



Oberweis
Funds



ANNUAL REPORT

Oberweis International Opportunities Institutional Fund (OBIIX)

December 31, 2019

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, paper copies of the Fund's shareholder reports will no longer be sent by mail, unless you specifically request paper copies of the reports from the Fund or from your financial intermediary, such as a broker-dealer or bank. Instead, the reports will be made available on www.oberweisfunds.com and you will be notified by mail each time a report is posted and provided with a website link to access the report.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from the Fund or your financial intermediary electronically by contacting us at 1-800-245-7311.

You may elect to receive all future reports in paper free of charge. You can inform the Fund or your financial intermediary that you wish to continue receiving paper copies of your shareholder reports by contacting us at 1-800-245-7311. Your election to receive reports in paper will apply to all funds held with the fund complex.

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PRESIDENT AND PORTFOLIO MANAGER'S LETTER *(unaudited)*

Dear Shareholder:

Thank you for your investment in the Oberweis International Opportunities Institutional Fund (OBIX). This Fund is managed by a team led by Ralf Scherschmidt and seeks to invest in small and mid-cap companies primarily outside of the United States which are experiencing positive fundamental changes not yet fully reflected in market prices.

The Year in Review

What a difference a year can make! In last year's letter, following a significant decline in 4Q2018 for international small-cap growth stocks, we noted that valuations for our asset class were among the cheapest of the past decade. As it turns out, fear and great buying opportunities are often neighbors. 2019 delivered an excellent year for international small-cap growth equities. The MSCI World Ex USA Small-Cap Growth Index returned 28.04%.

Much of 2019's gain stems from macro worries that turned out to be not as bad as expected. Top among them were trade wars, slowing economic growth and rising interest rates. On January 15th, 2020, the U.S. and China signed the much-anticipated "Phase One" trade treaty. To be sure, US-China trade negotiations have a long way to go, but this step marks a sharp directional change from the escalatory feuds that preceded it. On economic growth, recession prognosticators were either wrong or early. US growth has remained on track while tepid growth outside the U.S. has nonetheless exceeded expectations. In terms of monetary policy trends, the US Federal Reserve reversed course in 2019, cutting interest rates three times in 2019. The US yield curve has steepened since the inversion fears of early 2019. Instead of rising, interest rates declined in 2019, with the yield on the 10-year US Treasury bond falling 77 basis points in 2019 to 1.92%. And as these developments unfolded, investors turned bullish on equities, with equities in most geographies and asset classes posting exceptional gains. Globally, growth stocks beat value stocks, but large-caps beat small-caps.

The International Opportunities Institutional Fund returned 23.50% in 2019. In 2018 and 2019, our investment style faced significant headwinds, which we believe to be attributable to current investor preferences. In this period, investors preferred highly predictable near-term earnings over favorable long-term earnings opportunities. For example, in Japan, which was our highest detracting country to performance, Japanese companies within our universe, which performed the best, were companies with the highest Return on Equity (ROE) levels. Companies within that same universe, which experienced positive earnings revisions (i.e. the types of companies we will own within this fund), posted a negative return for the year. As a reminder, we seek to own companies that are attractively valued because their future earnings power is substantially underestimated and not companies which are well loved because of their known, strong margins, efficiency and returns. Over the long term, there is a tradeoff between near-term earnings visibility and long term earnings potential, but we believe the past two years have rendered the price for favorable long-term earnings growth much less than normal (at least in relation to companies with more certain near-term earnings). Similar to other periods of underperformance in the past, we believe that 2018–2019 is likely to set the stage for a mean reversion to a more normal balance. In our opinion, this shift in investor preference stems, in part, from uneasiness of 'peak cycle' earnings. That is, investors fear that present margins cannot be sustained, given the extended nature of the margin improvement and earnings recovery since the 2008/2009 global financial crisis. As a result, investors fearful of the 'peak cycle' in earnings have piled

PRESIDENT AND PORTFOLIO MANAGER'S LETTER *(unaudited) (continued)*

into companies with relatively known near-term earnings, even if companies with potentially higher-than-expected earnings in out-years offer more potential upside. The longer and stronger such preferences persist, the cheaper the longer-term but "less certain" growth opportunities become.

While we expect margins to fluctuate with the economic cycle, we also do not believe there is a structural change that would derail longer-term productivity increases and efficiency improvements. In the recent past, margins rose from the cost restructuring associated with the financial crisis, the robotization of the factory floor, and the benefits of outsourcing due to globalization. Today, many people are starting to become attuned to the productivity benefits of the cloud. Beyond that, we are confident that many other new technologies will drive growth and productivity in the coming decade and the remainder of the century. Similar to other out-of-favor moments in the past, we believe that seeking out companies with significant underestimated earnings is especially productive when they are unpopular with others. In our experience, out-of-favor periods for our style have very often been precursors for future periods of significant alpha, though obviously no one can predict the future.

Outlook

Our strategy focuses exclusively on companies with the potential to earn significantly more than what the market expects over the coming years. While such a philosophy has been slightly out of favor in the recent past, we attribute the move to natural ebbs and flows rather than anything structural. In fact, in our opinion, the low investor sentiment explains the shortening of the duration of equities, which leads investor to overvalue current year earnings and undervalue life-time earnings of a company.

We are constructive on the long-term outlook of international equities, as they continue to be very attractive on both an earnings valuation as well as a free cash flow yield basis. Furthermore, investor sentiment still appears to us to be low, which we believe to leave room for upside surprise.

Despite strong gains in absolute terms, the team is excited about our current portfolio and, while no one can predict the future, believes the balance of opportunities to be above-average for the present portfolio:

1. During the fourth quarter the team found an above average number of new names which historically has acted as a precursor for future performance. It was quite simply one of the best earnings seasons for finding new ideas in some time. New ideas were diversified from both a country and sector perspective and that reflects the broad low investor expectations
2. Developed World ex-USA small cap valuations continue to be trading below their 30 year long term average
3. Developed World ex-USA equity flows were negative in 2019 (the herd was on average exiting international equities)
4. As measured by Empirical Research Partners, investor sentiment remains decidedly low. This is an excellent starting point for us as it relates to the recent headwinds stemming from the shortening of the duration of equities:
 - As long as investor sentiment simply stays where it is, the headwind is removed

PRESIDENT AND PORTFOLIO MANAGER'S LETTER *(unaudited) (continued)*

- If investor sentiment bounces from these low levels, and equity durations return to more normal levels, we would see a meaningful tailwind for our style

In regards to 2020, we will be watching how the recent tension in the Middle East manifests itself in the energy markets. We will watch if recent inflation data in places like Germany, which showed acceleration, is transitory or if inflation is finally creeping back into the equation. Of course, we will be watching the developments of the trade war and tariffs situation. As a reminder, we remain underweight so called bond proxies which have seen dramatic increase in valuations over the past five years as investors have searched for alternatives to ultra-low bond yields.

