

Oberweis Asset Management, Inc.
Verification and Micro-Cap Growth Composite Performance Examination Report

December 31, 2018





Verification and Performance Examination Report

Oberweis Asset Management, Inc.
3333 Warrenville Road, Suite 500
Lisle, IL 60532

We have verified whether Oberweis Asset Management, Inc. (the "Firm") (1) has complied with all the composite construction requirements of the Global Investment Performance Standards (GIPS®) on a firm-wide basis for the periods from January 1, 2015 through December 31, 2018, and (2) designed its policies and procedures to calculate and present performance in compliance with the GIPS standards as of December 31, 2018. We have also conducted a performance examination of the Firm's Micro-Cap Growth Composite for the periods from January 1, 2015 through December 31, 2018. The Firm's management is responsible for compliance with the GIPS standards and the design of its policies and procedures and for the Micro-Cap Growth Composite's compliant presentation. Our responsibility is to express an opinion based on our verification and performance examination. We conducted this verification and performance examination in accordance with the required verification and performance examination procedures of the GIPS standards. We also conducted such other procedures as we considered necessary in the circumstances.

In our opinion, the Firm has, in all material respects:

- Complied with all the composite construction requirements of the GIPS standards on a firm-wide basis for the periods from January 1, 2015 through December 31, 2018; and
- Designed its policies and procedures to calculate and present performance in compliance with the GIPS standards as of December 31, 2018.

A verification covering the periods from January 1, 1993 through December 31, 2014 was performed by another verification firm, whose report expressed an unqualified opinion thereon.



Also, in our opinion, the Firm has, in all material respects:

- Constructed the Micro-Cap Growth Composite and calculated the Micro-Cap Growth Composite's performance for the periods from January 1, 2015 through December 31, 2018 in compliance with the GIPS standards; and
- Prepared and presented the Micro-Cap Growth Composite's accompanying compliant presentation for the periods from January 1, 2015 through December 31, 2018 in compliance with the GIPS standards.

A performance examination of the Firm's Micro-Cap Growth Composite covering the periods from January 1, 1996 through December 31, 2014 was performed by another verification firm, whose report expressed an unqualified opinion thereon.

This report does not relate to or provide assurance on any composite compliant presentation of the Firm other than the Firm's Micro-Cap Growth Composite.

ACA Performance Services, LLC

ACA Performance Services, LLC

March 22, 2019

Micro-Cap Growth Composite Performance

Year	Gross Total Return (%)	Net Total Return (%)	Russell 2000 Growth Return (%)	Russell Micro-Cap Growth Return (%)	Number of Accounts	Asset-Weighted St Dev (%)	Composite 3-Year Annualized St Dev (%)	Russell 2000 Growth 3-Year Annualized St Dev (%)	Russell Micro-Cap Growth 3-Year Annualized St Dev (%)	Composite Assets (\$ mm)	Percent of Firm Assets Managed
2018	-10.74	-11.74	-9.31	-14.18	1	N/A	18.20	16.69	18.73	67.7	2.4%
2017	29.44	28.44	22.17	16.65	1	N/A	13.66	14.80	17.22	101.4	2.5%
2016	26.24	25.24	11.32	6.86	1	N/A	15.34	16.91	19.68	67.0	2.4%
2015	8.10	7.10	-1.38	-3.85	1	N/A	14.82	15.16	17.80	50.5	2.0%
2014	-6.00	-7.00	5.60	4.30	1	N/A	15.52	14.02	16.71	29.2	2.0%
2013	66.74	65.74	43.30	52.84	1	N/A	19.87	17.52	18.75	35.6	3.3%
2012	10.57	9.57	14.59	15.17	1	N/A	21.75	21.01	21.89	19.5	2.8%
2011	-6.44	-7.45	-2.91	-8.42	1	N/A	26.50	24.65	25.59	21.1	3.6%
2010	18.69	17.48	29.09	29.49	2	N/A				98.1	11.6%
2009	51.47	50.12	34.47	39.18	3	N/A				138.0	14.8%

Notes to Performance

- I. Oberweis Asset Management, Inc. (OAM) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. OAM has been independently verified for the periods January 1, 1993 through December 31, 2018.
- Verification assesses whether (1) the firm has complied with the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Micro-Cap Growth Composite has been examined for the periods January 1, 1996 through December 31, 2018. The verification and performance examination reports are available upon request.
- II. OAM is an independent investment management firm registered under the Investment Advisor Act of 1940, founded in 1989, that invests in high growth companies around the world. The firm specializes in Small and Mid-Capitalization growth strategies globally for institutional investors and its own proprietary mutual fund family. Registration does not imply a certain level of skill or training. Firm assets presented represent all accounts where OAM has been engaged as investment adviser. A complete list and description of firm composites is available upon request.
- III. The following standards describe performance presented herein:
- A. The Micro-Cap Growth Composite was created in January 1996. The reporting currency is U.S. Dollar. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.
 - B. Gross performance is computed before deducting advisory fees. Generally, the advisory fees for separate accounts are 1.00% on all assets. Actual fees are used in the net return calculation.
 - C. The composite returns disclosed were derived solely from the performance of a registered open-end investment company for the period September 30, 2011 through December 31, 2018.
 - D. The Micro-Cap Growth Composite includes all fully discretionary accounts in excess of \$5 million invested in the Micro-Cap Growth strategy, which primarily invests in the securities of very small domestic companies with a market capitalization under \$600 million or are within the range of companies represented in the Russell Micro-Cap Growth Index, whichever is greater, at the time of purchase. Effective January 1, 2013 the equity segment was increased to 90% from 70%.
- IV. The standard deviation of portfolio returns have not been presented for the years 2009-2018 as the composite consisted of five or less accounts during these years. For accounts managed all months in the presentation year, the asset-weighted standard deviation of account returns within the composite is presented as a measure of internal dispersion. The three-year annualized ex-post standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. The annualized standard deviation is not presented for 2009 through 2010 because it was not required for periods prior to 2011.
- V. Consultants and investors supplied with these performance results are advised to use this data in accordance with guidelines issued by the United States Securities and Exchange Commission. Past performance is no guarantee of future results. Gross of fees returns are calculated gross of management and custodial fees and net of transaction costs. Net of fees returns are calculated by reducing gross returns by actual management fees. The composite results portrayed reflect the reinvestment of dividends, capital gains, and other earnings when appropriate. The investment advisory fees are described in Part II of the Form ADV. The advisory fee, compounded over a period of years, will have an adverse effect on the value of the client's portfolio.
- VI. The benchmark for this composite is the Russell 2000 Growth Index and the Russell Micro-Cap Growth Index. 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 2000 Index measures the performance of 2000 companies with small-market capitalizations. This index is unmanaged and is not available for investment. The Russell Micro-Cap Growth Index measures the performance of those Russell Micro-Cap companies with higher price-to-book ratios and higher forecasted growth values. The Russell Micro-Cap Growth Index is represented by the smallest 1,000 securities in the small cap Russell 2000 Index plus the next 1,000 securities. This index is unmanaged and is not available for investment. Benchmark returns are not covered by the report of independent verifiers.