

INTERNATIONAL OPPORTUNITIES STRATEGY

3Q 2017

The Quarter in Review

We are pleased to report excellent results for both the third quarter and year-to-date periods, both on an absolute and relative basis. In the third quarter, the International Opportunities strategy returned 9.40% (9.19% net of fees) compared to 7.54% for MSCI World ex-US Small Cap Growth Index (the “benchmark”). For the first nine months of 2017, the strategy returned 31.99% (31.15% net of fees) compared to 26.16% for the benchmark, for an excess return of 583 basis points (499 basis points net of fees).

This year’s strong results come on the heels of a more challenging environment in 2016. Last year, companies experiencing positive earnings surprises and positive earnings revisions did not receive the positive stock market recognition they usually receive. We expect such periods from time to time. As long-term clients know and as we stated in our 2016 year-end letter, our strongest years often follow challenging ones, as periods of underperformance tend to result in compressed valuation multiples that can set the stage for future appreciation. In 2017, we are seeing this once again. In our experience, the most exciting times to buy this strategy often follow periods of underperformance, as it is not unusual for out-of-favor periods to leave valuations highly attractive.

Despite continued geopolitical tensions, increased valuations and an interest rate hike from the U.S. Federal Reserve, global equity markets continued their advance higher in the third quarter. Strong global employment, steady manufacturing, and a stream of positive analyst earnings revisions helped to drive the MSCI World Index 5.0% higher. Emerging markets, as measured by the MSCI Emerging Markets Index, led the world, returning 8.0% during the quarter. Japanese stocks returned 3.9% as measured by the MSCI Japan index and German stocks performed well in the quarter with the MSCI German Index returning 7.5%.

At the sector level, the portfolio benefitted this quarter both from an overweight to Information Technology (IT) and, more importantly, from strong performance of our IT holdings relative to those of the benchmark. The portfolio has been overweight IT since the second-half of 2016 and remains so today. In the quarter, we trimmed some of our better-performing technology holdings due to a narrower gap between our earnings forecast and that of the consensus. However, these trims were more than offset by new positions in IT candidates vetted by the team. Within IT, valuations varied considerably by subsector. For example, while it has become more difficult to find undervalued software firms, we are still finding attractive opportunities in other IT disciplines, such as producers of semiconductors and components for electric vehicles and advanced displays.

In terms of country attribution, the portfolio performed well in Japan. While Japan underperformed within the benchmark, our Japanese holdings performed very well, returning 13.9% versus 6.0% for those of the benchmark. Attractive valuations, low investor expectations, and strong corporate earnings are a dynamic trio for investment potential – and we found many new ideas so that our allocation to Japan increased by 780 bps at the end of the third quarter compared to the end of the second quarter, taking the portfolio from underweight Japan to modestly overweight. For example, we recently invested in several Japanese staffing companies which are benefiting from a tighter pool of qualified workers and growing demand for them, a consequence of deteriorating demographic trends in Japan.

Outlook

Given the strong year-to-date performance for the strategy, the strategy’s weighted average forward twelve month P/E has increased approximately 15% compared to last quarter. It’s important to note that an increase in technology stock investments, which tend to trade for higher multiples compared to other sectors, helps explain some of the valuation increase. While higher valuations give us some pause, the macroeconomic economic picture across much of the developed world continues to look encouraging. Recently German factory orders and industrial production have come in much better than expected. With potential tax reform pending in the U.S., and Japanese inflation seemingly at the point of moving higher given the tight labor market, there remains potential for growth to surprise on the upside, making current valuations more attractive than what they appear on near-term multiples.

From our perspective, our team remains focused on our bottom-up approach. At the individual stock level, we are still finding plenty of niche opportunities around the world with the potential to yield above-average growth over the coming years.

Portfolio Highlights

At quarter-end, the portfolio was invested in 82 stocks in 15 countries. Our top three country weightings (portfolio weighting versus the MSCI World ex-US Small Cap Growth Index) at the end of the quarter were Japan (28.8% vs. 27.1%), the United Kingdom (20.8% vs. 16.0%), and Canada (6.6% vs. 8.6%). On a sector basis, the portfolio is overweight information technology (26.3% vs. 16.7%) and underweight consumer staples (2.4% vs. 8.8%).