We appreciate your investment in The Oberweis Funds and are grateful for the trust you have shown us with your valuable investments. If you have any questions about your account, please contact shareholder services at (800) 245-7311. Thank you for investing with us in The Oberweis Funds.

Sincerely,



James W. Oberweis, CFA
President



Ralf Scherschmidt
Portfolio Manager

MANAGEMENT DISCUSSION ON FUND PERFORMANCE *(unaudited)*

Market Environment

Global equities returned 27.67% in 2019, as measured by the MSCI World Index. Global small-caps, as measured by the MSCI World Small-Cap Index, returned 26.19%. U.S. small-caps outperformed International small-caps, as evidenced by the 25.41% return on the MSCI World ex-USA Small-Cap Index vs. 28.43% for the Russell 2000 index. Non-US small cap growth companies outperformed Non-US small-cap value companies by 522bps. The MSCI World ex-USA Small-Cap Growth Index return 28.04% versus 22.82% for the MSCI World ex-USA Small-Cap Value Index.

Discussion of The International Opportunities Institutional Fund

The International Opportunities Institutional Fund returned 23.50% versus 28.04% for the MSCI World ex-USA Small Cap Growth Index. The portfolio was negatively impacted from adverse stock selection in Japan, the U.K., Germany, and the Netherlands offset by positive stock selection in Australia, Sweden, Canada and China. On a sector level, the portfolio benefitted from positive stock selection in Consumer Discretionary, Consumer Staples and Industrials, while being negatively impacted by negative stock selection in Health Care, Financials and Materials. At the stock level, Afterpay Ltd. (APT AU), Evolution Gaming Group AB (EVO SS), and Intermediate Capital Group Plc. (ICP LN) were among the top contributors to performance; Burford Capital Ltd (7172 JP), GW Pharmaceuticals Plc. (GWPH US), and Nearmap Ltd. (NEA AU) were among the top detractors.

At year-end, the fund was invested in 83 stocks in 17 countries. Our top five country weightings (portfolio weighting versus the MSCI World ex-US Small Cap Growth Index) at the end of the quarter were Japan (23.1% vs. 27.5%), the United Kingdom (22.6% vs. 15.7%), Canada (16.4% vs. 8.5%), Australia (11.5% vs. 6.6%), and Sweden (5.3% vs. 7.3%). On a sector basis, the fund is overweight financials (13.7% vs. 4.9%) and underweight health care (1.9% vs. 10.3%). OBIX Holdings

For current performance information, please visit www.oberweisfunds.com.

MANAGEMENT DISCUSSION ON FUND PERFORMANCE
(unaudited) (continued)

**Oberweis International Opportunities
Institutional Fund**

At December 31, 2019

Asset Allocation (% of Net Assets)

| | |
|-------------------------------|------|
| Equities | 99.6 |
| Other Assets less Liabilities | 0.4 |

Top Ten Holdings (% of Net Assets)

| | |
|--------------------------------|-----|
| Sushiro Global Hldgs. Ltd. | 4.6 |
| Intermediate Capital Group PLC | 3.6 |
| Evolution Gaming Group AB | 3.6 |
| Future PLC | 3.5 |
| Afterpay Touch Group Ltd. | 3.4 |
| Kobe Bussan Co. Ltd. | 3.1 |
| Evolution Mining Ltd. | 3.0 |
| Air Canada | 2.5 |
| JD Sports Fashion PLC | 2.4 |
| VAT Group AG | 2.2 |

Top Ten Industries (% of Net Assets)

| | |
|--|-----|
| Capital Markets | 8.6 |
| Hotels, Restaurants & Leisure | 8.2 |
| Information Technology Services | 7.6 |
| Machinery | 6.8 |
| Media | 5.1 |
| Food & Staples Retailing | 4.7 |
| Software | 4.7 |
| Semiconductor & Semiconductor Equipment | 4.5 |
| Metals & Mining | 4.2 |
| Professional Services | 3.5 |

MANAGEMENT DISCUSSION ON FUND PERFORMANCE

(unaudited) (continued)

Average Annual Total Returns¹ (for the Periods Ended December 31, 2019)

| | 1 YR (%) | 5 YR (%) | SINCE INCEPTION ² (%) | EXPENSE RATIO ³ (%) |
|---|-------------|-------------|--|--------------------------------------|
| OBIIX | 23.50 | 7.70 | 4.66 | 1.08 |
| MSCI World Ex-US Small Cap Growth Index | 28.04 | 9.40 | 6.46 | |

Growth of a \$10,000 Investment (from March 10, 2014 to December 31, 2019)



¹ Performance data represents past performance, which is no guarantee of future results. Returns are historical and include changes in share price and reinvestment of dividends and capital gains. Current performance may be higher or lower than the performance shown. You can obtain performance data current to the most recent month by visiting oberweisfunds.com. The principal value and investment return of an investment will fluctuate so that your shares, when redeemed, may be worth more or less than their original cost. 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. Foreign and emerging market investing involves special risks such as currency fluctuation and less public disclosure, as well as economic and political risk. There is no guarantee that the portfolios can achieve their objectives.

The MSCI World ex-US Small Cap Growth Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of small cap growth developed and emerging markets excluding the U.S., with minimum dividends reinvested net of withholding tax.

² Since Inception returns are from commencement of operations on 03/10/14 for the Fund.

³ Expense ratio is the total annual net fund operating expense ratio as of 12/31/19. The expense ratio gross of any fee waivers, earnings credit or expense reimbursement was 1.12%.

