

## OBERWEIS EMERGING MARKETS FUND

INVESTOR CLASS: (OBEMX)  
 INSTITUTIONAL CLASS: (OIEMX)

2Q 2019

### AVERAGE ANNUAL TOTAL RETURNS (as of June 30, 2019)

	QTD	YTD	1 YR	Since Inception 5/1/2018	Gross/Net Expense Ratio*
<b>Oberweis Emerging Markets Fund Institutional Class (OIEMX)</b>	<b>0.22%</b>	<b>15.19%</b>	<b>-4.21%</b>	<b>-7.78%</b>	<b>3.74%/1.50%</b>
<b>Oberweis Emerging Markets Fund Investor Class (OBEMX)</b>	<b>0.11%</b>	<b>14.96%</b>	<b>-4.53%</b>	<b>-8.03%</b>	<b>3.99%/1.75%</b>
MSCI Emerging Markets Small-Cap Index	-0.98%	6.70%	-5.12%	-11.41%	

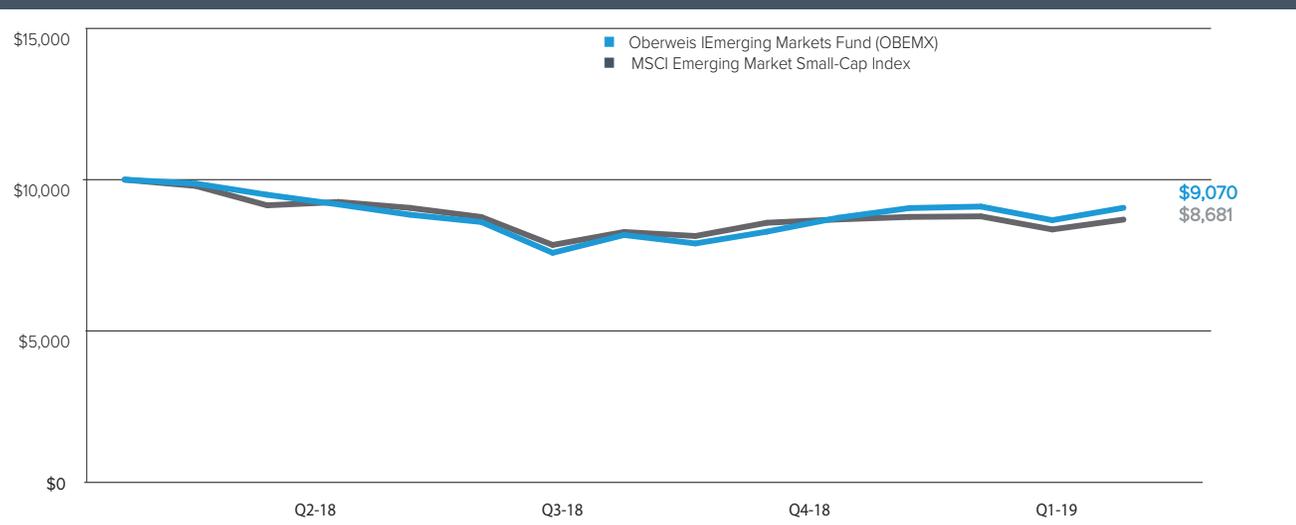
As of December 31, 2018, Oberweis Asset Management, Inc. (OAM), the Fund's investment advisor is contractually obligated through April 30, 2020 to reduce its management fees or reimburse OBEMX to the extent that total ordinary operating expenses exceed in any one year 1.75% expressed as a percentage of the Fund's average daily net assets and for OIEMX 1.50%.

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 gain or loss when shares are sold. Current performance may be higher or lower than quoted. Visit us online at [oberweisfunds.com](http://oberweisfunds.com) for 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](http://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 MSCI Emerging Markets Small Cap Index is a free float-adjusted, market capitalization-weighted index that measures the performance of small-cap stocks in 24 emerging markets.

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

### GROWTH OF \$10,000 — WITH INCOME INVESTED (May 1, 2018 – June 30, 2019)



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### The Quarter in Review

The Oberweis Emerging Markets Fund outperformed its benchmark during the quarter, returning 0.11% versus a decline of 0.98% for the MSCI Emerging Markets Small-Cap Index. In other words, the Fund and the Index ended the quarter about where they started, except just a little bit higher and a little bit lower, respectively. Armed with only those two data points, investors could be forgiven for assuming the quarter was stable and uneventful. The trip from the end of March to the end of June, however, was full of ups and downs. Emerging markets equities continued the trend from recent quarters, rising and falling with utterances and proclamations from the Federal Reserve and the White House. Broadly speaking, movements in the U.S. Dollar and tariff tweets from President Trump drove developing-world asset prices.