Some of the top performers for the quarter included: Sunny Optical Technology Group Co. Ltd. (2382 HK), which returned +77.3% and contributed 80 basis points to the portfolio’s return; Evotec AG (EVT GR), which returned +48.9% and contributed 61 bps; and En-Japan Inc. (4849 JP), which returned +40.1% and contributed 46 bps. Some of the leading detractors for the quarter included: Trivago NV (TRVG US), which returned -32.8% and detracted 48 bps; Torex Gold Resources, Inc. (TXG CN), which returned -20.2% and detracted 16 bps; and Sleep Country Canada Holdings, Inc. (ZZZ CN), which returned -15.1% and detracted 14 bps.

Organization Update

Subsequent to the end of the quarter, we made a change to the International Opportunities team. We welcome Charles Hill-Wood to the team as a Senior Analyst. Charles starts with OAM on October 23rd and will be based in New York working directly with Ralf Scherschmidt. At the same time, this marked the completion of Sean O’Leary’s time with us at OAM. We wish him well and thank him for his contribution.

Charles expands the international experience of our team. He grew up in the UK and is a UK/US dual citizen. He received his BA and MA at Oxford, graduating in the top 10% of his class. He earned his MBA at Barcelona’s IESE Business School, a top-tier European MBA program. Charles started his career as an investment banker at Merrill Lynch in London, conducting valuation analyses, company research, financial modeling, and deal structuring, including cross-border M&A transactions. Subsequently, he worked as a private equity & real estate executive at the Barwa Group based in Qatar on deals in the Middle East and Europe. Most recently, he was a Director at the private equity firm Lincolnshire Management, Inc. based in New York where he spent six years researching and analyzing businesses from both an operating and financial perspective.

On another note, congratulations to Richard H. Thaler for winning the 2017 Nobel Prize in Economics. Professor Thaler is widely recognized as one of the pioneers in behavioral finance. As noted by The Royal Swedish Academy of Sciences, “By exploring the consequences of limited rationality, social preferences, and lack of self-control, [Thaler] has shown how these human traits systematically affect individual decisions as well as market outcomes”. At Oberweis, we have systematically employed these principles for over a decade to generate alpha from behaviorally-driven anomalies such as the Post Earnings Announcement Drift (PEAD).

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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COUNTRY ALLOCATION* (AS OF SEPTEMBER 30, 2017)

| | International Opportunities | MSCI World ex-US Small-Cap Growth Index |
|-----------------|-----------------------------|---|
| Japan | 28.8% | 27.1% |
| United Kingdom | 20.8% | 16.0% |
| Canada | 6.6% | 8.6% |
| China | 5.7% | 0.0% |
| Switzerland | 4.8% | 4.4% |
| Germany | 4.7% | 7.3% |
| Sweden | 4.4% | 5.9% |
| France | 3.9% | 5.0% |
| Netherlands | 3.4% | 2.0% |
| Australia | 3.2% | 5.5% |
| Finland | 3.2% | 0.7% |
| Ireland | 2.1% | 1.0% |
| Italy | 2.0% | 3.0% |
| Spain | 0.0% | 2.7% |
| Other Countries | 4.1% | 10.8% |
| Cash | 5.5% | 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

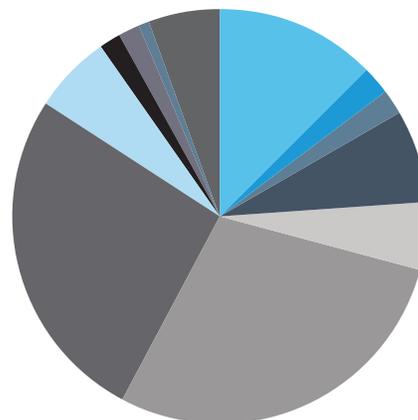
TOP TEN HOLDINGS (as of September 30, 2017)

| Company | | Line of Business | |
|---------|-------------------------------|------------------|---|
| 1 | Furukawa Electric | 2.2% | One of the top three electric wire and optical fiber manufacturers in Japan |
| 2 | Sunny Optical Technology | 2.1% | Designs, research & development, manufactures and sells optical and optical related products |
| 3 | Just Eat PLC | 2.0% | United Kingdom market leading online takeaway food platform |
| 4 | Kingspan Group PLC | 2.0% | Provides building solutions for the construction industry worldwide. |
| 5 | Aurelius Equity Opportunities | 1.9% | Investment company that provides loans to distressed companies, offers management services, and develops & implements restructuring plans |
| 6 | Mitsui Mining | 1.9% | Japan-based non-ferrous metal and electronics materials supplier |
| 7 | Bellway PLC | 1.8% | Major residential property developer in the United Kingdom |
| 8 | Outsourcing, Inc. | 1.8% | Japan-based staffing services company |
| 9 | ASR Nederland | 1.8% | One of the largest insurance companies in the Netherlands |
| 10 | Air Canada | 1.7% | Provides domestic and international air transportation for passengers and cargo |