OBERWEIS INTERNATIONAL OPPORTUNITIES INSTITUTIONAL FUND

Schedule of Investments^a December 31, 2019

| | <u>SHARES</u> | <u>VALUE</u> |
|---|---------------|--------------------|
| Equities – 99.6% | | |
| AUSTRALIA – 11.5% | | |
| Afterpay Touch Group Ltd.* | 1,606,215 | \$ 33,003,491 |
| Altium Ltd. | 397,020 | 9,673,357 |
| Austal Ltd. | 3,208,138 | 8,600,061 |
| Avita Medical Ltd.* | 13,141,079 | 5,948,067 |
| EML Payments Ltd.* | 296,361 | 944,196 |
| Evolution Mining Ltd. | 10,705,086 | 28,546,896 |
| James Hardie Industries PLC | 535,000 | 10,463,474 |
| Nearmap Ltd.* | 7,919,449 | 14,116,071 |
| | | <u>111,295,613</u> |
| BELGIUM – 1.7% | | |
| Barco NV | 67,080 | 16,478,430 |
| CANADA – 16.4% | | |
| Air Canada* | 642,600 | 24,004,717 |
| Altus Group Ltd. | 322,700 | 9,432,999 |
| ATS Automation Tooling Systems, Inc.* | 975,000 | 16,089,828 |
| BRP, Inc. | 228,035 | 10,388,534 |
| Cogeco Communications, Inc. | 179,500 | 15,647,158 |
| Element Fleet Management Corp. | 2,231,600 | 19,057,788 |
| Equitable Group, Inc. | 91,200 | 7,679,593 |
| Genworth MI Canada, Inc. | 301,600 | 13,196,452 |
| Gibson Energy, Inc. | 365,300 | 7,479,845 |
| Home Capital Group, Inc.* | 390,200 | 9,903,736 |
| Parex Resources, Inc.* | 388,200 | 7,219,336 |
| Parkland Fuel Corp. | 261,400 | 9,603,722 |
| Real Matters, Inc.* | 518,600 | 4,920,031 |
| Trulieve Cannabis Corp.* | 341,600 | 4,043,117 |
| | | <u>158,666,856</u> |
| CHINA – 1.3% | | |
| Yihai International Hldg. Ltd. | 2,165,000 | 12,697,214 |
| DENMARK – 0.1% | | |
| Royal Unibrew A/S* | 10,800 | 989,259 |
| FINLAND – 1.9% | | |
| Valmet Oyj* | 769,200 | 18,445,442 |

See accompanying notes to the financial statements.

OBERWEIS INTERNATIONAL OPPORTUNITIES INSTITUTIONAL FUND

Schedule of Investments^a December 31, 2019 (continued)

| | <u>SHARES</u> | <u>VALUE</u> |
|----------------------------------|---------------|--------------------|
| FRANCE – 4.3% | | |
| Euronext NV* | 11,800 | \$ 961,604 |
| Rexel SA | 538,500 | 7,154,832 |
| Rubis SCA* | 54,743 | 3,361,951 |
| SOITEC SA* | 164,474 | 17,286,835 |
| SPIE SA | 492,700 | 10,036,379 |
| Trigano SA* | 22,800 | 2,406,596 |
| | | <u>41,208,197</u> |
| GERMANY – 3.9% | | |
| Aurelius Equity Opportunities SE | 289,000 | 12,636,448 |
| CTS Eventim AG* | 154,100 | 9,668,785 |
| KION Group AG* | 145,500 | 10,005,700 |
| Varta AG* | 40,900 | 5,544,714 |
| | | <u>37,855,647</u> |
| HONG KONG – 0.6% | | |
| Nissin Foods Co. Ltd.* | 6,893,000 | 5,475,620 |
| ISRAEL – 1.1% | | |
| AudioCodes Ltd.* | 400,787 | 10,296,218 |
| ITALY – 1.1% | | |
| DiaSorin SpA* | 31,729 | 4,109,178 |
| El.En. SpA* | 30,100 | 1,115,540 |
| Leonardo SpA | 463,185 | 5,431,968 |
| | | <u>10,656,686</u> |
| JAPAN – 23.1% | | |
| Ariake Japan Co. Ltd. | 26,900 | 1,999,484 |
| BayCurrent Consulting, Inc. | 253,000 | 12,916,680 |
| Disco Corp.* | 81,400 | 19,114,763 |
| Fancl Corp. | 275,800 | 7,342,987 |
| Kobe Bussan Co. Ltd. | 857,500 | 29,501,618 |
| Kusuri no Aoki Hldgs. Co. Ltd. | 178,600 | 11,183,023 |
| Lasertec Corp. | 53,600 | 2,718,325 |
| M&A Capital Partners Co. Ltd.* | 498,300 | 20,175,462 |
| Net One Systems Co. Ltd. | 502,300 | 12,824,804 |
| Nihon Unisys Ltd. | 501,900 | 15,744,101 |
| Open House Co. Ltd.* | 546,800 | 15,634,440 |
| Rakus Co. Ltd.* | 800,000 | 14,665,868 |
| SCSK Corp.* | 207,800 | 10,775,337 |
| Sushiro Global Hldgs. Ltd. | 511,700 | 44,066,685 |
| Tsuruha Hldgs., Inc.* | 37,900 | 4,866,285 |
| | | <u>223,529,862</u> |

See accompanying notes to the financial statements.

OBERWEIS INTERNATIONAL OPPORTUNITIES INSTITUTIONAL FUND

Schedule of Investments^a December 31, 2019 (continued)

