

OBERWEIS MICRO-CAP FUND INVESTOR CLASS (OBMCX) INSTITUTIONAL CLASS (OMCIX)

1Q 2019

AVERAGE ANNUAL TOTAL RETURNS (as of March 31, 2019)

	QTD	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception 1/1/1996	Gross/Net Expense Ratio*
Oberweis Micro-Cap Fund Institutional Class (OMCIX)**	21.17%	7.88%	19.82%	10.29%	18.57%	10.54%	1.33%/1.32%
Oberweis Micro-Cap Fund Investor Class (OBMCX)	21.23%	7.65%	19.56%	10.03%	18.29%	10.27%	1.57%/1.55%
Russell Microcap Growth Index	16.00%	-1.43%	10.81%	3.50%	14.77%	N/A	
Russell 2000 Growth Index	17.14%	3.85%	14.87%	8.41%	16.52%	7.08%	

*As of December 31, 2018. Oberweis Asset Management, Inc. (OAM), the Fund's investment advisor is contractually obligated through April 30, 2020 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 and for OMCIX 1.55% of the first \$50 million; plus 1.35% of average daily net assets in excess of \$50 million.

**Institutional Class shares OMCIX performance information was calculated using the historical performance of Investor Class shares for periods prior to May 1, 2017.

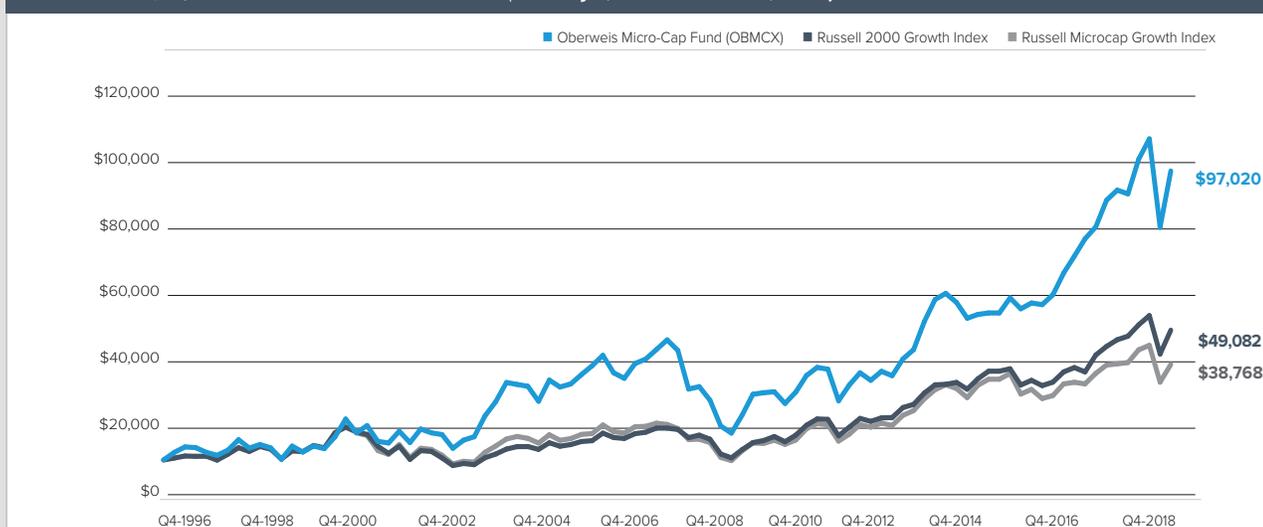
Performance data shown represents past performance and is no guarantee of future results. Investment return and principal value will fluctuate, so that you may have a gain or loss when shares are sold. Current performance may be higher or lower than quoted. Visit us online at oberweisfunds.com for the 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.

GROWTH OF \$10,000 — WITH INCOME INVESTED (January 1, 1996–March 31, 2019)



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.

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The Quarter in Review

The Oberweis Micro-Cap Fund returned 21.23% in the first quarter of 2019 compared to 16.00% for the Russell Microcap Growth Index, an outperformance of 523 basis points. Against the Russell 2000 Growth Index, which returned 17.14%, the Fund gained 409 basis points.

