sign that the market may be overestimating the potential for change. We believe tax reform in particular will be incredibly complex and some suggested reforms, such as a border adjustment tax, will be politically polarizing, even more so than healthcare.

Meanwhile, equity valuations are mixed. While our universe P/E remains at average levels, broader equity market valuations (as measured by the S&P 500 P/E) are above-average and much higher than those seen post-financial crisis in 2011-2012, although lower than the "equity bubble" levels witnessed from 1998-2000. Our take is that we probably need to see material tax reform and continued economic growth to justify today's premium equity valuations, particularly for large-caps.

As always, rather than ruminate about politics or unpredictable macro factors, our strategy focuses on investing in individual businesses with idiosyncratic attributes that can lead to earnings growth in excess of consensus expectations. While the earnings multiple the market is willing to pay for such businesses can oscillate in the short-term, we believe the prudent selection of such companies in a diversified portfolio will lead to performance that exceeds the benchmark over long periods of time.

Fund Highlights

As of March 31, 2017, the Fund was 95.1% invested in 90 different positions. The Fund had its largest weightings in technology (29.5% average weighting during the quarter versus 19.4% for the Russell 2000 Growth Index), health care (24.6% versus 21.6%), and consumer discretionary (12.8% versus 16.1%). The Fund was most underweight materials (3.1% versus 10.0%), financial services (7.5% versus 12.4%), and producer durables (11.1% versus 14.5%).

In the first quarter the Fund benefited from favorable stock selection in technology (where our holdings returned 19.86% versus a 6.98% return for the benchmark's technology holdings), while performance was negatively impacted by stock selection in health care (9.65% versus 13.23%), driven mainly by our lack of biotech industry exposure.

Key Benefits

The Micro-Cap Fund invests at least 80% of its net assets in the securities of very small companies which, at the time of purchase, have a market capitalization of less than or equal to $600 million or are within the range of companies represented in the Russell Micro-Cap Growth Index, whichever is greater. This is an effort to capture the exceptional growth potential of emerging companies in the earliest and most dynamic phase of their development.

The potential key benefits of the Micro-Cap Fund are:

- Access to one of the least efficient segments of the equity market
- Potential for significant alpha over a full market cycle
- Combines empirically-proven Behavioral Finance principles with the very best of fundamental bottom-up research
- Disciplined and repeatable investment process managed by a passionate and experienced investment team
- Fundamental research process specifically designed to efficiently discover micro-cap companies that are misunderstood by traditional Wall Street research analysts
- Exposure to micro-cap companies offering the potential for earnings growth that differs from consensus expectations
- Diversified portfolio with a focus on risk management

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.

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FUND CHARACTERISTICS *(as of March 31, 2017)*

Number of Stocks	90
Weighted Market Capitalization (in millions)	$788
Median Market Capitalization (in millions)	$635
P/E Forward 4 Quarters (estimated)	20.0x
Long-Term Debt to Total Equity	7.7%
Return on Equity	7.0%
Cash Position	4.9%
Portfolio Turnover (2016)	102%

Source: Thomson Reuters Eikon

TOP TEN HOLDINGS *(as of December 31, 2016)*

	Company		Line of Business
1	Ceva, Inc.	2.3%	Licensor of DSP cores and integrated applications to the semiconductor industry
2	Del Taco Restaurants, Inc.	2.1%	Operates and franchisor of restaurants featuring fresh and fast made-to-order Mexican and American classic dishes
3	Glaukos Corp.	2.0%	Develops, manufactures, and markets medical devices for the treatment of glaucoma
4	Intralinks Holdings, Inc.	2.0%	Technology provider of software-as-a-service (SaaS) solutions for secure enterprise content collaboration
5	Heska Corp.	2.0%	Manufactures diagnostic tools, vaccines, and pharmaceuticals for the companion animal market
6	Inphi Corp.	1.9%	Provides high-speed analog semiconductor solutions for the communications and computing markets
7	Patrick Industries, Inc.	1.9%	Manufactures and distributes building products and components for RV and manufactured home industries
8	AMN Healthccare Services	1.9%	Offers healthcare workforce solutions and staffing services to healthcare facilities
9	Ultra Clean Holdings	1.7%	Designs, engineers and manufactres production tools, modules and subsystems
10	Central Garden & Pet Co.	1.7%	Market and producer of branded products in the pet and lawn & garden supplies industry