| | <u>SHARES</u> | <u>VALUE</u> |
|--|---------------|-----------------------------|
| NETHERLANDS—2.4% | | |
| ASM International NV | 37,773 | \$ 4,243,372 |
| Constellium SE* | 879,325 | 11,782,955 |
| SBM Offshore NV | 395,265 | 7,355,520 |
| | | <u>23,381,847</u> |
| SINGAPORE—0.1% | | |
| Singapore Exchange Ltd. | 218,500 | 1,439,013 |
| SWEDEN—5.3% | | |
| Evolution Gaming Group AB | 1,156,047 | 34,888,270 |
| Sinch AB* | 79,417 | 2,429,212 |
| Sweco AB* | 135,864 | 5,237,902 |
| Tele2 AB | 581,535 | 8,440,379 |
| | | <u>50,995,763</u> |
| SWITZERLAND—2.2% | | |
| VAT Group AG* | 124,300 | 20,970,250 |
| UNITED KINGDOM—22.6% | | |
| ASOS PLC* | 17,189 | 768,029 |
| Blue Prism Group PLC* | 301,500 | 4,525,096 |
| boohoo Group PLC* | 1,148,700 | 4,533,021 |
| Burford Capital Ltd. | 1,343,667 | 12,673,081 |
| Capita PLC* | 8,559,521 | 18,606,668 |
| ConvaTec Group PLC | 3,555,526 | 9,346,856 |
| Dunelm Group PLC* | 511,800 | 7,837,340 |
| Fevertree Drinks PLC | 93,200 | 2,584,019 |
| Future PLC | 1,749,766 | 33,609,229 |
| Games Workshop Group PLC | 220,512 | 17,833,167 |
| Hays PLC* | 1,016,100 | 2,444,347 |
| HomeServe PLC | 209,600 | 3,509,530 |
| Howden Joinery Group PLC | 637,000 | 5,675,536 |
| Intermediate Capital Group PLC | 1,639,557 | 34,967,370 |
| JD Sports Fashion PLC | 2,134,600 | 23,678,819 |
| Nomad Foods Ltd.* | 349,986 | 7,829,188 |
| Serco Group PLC* | 6,315,800 | 13,545,213 |
| Spirent Communications PLC | 4,431,100 | 14,762,508 |
| | | <u>218,729,017</u> |
| Total Equities | | |
| (Cost: \$797,847,722) | | \$ 963,110,934 |
| Total Investments—99.6% | | |
| (Cost: \$797,847,722) | | \$ 963,110,934 |
| Other Assets Less Liabilities—0.4% | | 4,007,650 |
| Net Assets—100% | | <u>\$967,118,584</u> |

^aCertain Securities Were Fair Valued Under The Discretion Of The Board Of Trustees, (See Note 2)

* Non-income producing security during the year ended December 31, 2019

See accompanying notes to the financial statements.

OBERWEIS INTERNATIONAL OPPORTUNITIES INSTITUTIONAL FUND

Schedule of Investments^a December 31, 2019 (continued)

SECTOR ALLOCATIONS (As A Percentage Of Net Assets) (unaudited)

| | |
|----------------------------------|-------|
| Communication Services | 7.0% |
| Consumer Discretionary | 15.6% |
| Consumer Staples | 8.7% |
| Energy | 3.3% |
| Financials | 13.7% |
| Health Care | 1.9% |
| Industrials | 19.5% |
| Information Technology | 21.0% |
| Materials | 5.3% |
| Real Estate | 2.6% |
| Utilities | 1.0% |

See accompanying notes to the financial statements.

OBERWEIS INTERNATIONAL OPPORTUNITIES INSTITUTIONAL FUND

Statement of Assets and Liabilities *December 31, 2019*

ASSETS:

| | |
|---|--------------------|
| Investment securities at value ^(a) | \$963,110,934 |
| Cash | 30,963 |
| Foreign currency ^(b) | 119,525 |
| Receivable from securities sold | 3,051,157 |
| Receivable from Fund shares sold | 178,757 |
| Dividends and interest receivable | 1,970,600 |
| Prepaid expenses | 85,140 |
| Total Assets | <u>968,547,076</u> |

LIABILITIES:

| | |
|--|----------------------|
| Payable for Fund shares redeemed | 210,332 |
| Payable for securities purchased | 265,782 |
| Payable to Advisor (see note 3) | 855,517 |
| Accrued expenses | 96,861 |
| Total Liabilities | <u>1,428,492</u> |
| NET ASSETS | <u>\$967,118,584</u> |

SHARES OUTSTANDING:

| | |
|--|-------------------|
| (shares of beneficial interest issued and outstanding, respectively, unlimited number of shares authorized with no par value) | <u>92,933,989</u> |
| Net asset value, offering price and redemption price | <u>\$ 10.41</u> |

ANALYSIS OF NET ASSETS:

| | |
|---|----------------------|
| Capital | \$942,524,451 |
| Accumulated investment gain | <u>24,594,133</u> |
| Net Assets | <u>\$967,118,584</u> |
| (a) Investment securities at cost | <u>\$797,847,722</u> |
| (b) Foreign currency at cost | <u>\$ 118,148</u> |

See accompanying notes to the financial statements.

OBERWEIS INTERNATIONAL OPPORTUNITIES INSTITUTIONAL FUND

Statement of Operations *Year Ended December 31, 2019*

INVESTMENT INCOME:

| | |
|------------------------------------|-------------------|
| Dividends ^(a) | \$ 12,352,563 |
| Interest | <u>678,838</u> |
| Total Investment Income | <u>13,031,401</u> |

EXPENSES:

| | |
|---|------------------|
| Investment advisory fees (see note 3) | 8,958,340 |
| Transfer agent fees and expenses | 83,617 |
| Custodian fees and expenses | 362,196 |
| Accounting service fees | 280,441 |
| Other | <u>333,169</u> |
| Total expenses before reimbursed expenses | 10,017,763 |
| Earnings credit (see note 6) | <u>(332,460)</u> |
| Total Expenses | <u>9,685,303</u> |
| NET INVESTMENT INCOME | 3,346,098 |

NET REALIZED AND UNREALIZED GAINS (LOSSES) FROM INVESTMENTS:

| | |
|---|----------------------|
| Net realized losses on investment transactions | (88,852,778) |
| Net realized losses on foreign currency transactions | <u>(14,909)</u> |
| Net realized losses on investment and foreign currency transactions | (88,867,687) |
| Change in net unrealized appreciation/depreciation on investments and translation of assets and liabilities denominated in foreign currencies | <u>264,263,933</u> |
| Net realized /unrealized gains on investments and foreign currencies | <u>175,396,246</u> |
| NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS | <u>\$178,742,344</u> |