As we survey the benchmark's road to almost nowhere across the quarter, we see a few major political and currency developments that shifted the index's direction. The new quarter started well, continuing emerging markets' strong performance from the first three months of the year. The benchmark rose nearly 3% during the first two weeks of the second quarter. April 17th, however, marked the peak for both emerging equities and currencies for the quarter. On that day, a trio of news items from the U.S. Federal Reserve boosted the U.S. Dollar and, consequently, drove down developing-world stocks and currencies, which tend to suffer when the Dollar strengthens. On the same day, the Fed's assessment of current economic conditions (commonly known as The Beige Book) saw a strong American economy, St. Louis Fed President James Bullard spoke about the strengthening U.S. economy and his expectations for a steeper yield curve, and Philadelphia Fed President Patrick Harker told an audience that he still saw potential rate hikes in 2019 and 2020, which was at odds with the market's expectations for rate cuts implied in the Fed Funds Futures at the time. Dollar bulls cheered.

As the Dollar climbed, the MSCI Emerging Markets Small Cap Index gave up all of its gains from the beginning of the quarter, falling a bit more than 2 percent. Then, after May 3rd, the market dipped sharply as President Trump tweeted that a new round of tariffs on China were coming as trade talks hit a roadblock. The benchmark declined more than 5% over the next two weeks before taking another leg down on May 15th when the White House announced restrictions on U.S. companies selling to Chinese tech giant Huawei. As a result, the index slid another 2% before hitting its low point for the quarter on the 23rd of May.

On that day, the Dollar once again muscled its way to the front of emerging markets investors' minds. The Federal Reserve released the minutes from its Federal Open Market Committee meeting at the beginning of the month that seemed to show little appetite to raise interest rates anytime soon, even if the U.S. economy remains strong. The news from the Fed appeared to mark a turning point in Dollar sentiment. From the 23rd of May through the end of the quarter, the Index rallied nearly 6% and emerging currencies climbed more than 2 percent. We view the rally as strong evidence that the U.S. Dollar remains the biggest short-term driver of emerging markets asset prices. The Index rose as the Dollar slid, shrugging off deteriorating American-Chinese relations, Iran sanctions and aggression in the Straits of Hormuz, a series Indian corporate defaults, surprise immigration-related tariffs on Mexico and more. Dollar relief covers a multitude of emerging-markets problems.

Despite an attribution headwind from country allocation, the portfolio still outperformed this quarter. Country allocation subtracted 155 basis points in relative performance during the quarter while issue selection added 333 basis points. The fund's relative overweight position in China had the most notable country-allocation impact, trimming 39 basis points from relative performance as trade turmoil hurt that country's equity markets. Stock selection in China, however, added 121 basis points, leading to positive relative returns from that country despite the overweight position. We continue to look beyond the trade headlines in China and remained focus on finding fundamentally driven investment opportunities with healthy balance sheets, strong growth potential, durable competitive advantages and solid corporate governance. We believe that few countries match China in the number of companies that fit that description and that also trade at cheap valuations.

### Outlook

We remain excited about the investment potential in emerging markets. We believe the drive of people who live in the developing world to live better, healthier and more productive lives is inexorable. Moreover, we continue to believe that drive will fuel structural growth in spending on consumer goods and healthcare, as well as investments in infrastructure and automation. Our strategy to invest in prudently managed and competitively advantaged companies that are positioned to benefit from that long-term structural growth remains unchanged.

We also continue to believe that the short-term outlook for emerging markets equities remains attractive. Our opportunity set still looks relatively cheap. According to data compiled by Bloomberg, the MSCI Emerging Markets Small Cap Index trading at a forward price-to-earnings multiple of 12.6 times at the end of June versus 14.2 times a year ago and an average of 14.1 times over the past five years.

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**OBERWEIS EMERGING MARKETS FUND**  
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**INSTITUTIONAL CLASS: (OIEMX)**

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## Fund Highlights

At quarter-end, the Fund was invested in 72 stocks domiciled in 15 countries. Our top five country weightings (portfolio weighting versus the MSCI Emerging Markets Small-Cap Index) at the end of the quarter were China (18.9% vs. 11.4%), Taiwan (16.8% vs. 19.7%), South Korea (14.2% vs. 16.5%), India (10.1% vs. 15.8%), and Brazil (7.6% vs. 8.3%). On a sector basis, the Fund was overweight Consumer Staples (19.2% vs. 6.5%), Information Technology (20% vs. 15.2%) and Healthcare (12.0% vs. 7.9%). The largest underweight sectors were Materials (0.4% vs. 11.6%), Real Estate (1.8% vs. 8.6%) and Financials (5.5% vs. 10.9%).