Strong performance was generated despite mixed factor-level conditions during the quarter. We faced modest headwinds as lower-quality, low-ROE companies (specifically the bottom two ROE quintiles within the Russell 2000 Growth) significantly outperformed during the quarter, a cohort we are under-weight. Stocks with market capitalizations under \$1 billion also underperformed. Helping our cause was a strong style bias toward growth in the quarter¹, as investors gravitated to companies that are capable of generating sales and earnings growth in the face of an anticipated small-cap “earnings recession” (based on consensus estimates) in the first half of 2019.

The strength follows the extreme volatility and weakness endured during the fourth quarter of 2018, when micro- and small-cap stocks fell so precipitously they technically entered a bear market². We noted in our year-end commentary that fear was palpable as we exited 2018 and that the resulting decline in equity valuations represented the most compelling investment opportunity in our market segment since late 2011. Interestingly, that was the last time markets discounted an “earnings recession,” and it was also the last time cyclical stocks were as cheap relative to defensive-oriented issues.

A lot can change in the course of a quarter. As stocks and Santa simultaneously tumbled down the chimney on Christmas Eve, the laundry list of concerns that led to extreme negative sentiment readings was quite long. One of the biggest centered on U.S. monetary policy, as the Federal Reserve under new Chairman Jerome Powell had moved to a hawkish stance. While Fed Funds futures in early December predicted four rate hikes in 2019 (on top of four hikes in 2018), a mere three months hence they signal better than even odds of a rate cut late this year or early in 2020, a pretty dramatic reversal. This policy shift by the Fed includes the suspension of its balance sheet reduction strategy – at least for the time being. Muted and persistent inflation readings below its 2% target appear to provide the Fed with appropriate cover.

Investors were also worried the stock market decline itself could portend a recession, a connection we noted wasn’t necessarily supported by the data³. Admittedly, economic readings globally have softened a bit to start the year, likely driven in part by uncertainty related to continued trade negotiations and tensions between the U.S. and China. U.S. real GDP growth decelerated to 2.2% in the fourth quarter and the Atlanta Fed projects similarly tepid growth of 2.3% in the first quarter of 2019. In March, the Manufacturing Purchasing Managers Index fell below 50 in Germany, France, Italy, Japan, Korea, and Taiwan, but was countered by expansionary readings in the U.S., China, the UK, and Brazil. Despite the lackluster economic data, we continue to find a typical number of new investment ideas where companies have reported significant positive earnings surprises driven by transformative changes that appear to be misunderstood or under-estimated by the consensus.

Much has also been made since last fall in the financial media about a yield curve inversion as a predictor of economic recession and stock market turbulence. Again, we believe the historical data are mixed. While it’s true that parts of the yield curve are currently inverted, we consider the 10-year/2-year yield spread to be more meaningful, and that reading remains above zero. Certainly a flattening yield curve flashes a yellow caution sign in terms of future economic growth prospects, but we believe the leap to gloom and doom is likely over-stated.

Despite the first quarter equity surge, the consensus hasn’t really jumped on the bandwagon and seems biased toward skepticism. In our experience, market tops tend to occur when valuations are high and sentiment is over-flowing with optimism. While there are real risks to consider, we wonder if investors are again being too cautious, letting short-term focus and risk asymmetry distract from long-term compounding returns in equities. Certainly since the financial crisis, many investors have consistently been too fearful, missing out on above-average opportunities (like late 2018) to invest in stocks. Equity outflows in the fourth quarter were the worst experienced since the housing market imploded, and that trend continued throughout the first quarter of 2019. As of today, bearish views on equities still have much to prove given a more dovish Fed. Nonetheless, the current State Street North American Investor Confidence Index (which measures investor confidence or risk appetite by analyzing the actual buying and selling patterns of institutional investors in North America) hit an all-time low in a dataset that dates to 1998 and includes two bubbles. Such pessimism suggests muted investor expectations, a positive for our relative-to-expectations approach. While our asset class and strategy-level valuations are not as cheap as they were at the beginning of the year, many individual secular growth ideas continue to be attractive.

Looking forward, we think the inflection point is linked to the U.S.-China trade issue. We believe recent economic weakness and the resulting impact on corporate earnings in early 2019 is tied to the uncertainty regarding the path forward with trade. Discussions we’ve had with management teams suggest caution pending more trade clarity and, hopefully, a favorable outcome. A “win-win” deal between the two countries should result in a re-acceleration in economic growth, boosted by some pent-up demand as tentative management teams reverse course. A negative outcome that leads to additional protectionist measures could very well tip the global economy into recession and throw a wet blanket on equities until the smoke clears. We still believe there is ample motivation for both countries to take the high road.