^(a) Dividends are net of foreign withholding tax of \$1,432,297

OBERWEIS INTERNATIONAL OPPORTUNITIES INSTITUTIONAL FUND

Statements of Changes in Net Assets

| | Year Ended December 31, 2019 | Year Ended December 31, 2018 |
|---|------------------------------------|------------------------------------|
| FROM OPERATIONS: | | |
| Net investment income | \$ 3,346,098 | \$ 3,570,962 |
| Net realized gains (losses) on investments and foreign currency transactions | (88,867,687) | 35,675,599 |
| Change in net unrealized appreciation/depreciation on investments and foreign currencies | <u>264,263,933</u> | <u>(291,580,762)</u> |
| Net increase (decrease) in net assets resulting from operations | <u>178,742,344</u> | <u>(252,334,201)</u> |
| FROM DISTRIBUTIONS: | | |
| Distributions to shareholders | <u>(12,584,780)</u> | <u>(92,069,574)</u> |
| Net decrease in net assets from distributions | <u>(12,584,780)</u> | <u>(92,069,574)</u> |
| FROM CAPITAL SHARE TRANSACTIONS: | | |
| Proceeds from sale of shares | 153,882,218 | 152,538,019 |
| Proceeds from reinvestment of distributions | 11,061,099 | 86,901,523 |
| Redemption of shares (see note 5) | <u>(117,120,174)</u> | <u>(183,014,889)</u> |
| Net increase from capital share transactions | <u>47,823,143</u> | <u>56,424,653</u> |
| Total increase (decrease) in net assets | 213,980,707 | (287,979,122) |
| NET ASSETS: | | |
| Beginning of year | <u>753,137,877</u> | <u>1,041,116,999</u> |
| End of year | <u>\$ 967,118,584</u> | <u>\$ 753,137,877</u> |
| TRANSACTIONS IN SHARES: | | |
| Shares sold | 15,512,876 | 12,650,333 |
| Shares issued in reinvestment of distributions | 1,061,357 | 10,284,204 |
| Less shares redeemed | <u>(11,788,870)</u> | <u>(16,298,575)</u> |
| Net increase from capital share transactions | <u>4,785,363</u> | <u>6,635,962</u> |

See accompanying notes to the financial statements.

OBERWEIS INTERNATIONAL OPPORTUNITIES INSTITUTIONAL FUND

Notes to Financial Statements *December 31, 2019*

1. Description of Organization

Description of business. The Oberweis Funds (the "Trust") is registered under the Investment Company Act of 1940 as a diversified open-end management investment company. The Trust is authorized to operate numerous funds under various trading strategies. The Oberweis International Opportunities Institutional Fund (the "Fund") is one fund in a series issued by the Trust.

2. Significant Accounting Policies

The following is a summary of significant accounting policies consistently followed by the Fund. These policies are in conformity with accounting principles generally accepted in the United States of America ("GAAP"). The Fund is an investment company and follows accounting and reporting guidance under the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 946, "Financial Services—Investment Companies."

Investment valuation. Investments in securities are stated at value as of the close of the regular trading session on the New York Stock Exchange ("NYSE") (generally 3 p.m., Central Standard Time). Each listed and unlisted security for which last sale information is regularly reported is valued at the last reported sales price on that day. If there has been no sale on such day, then such security is valued at the current day's bid price. Any unlisted security for which last sale information is not regularly reported and any listed debt security which has an inactive listed market for which over-the-counter market quotations are readily available are valued at the closing bid price determined on the basis of reasonable inquiry. Options are valued at the last reported bid price on the primary exchange as of the close of the regular trading session of the Chicago Board Options Exchange ("CBOE"). Restricted securities and any other securities or other assets for which market quotations are not readily available are valued by appraisal at their fair value as determined in good faith under procedures established by and under the general supervision and responsibility of the Board of Trustees. Short-term debt obligations, commercial paper and repurchase agreements are valued on the basis of quoted yields for securities of comparable maturity, quality and type or on the basis of amortized cost.

The Fund holds foreign equity securities. Foreign securities are fair valued as described in the following circumstances. Generally, trading in foreign securities markets is completed each day at various times prior to the close of the regular trading session of the NYSE. Due to the time differences between the closings of the relevant foreign securities exchanges and the close of the regular trading session of the NYSE for the Fund, the Fund will fair value their foreign investments when it is determined that the market quotations for the foreign investments either are not readily available or are unreliable and, therefore, do not represent fair value. When the fair value prices are utilized, these prices will attempt to reflect the impact of the U.S. financial markets' perceptions and trading activities on the Fund's foreign investments since the last closing prices of the foreign investments were calculated on their primary foreign securities markets or exchanges. For these purposes, the Board of Trustees of the Trust has determined that movements in relevant indices, after the close of the foreign securities exchanges, may demonstrate that market quotations are unreliable, and may trigger fair value pricing for certain securities. Consequently, fair valuation of portfolio securities may occur on a daily basis. In determining fair value prices, the Trust utilizes data furnished by an independent pricing service (and that data draws

OBERWEIS INTERNATIONAL OPPORTUNITIES INSTITUTIONAL FUND

Notes to Financial Statements *December 31, 2019 (continued)*

upon, among other information, the market values of foreign investments). When a Fund uses fair value pricing, the values assigned to the Fund's foreign investments may not be the quoted or published prices of the investments on their primary markets or exchanges.

Fair Value Measurements. In accordance with Financial Accounting Standards Board ("FASB") guidance, the Fund utilizes the "Fair Value Measurements and Disclosures" to define fair value, set out a framework for measuring fair value, and expand disclosures regarding fair value measurements. The Fair Value Measurement Standard applies to fair value measurements already required or permitted by existing standards.

Various inputs are used in determining the value of the Fund's investments. These inputs are summarized in the three levels listed below:

- Level 1 – Quoted prices in active markets for identical securities.
- Level 2 – Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc).
- Level 3 – Significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments).

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The following is a summary of the inputs used to value the Fund's net assets as of December 31, 2019:

| | Level 1 | Level 2 | Level 3 |
|-------------------------------|----------------------|----------------------|-------------|
| Investment Securities | | | |
| Equities | | | |
| Total Asia | \$ 28,469,052 | \$224,968,875 | \$ — |
| Total Australia | 111,295,613 | — | — |
| Total Europe | 299,797,491 | 139,913,047 | — |
| Total North America | <u>158,666,856</u> | <u>—</u> | <u>—</u> |
| Total Investments | <u>\$598,229,012</u> | <u>\$364,881,922</u> | <u>\$ —</u> |

The Fund's assets may include certain foreign securities for which a third party statistical pricing service may be employed for purposes of fair market valuation. The pricing service provides fair market valuation on days when the movement in relevant indices exceeds a predetermined threshold.