### COUNTRY ALLOCATION (As of June 30, 2019)

	Oberweis Emerging Markets Fund	MSCI Emerging Markets Small-Cap Index
China	18.9%	11.4%
Taiwan	16.8%	19.7%
South Korea	14.2%	16.5%
India	10.1%	15.8%
Brazil	7.6%	8.3%
Hong Kong	4.9%	0.5%
Indonesia	4.7%	2.5%
South Africa	4.1%	5.9%
Mexico	3.0%	2.9%
Chile	2.1%	1.6%
Thailand	1.1%	5.2%
Malaysia	1.5%	3.3%
Other Countries	4.2%	6.4%
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 Oberweis Emerging Markets Fund invests, under normal circumstances, at least 80% of its net assets (plus the amount of borrowings, if any) in the securities of companies based in emerging markets. This includes securities of companies based in or whose securities are primarily traded on an emerging market exchange. It also includes those that have at least 50% of their assets in or derive at least 50% of the revenues from business activities in emerging market countries.

The potential key benefits of the Emerging Markets Fund are:

- Opportunity to capture growth: Emerging markets are estimated to grow 2-3 times faster than developed nations and a rapidly growing middle class is expected to increase spending and consumption
- Diversification - Emerging markets represent almost a quarter of international markets outside of the United States and provide further opportunity to find quality companies
- Potential for higher returns - Emerging markets have outperformed the general global markets in 10 of the last 15 calendar years
- Access to active portfolio management - less efficient markets may create opportunities for active managers
- A long-term, disciplined investment approach - the strategy focuses on high-quality, well-capitalized companies with sustainable competitive advantages and secular growth tailwinds

Minimum Investment:

Oberweis Emerging Markets Fund Investor Class (OBEMX): \$1,000 non-IRA, \$500 IRA

Oberweis Emerging Markets Fund Institutional Class (OIEMX): \$1.0 million

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. Investing in emerging markets involves risks and considerations not present when investing in more-established securities markets. Investing in international/emerging market investment funds should be considered speculative and thus not appropriate for all investors. There is no guarantee that the portfolios can achieve their objectives.

## 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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2Q 2019

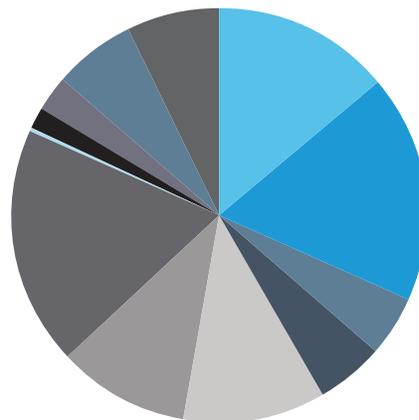
**TOP TEN HOLDINGS (as of March 31, 2018)**

Company		Line of Business
1	Afreeca TV	2.6% Leading online-streaming platform in South Korea
2	Grupo Lala Sab De CV	2.5% Mexico's largest dairy company with operations in Brazil, the United States and several Central American countries
3	Zhejiang Supor	2.3% Chinese manufacturer of small kitchen appliances
4	Nissin Foods	2.3% Hong-Kong based manufacturer of packaged foods, primarily for the Chinese market
5	Chroma Ate, Inc.	2.2% Taiwanese company that designs and manufactures electronic measurement services and testing solutions for a variety of industries
6	Shanghai Weaver Network Co., Ltd.	2.1% Chinese software company that designs and sells real-time collaboration and communication platforms for enterprises
7	Sichuan Swellfun Co. Ltd.	2.1% Leading Chinese spirits company and a subsidiary of UK-based Diegeo, the world's largest spirits firm
8	Kerry Logistics	2.0% Hong Kong-based logistics company with operations throughout Asia
9	Clicks Group Ltd.	2.0% Owns and operates South Africa's largest chain on pharmacies
10	Kingdee Int'l Software	2.0% Leading vendor of ERP software to small- and medium-sized businesses in China

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 June 30, 2019)**

Consumer Discretionary	15.0%
Consumer Staples	19.2%
Energy	5.2%
Financials	5.5%
Health Care	12.0%
Industrials	11.1%
Information Technology	20.0%
Materials	0.4%
Real Estate	1.8%
Communication Services	3.0%
Utilities	0.0%
Cash	6.8%
<b>Total</b>	<b>100.0%</b>



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](http://www.msci.com)