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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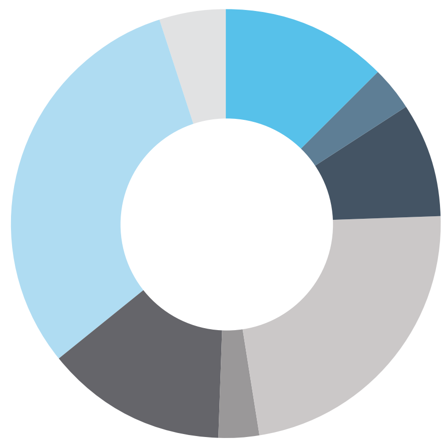
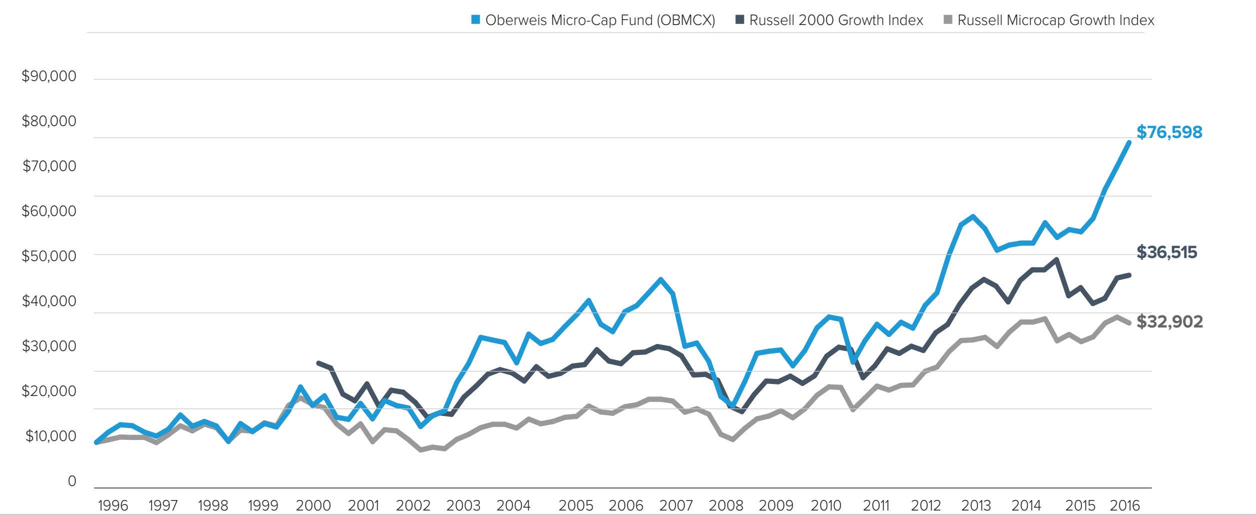
SECTOR WEIGHTINGS ***(as of March 31, 2017)***

Consumer Discretionary	12.5%
Consumer Staples	0.0%
Energy	3.4%
Financial Services	8.7%
Health Care	22.9%
Materials & Processing	3.2%
Producer Durables	13.6%
Technology	30.8%
Utilities	0.0%
Cash	4.9%
Total	100.0%



Sector weightings as a percentage of Total Net Assets. Source: Thomson Reuters Eikon

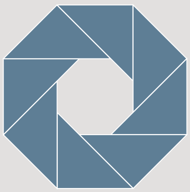
GROWTH OF $10,000 — WITH INCOME INVESTED ***(January 1, 1996–March 31, 2017***



The Russell Microcap Growth Index began on 7/3/00, 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.



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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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