Foreign Currency Transactions. The accounting records of the Fund are maintained in U.S. dollars. Foreign currency amounts are translated into U.S. dollars at the current rate of exchange to determine the value of investments, assets and liabilities. Purchases and sales of securities, and income and expenses are translated at the prevailing rate of exchange on the respective date of these transactions. The Fund does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from fluctuations arising from changes in market prices of securities held. These fluctuations are included with the net realized and unrealized gains or losses from investments and foreign currencies.

OBERWEIS INTERNATIONAL OPPORTUNITIES INSTITUTIONAL FUND

Notes to Financial Statements *December 31, 2019 (continued)*

Risks Associated with Foreign Securities and Currencies. Investments in securities of foreign issuers carry certain risks not ordinarily associated with investments in securities of U.S. issuers. These risks include future political and economic developments, and the possible imposition of exchange controls or other foreign governmental laws and restrictions. In addition, with respect to certain countries, there is the possibility of expropriation of assets, confiscatory taxation, political or social instability or diplomatic developments, which could adversely affect investments in those countries.

Certain countries also may impose substantial restrictions on investments in their capital markets by foreign entities, including restrictions on investments in issuers of industries deemed sensitive to relevant national interests. These factors may limit the investment opportunities available and result in a lack of liquidity and a high price volatility with respect to securities of issuers from developing countries.

Fund share valuation. Fund shares are sold and redeemed on a continuous basis at net asset value. On each day the NYSE is open for trading, the net asset value per share is determined as of the later of the close of the NYSE or the CBOE by dividing the total value of investments and other assets, less liabilities, by the number of shares outstanding.

Investment transactions and investment income. Investment transactions are accounted for on the trade date (date the order to buy or sell is executed). Dividend income is recorded on the ex-dividend date, except that certain dividends from foreign securities are recorded as soon as the information is available to the Fund, and interest income is recorded on the accrual basis and includes amortization of premium and discount. Realized gains and losses from investment transactions are reported on an identified cost basis. Gains and losses on premiums from expired options are recognized on the date of expiration.

Federal income taxes and dividends to shareholders. It is the policy of the Fund to continue to comply with all requirements of the Internal Revenue Code of 1986, as amended ("the Code"), applicable to regulated investment companies and to distribute substantially all of their taxable income to their shareholders. The Fund has met the requirements of the Code applicable to regulated investment companies for the year ended December 31, 2019. Therefore, no federal income tax provision is required. Income and capital gains of the Fund are determined in accordance with both tax regulations and accounting principles generally accepted in the U.S. ("GAAP"). Such treatment may result in temporary and permanent differences between tax basis earnings and earnings reported for financial statement purposes. These reclassifications, which have no impact on the net asset value of the Fund, are primarily attributable to certain differences in computation of distributable income and capital gains under federal tax rules versus GAAP.

The Fund may utilize earnings and profits on redemption of shares as part of the dividends paid deduction.

For the year ended December 31, 2019, permanent book and tax differences resulting primarily from differing treatments for foreign currency transactions, and passive foreign investment company ("PFIC") adjustments were identified and reclassified among the components of the Fund's net assets.

GAAP requires that certain components of net assets be reclassified between financial and tax reporting. These reclassifications have no effect on net assets or net asset value per share. For the year ended December 31, 2019, permanent differences in book and tax accounting have been reclassified to paid in capital, and accumulated earnings.

OBERWEIS INTERNATIONAL OPPORTUNITIES INSTITUTIONAL FUND

Notes to Financial Statements December 31, 2019 (continued)

| | Increases/(Decrease) | |
|--|----------------------|----------------------|
| | Capital | Accumulated Earnings |
| International Opportunities Institutional Fund | \$ — | \$ — |

The tax character of distributions paid during the fiscal year ended December 31, 2019 was as follows:

| | Distributions Paid from Ordinary Income | Distributions Paid from Net Long-Term Capital Gains | Total Distributions Paid |
|--|---|---|--------------------------|
| International Opportunities Institutional Fund | \$12,584,780 | \$ — | \$12,584,780 |

The tax character of distributions paid during the fiscal year ended December 31, 2018 was as follows:

| | Distributions Paid from Ordinary Income | Distributions Paid from Net Long-Term Capital Gains | Total Distributions Paid |
|--|---|---|--------------------------|
| International Opportunities Institutional Fund | \$15,887,741 | \$76,180,423 | \$92,068,164 |

As of December 31, 2019, the Fund had the following net capital loss carryforward to offset future net capital gains, if any, to the extent provided by treasury regulations.

| | Not Subject to Expiration (Post-Enactment) | |
|--|--|-----------|
| | Short-Term | Long-Term |
| International Opportunities Institutional Fund | \$123,633,296 | \$ — |

Capital loss carryforwards are subject to certain limitations to offset future gains, if any, due to the ownership change limitations set forth in Internal Revenue Code Section 382. All losses may not be available in any particular year.

As of December 31, 2019 the components of accumulated earnings on a tax basis were as follows:

| | Undistributed ordinary income | Undistributed long-term capital gains | Accumulated capital and other losses | Unrealized Appreciation on investments | Unrealized Depreciation foreign currency translations |
|--|-------------------------------|---------------------------------------|--------------------------------------|--|---|
| International Opportunities Institutional Fund | \$3,566,427 | \$ — | \$(123,633,296) | \$144,652,951 | \$8,050 |

Accumulated capital and other losses consists of timing differences related to wash sales and capital loss carryforwards.

OBERWEIS INTERNATIONAL OPPORTUNITIES INSTITUTIONAL FUND

Notes to Financial Statements *December 31, 2019 (continued)*

As of December 31, 2019 the cost of investments for federal income tax purpose are as follows:

| | Cost of Investments for Federal Tax Purposes | Gross Unrealized Appreciation | Gross Unrealized (Depreciation) | Unrealized Appreciation |
|------------------------------|---|-------------------------------------|---------------------------------------|----------------------------|
| International Opportunities | | | | |
| Institutional Fund | \$818,457,983 | \$165,051,098 | \$(20,398,147) | 144,652,951 |

The Fund has reviewed all open tax years and major jurisdictions and concluded that there are no significant uncertain tax positions that would require recognition in the financial statements. Open tax years are those that are open for exam by taxing authorities and, as of December 31, 2019, open Federal tax years include the tax years ended 2016 through 2019. The Fund has no examinations in progress and is also not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months.