¹ The Russell 2000 Growth Index returned 17.14% during the quarter, 521 basis points better than the Russell 2000 Value Index.

² Using the commonly accepted definition that a bear market occurs when stocks decline 20%. During 4Q18, the Russell Microcap Growth Index declined 24.93% and the Russell 2000 Growth Index declined 21.65%.

³ Small-cap bear market declines in excess of 20% in 1998, 2010, 2011, and 2015-2016 all occurred during non-recessionary economic environments.

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Quarter in Review (continued)

While the winds of change can swirl in the near-term, our bottom-up investment strategy focuses specifically on investing in companies demonstrating better-than-expected earnings prospects driven by transformative change in the underlying business. While the P/E multiple afforded such opportunities by investors can oscillate from quarter to quarter, we believe that a diversified portfolio of such investments is likely to outperform the market over the intermediate- to long-term.

Fund Highlights

As of March 31, 2019, the Fund was 98.0% invested in 74 different positions. The Fund had its largest weightings in technology (23.4% average weighting during the quarter versus 17.1% for the Russell 2000 Growth Index), healthcare (23.2% versus 25.6%), and consumer discretionary (19.5% versus 18.1%). In addition to healthcare, the Fund was most underweight financial services (5.8% versus 10.6%) and materials (4.6% versus 7.1%).

In the first quarter the Fund performance was positively impacted by stock selection in healthcare (where our holdings returned 24.29% versus an 18.72% return for the benchmark's healthcare holdings) and consumer discretionary (22.55% versus 16.74%).

FUND CHARACTERISTICS *(as of March 31, 2019)*

Number of Stocks	74
Weighted Market Capitalization (in millions)	\$1,014
Median Market Capitalization (in millions)	\$826
P/E Forward 4 Quarters (estimated)	12.9x
Long-Term Debt to Total Equity	9.7%
Return on Equity	6.2%
Cash Position	2.0%
Portfolio Turnover (2018)	116.0%

Source: Thomson Reuters Eikon

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

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.

Minimum Investment:

Oberweis Micro-Cap Fund Investor Class (OBMCX): \$1,000 non-IRA, \$500 IRA

Oberweis Micro-Cap Fund Institutional Class (OMCIX): \$1.0 million

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](#)

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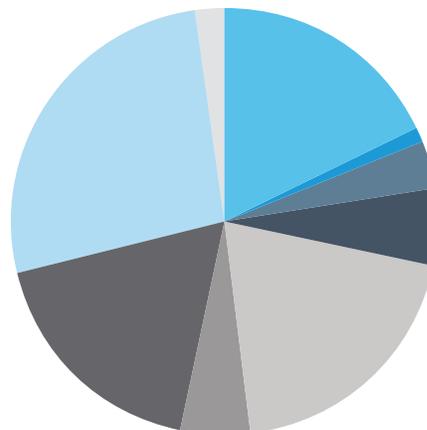
TOP TEN HOLDINGS (as of December 31, 2018)

	Company		Line of Business
1	Vericel Corp.	3.7%	Develops cell therapy products for the treatment of patients in the sports medicine and burn care markets
2	Vicor Corp.	3.2%	Designs modular power components and complete power systems
3	LHC Group, Inc.	2.8%	Provides home health care services
4	Atricure, Inc.	2.6%	Develops treatments for atrial fibrillation
5	Tandem Diabetes Care, Inc.	2.4%	Develops pump systems for diabetes patients
6	K12, Inc.	2.3%	Provides online educational services for high school students
7	Career Education Corp.	2.3%	Provides for-profit secondary education in the U.S.
8	DMC Global, Inc.	2.2%	Global technology company that offers collaboration, research, development, and other services
9	Quantenna Communications, Inc.	2.2%	Develops wireless communication solutions
10	Veracyte, Inc.	2.2%	Develops molecular oncoloty tests

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, 2019)

Consumer Discretionary	17.8%
Consumer Staples	1.3%
Energy	3.6%
Financial Services	5.7%
Health Care	19.7%
Materials & Processing	5.3%
Producer Durables	17.9%
Technology	26.7%
Utilities	0.0%
Cash	2.0%
Total	100.0%



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