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 September 30, 2017)

| | |
|------------------------|---------------|
| Consumer Discretionary | 12.5% |
| Consumer Staples | 2.4% |
| Energy | 2.0% |
| Financials | 7.2% |
| Health Care | 5.1% |
| Industrials | 28.8% |
| Information Technology | 26.3% |
| Materials | 6.1% |
| Real Estate | 1.8% |
| Telecomm Service | 1.5% |
| Utilities | 0.8% |
| Cash | 5.5% |
| 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.

| AVERAGE ANNUAL TOTAL RETURNS (as of September 30, 2017) | | | | | | | |
|---|--------------|---------------|---------------|---------------|---------------|--------------|--------------------------|
| | QTD | YTD | 1 Yr | 3 Yr | 5 Yr | 10 Yr | Since Inception 2/1/2007 |
| International Opportunities (gross of fees) | 9.40% | 31.99% | 22.13% | 13.25% | 20.03% | 9.16% | 12.40% |
| International Opportunities (net of fees) | 9.19% | 31.15% | 20.97% | 12.13% | 18.91% | 8.03% | 11.24% |
| MSCI World ex-US Small-Cap Growth Index | 7.54% | 26.16% | 19.43% | 10.82% | 10.97% | 4.02% | 4.65% |

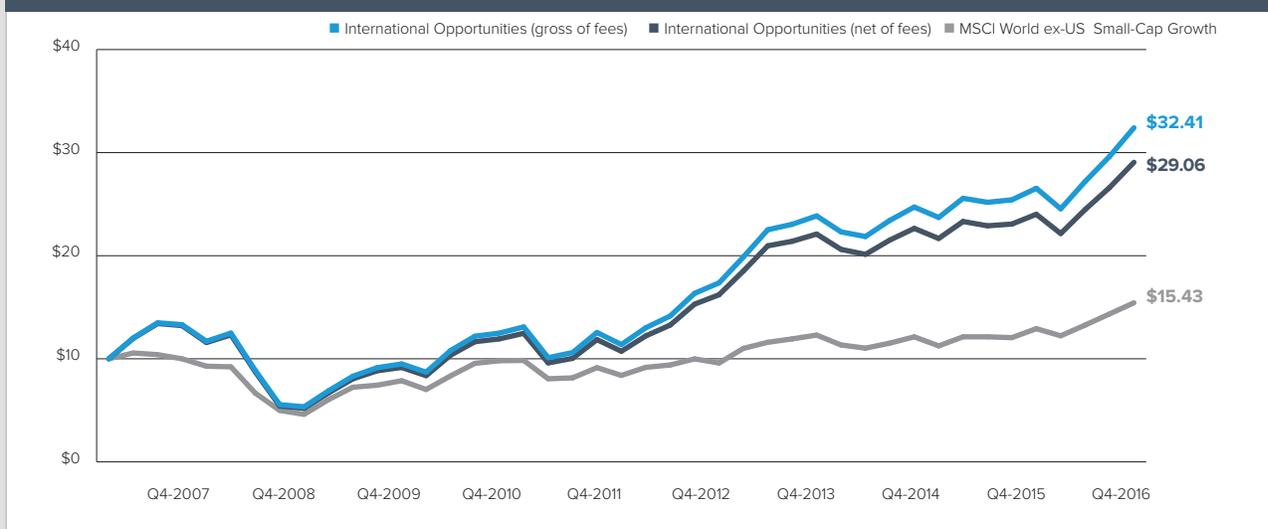
Oberweis Asset Management, Inc. ("OAM") is an independent investment management firm that is not affiliated with any parent organization. The composite returns are comprised of all fully discretionary accounts with a minimum value of \$5 million. Performance results from 2-1-07 until 7-31-08, were derived 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.

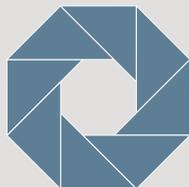
*Before investing, consider the fund's investment objectives, risks, charges, and expenses. To obtain a copy of the prospectus or summary prospectus containing this and other information, please visit our website at oberweisinvest.com or call 800-323-6166. Read it carefully before investing. The Oberweis 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 – September 30, 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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