Use of estimates. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Indemnifications. Under the Trusts' organizational documents, its present and former Officers and Trustees are indemnified against certain liabilities arising out of the performance of their duties to the Trust. In addition, in the normal course of business, the Trust enters into contracts that provide general indemnifications to other parties. The Trusts' maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Trust that have not yet occurred. However, the Trust has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote.

3. Transactions with affiliates

The Fund has written agreements with Oberweis Asset Management, Inc. ("OAM") as the Fund's investment adviser and manager. Oberweis Securities, Inc. ("OSI"), the Fund's principal distributor, is an affiliate of OAM.

Investment advisory agreement. Under the Advisory Agreement, OAM provides investment advisory and management services to the Fund. The Fund paid monthly investment advisory and management fees at an annual rate equal to 1.00% of average daily net assets. For the year ended December 31, 2019, the Fund incurred investment advisory and management fees totaling \$8,958,340.

Expense reimbursement. OAM is contractually obligated to reduce its investment and management fees or reimburse the International Opportunities Institutional Fund to the extent that total ordinary operating expenses, as defined, exceed in any one year 1.10% expressed as a percentage of the Funds' average daily net assets. For the year ended December 31, 2019 OAM reimbursed the Fund in the amount of \$0.

Officers and trustees. Certain officers and trustees of the Trust are also officers and/or directors of OAM and OSI. During the year ended December 31, 2019, the Trust made no direct payments to its officers and paid \$125,000 to its unaffiliated trustees.

OBERWEIS INTERNATIONAL OPPORTUNITIES INSTITUTIONAL FUND

Notes to Financial Statements *December 31, 2019 (continued)*

Affiliated Commissions. For the year ended December 31, 2019, the Fund did not execute any security transactions through OSI and therefore did not pay commissions to OSI.

4. Investment transactions

The cost of securities purchased and proceeds from securities sold during the year ended December 31, 2019, other than options written and money market investments, aggregated \$1,327,816,892 and \$1,280,717,755, respectively. The Fund did not hold government securities during the year ended December 31, 2019.

The Fund may write covered call options. The premiums received provide a partial hedge (protection) against declining prices and enables the Fund to generate a higher return during years when OAM does not expect the underlying security to make any major price moves in the near future but still deems the underlying security to be, over the long term, an attractive investment for the Fund. The Fund may write covered call options for which premiums received are recorded as liabilities and are subsequently adjusted to the current value of the options written. Premiums received from writing options that expire are treated as realized gains. Premiums received from writing options, which are either exercised or closed, are offset against the proceeds received or amount paid on the transaction to determine realized gains or losses. Amounts recovered for securities litigation are included in the realized gains of the Fund and are recorded when received. The Fund did not write covered call options during the year ended December 31, 2019.

5. Redemption fee

The Fund is designed for long-term investors. To discourage market timers, redemptions of shares within 90 days of purchase are subject to a 2% redemption fee of the total redemption amount. The redemption fee is deducted from the redemption proceeds and is retained by the Fund.

The redemption fee is retained by the Fund for the expense they incur in connection with shareholder redemptions. Redemption fees received by the Fund were \$0 and \$62,433 for the year ended December 31, 2019 and 2018, respectively, and were recorded as a reduction of the redemption of shares in the Statements of Changes in Net Assets.

6. Earnings credits and interest charges

The Trust, as part of the agreement with the Custodian, receives credits against its custodian fees on its uninvested cash balances and is allowed to borrow for temporary purposes. Borrowings are not to exceed 5% of the value of each Fund's total assets at the time of any such borrowing. Interest on amounts borrowed is calculated at the prime rate and is payable monthly. During the year ended December 31, 2019, the Fund received credits of \$332,460. The Fund incurred interest charges of \$3,144, which is included in custodian fees and expenses in the Statement of Operations.

7. Subsequent events

The Fund has evaluated subsequent events through the issuance of the financial statements and determined that no events have occurred that require disclosure.

OBERWEIS INTERNATIONAL OPPORTUNITIES INSTITUTIONAL FUND

Financial Highlights

Per share income and capital for a share outstanding throughout each period is as follows:

| | Years Ended December 31, | | | | |
|---|--------------------------|----------------|----------------|----------------|----------------|
| | 2019 | 2018 | 2017 | 2016 | 2015 |
| Net asset value at beginning of year | \$ 8.54 | \$ 12.77 | \$ 9.72 | \$ 10.32 | \$ 8.97 |
| INCOME (LOSS) FROM INVESTMENT OPERATIONS: | | | | | |
| Net investment income ^a | .04 | .04 | .03 | .05 | .06 |
| Net realized and unrealized gains (losses) on investments and foreign currency transactions | 1.97 | (3.11) | 3.95 | (.61) | 1.35 |
| Total from investment operations | 2.01 | (3.07) | 3.98 | (.56) | 1.41 |
| Redemption fees ^a | — | — ^c | — ^c | — ^c | — ^c |
| Less dividends and distributions: | | | | | |
| Dividends from net realized gains on investments and foreign currency transactions | — | (1.15) | (.85) | — | — |
| Dividends from net investment income | (.14) | (.01) | (.08) | (.04) | (.06) |
| Total dividends and distributions | (.14) | (1.16) | (.93) | (.04) | (.06) |
| Net asset value at end of year | \$ 10.41 | \$ 8.54 | \$ 12.77 | \$ 9.72 | \$ 10.32 |
| Total Return (%) | 23.50 | (23.91) | 40.99 | (5.43) | 15.68 |

RATIO/SUPPLEMENTAL DATA

| | | | | | |
|--|-----------|-----------|-------------|------------------|-----------|
| Net Assets at end of year (in thousands) | \$967,119 | \$753,138 | \$1,041,117 | \$657,477 | \$361,402 |
| Ratio of gross expenses to average net assets (%) | 1.12 | 1.11 | 1.15 | 1.18 | 1.28 |
| Ratio of net expenses to average net assets (%) ^b | 1.08 | 1.08 | 1.10 | 1.10 | 1.10 |
| Ratio of net investment income to average net assets (%) | .37 | .35 | .29 | .47 | .59 |
| Portfolio turnover rate (%) | 153 | 145 | 168 | 123 ^d | 211 |

Notes:

^a The net investment income per share data and the redemption fee data were determined using average shares outstanding during the period.

^b The ratios in this row reflect the impact, if any, of expense offset arrangements with the custodian and expense reimbursement from the advisor.

^c Less than \$0.005 per share

^d Excludes the value of portfolio securities received as a result of in-kind purchases of the Fund's capital shares.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM



To the Board of Trustees of The Oberweis Funds
and the Shareholders of Oberweis International Opportunities Institutional Fund

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of Oberweis International Opportunities Institutional Fund, a series of shares of beneficial interest in The Oberweis Funds (the "**Fund**"), including the schedule of investments, as of December 31, 2019, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the years in the two-year period then ended and the financial highlights for each of the years in the four-year period then ended, and the related notes (collectively referred to as the "**financial statements**"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of December 31, 2019, and the results of its operations for the year then ended, the changes in its net assets for each of the years in the two-year period then ended and its financial highlights for each of the years in the four-year period then ended, in conformity with accounting principles generally accepted in the United States of America. The financial highlights for the year ended December 31, 2015 were audited by other auditors whose report, dated February 25, 2016, expressed an unqualified opinion on such financial highlights.

Basis for Opinion

These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on the Fund's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("**PCAOB**") and are required to be independent with respect to the Fund in accordance with the U.S. federal securities law and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Fund is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risk of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of December 31, 2019 by correspondence with the custodian and brokers, or by other appropriate auditing procedures where replies from brokers were not received. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

A handwritten signature in black ink that reads "BBD, LLP".

BBD, LLP

We have served as the auditor of one or more of the Funds in The Oberweis Funds since 2016.

Philadelphia, Pennsylvania

February 27, 2020

TRUSTEES AND OFFICERS OF THE OBERWEIS FUNDS *(unaudited)*

| Name, Address and Age | Position Held with Fund | Term of Office and Length of Time Served |
|---|---|---|
| NONINTERESTED TRUSTEES | | |
| Katherine Smith Dedrick (62) 3333 Warrenville Road, Suite 500 Lisle, IL 60532 | Trustee | Trustee since November, 2004 ¹ |
| Gary D. McDaniel (71) 3333 Warrenville Road, Suite 500 Lisle, IL 60532 | Trustee | Trustee since April, 2004 ¹ |
| James G. Schmidt (72) 3333 Warrenville Road, Suite 500 Lisle, IL 60532 | Trustee | Trustee since December, 2003 ¹ |
| INTERESTED TRUSTEES | | |
| James D. Oberweis (73) 3333 Warrenville Road, Suite 500 Lisle, IL 60532 | Trustee ² | Trustee since July, 1986 ¹ |
| James W. Oberweis (45) 3333 Warrenville Road, Suite 500 Lisle, IL 60532 | President | Officer since August, 1996 ³ |
| Patrick B. Joyce (60) 3333 Warrenville Road, Suite 500 Lisle, IL 60532 | Executive Vice President Chief Compliance Officer and Treasurer | Officer since October, 1994 ³ |
| David I. Covas (44) 3333 Warrenville Road, Suite 500 Lisle, IL 60532 | Vice President | Officer since August, 2004 ³ |
| Kenneth S. Farsalas (49) 3333 Warrenville Road, Suite 500 Lisle, IL 60532 | Vice President | Officer since August, 2009 ³ |
| Eric V. Hannemann (46) 3333 Warrenville Road, Suite 500 Lisle, IL 60532 | Secretary | Officer since August, 2005 ³ |

¹ Unless otherwise noted, each trustee shall serve as a trustee of the Fund until the next meeting of shareholders, if any, called for the purpose of considering the election or re-election of such trustee or of a successor to such trustee, and until the election and qualification of his successor, if any, elected at such meeting, or until such trustee sooner dies, resigns, retires or is removed.

² James D. Oberweis is an interested trustee of the Fund since he is a shareholder of Oberweis Asset Management, Inc., the Fund's investment advisor.

³ Elected annually by board of trustees.

The Statement of Additional Information includes additional information about Fund officers and trustees and is available upon request without charge, by calling the Fund at 800-323-6166.

TRUSTEES AND OFFICERS OF THE OBERWEIS FUNDS

(unaudited) (continued)

| Principal Occupation Last Five Years | Number of Portfolios Overseen by Trustee | Other Directorships |
|---|---|------------------------|
| President—Smith Dedrick Properties, Inc., 2016 to present; President—KSD Law P.C., 2015 to present; President—KSD Global Consulting, Inc., 2015 to present; Executive Committee Member, Risk Worldwide NZ Ltd., 2011 to 2016; President—Aggressive Publishing, Inc., 2010 to present; Member—Risk Worldwide LLC, 2007 to 2016; Partner—Childress Duffy, Ltd., 2007 to 2015. | 8 | None |
| | 8 | None |
| Senior Vice President and Chief Financial Officer—Federal Heath Sign Co., May 2003 to December 2019. | 8 | None |
| Illinois State Senator, January 2013 to present; Chairman—Oberweis Dairy, Inc. December, 1986 to present. | 8 | None |
| President—Oberweis Asset Management, Inc., September, 2001 to present; Portfolio Manager from December, 1995 to present; President and Director—Oberweis Securities, Inc., September, 1996 to present. | Not Applicable | None |
| Executive Vice President, Secretary and Director—Oberweis Asset Management, Inc., September, 1994 to present; Executive Vice President and Director—Oberweis Securities, Inc. September, 1996 to present. | Not Applicable | None |
| Vice President—Oberweis Asset Management, Inc., September, 2003 to present. | Not Applicable | None |
| Vice President—Oberweis Asset Management, Inc., November 2004 to present. | Not Applicable | None |
| Vice President of Accounting—Oberweis Asset Management, Inc. and Oberweis Securities, Inc., June, 2004 to present. | Not Applicable | None |

OBERWEIS INTERNATIONAL OPPORTUNITIES INSTITUTIONAL FUND

Supplemental Information *(Unaudited)*

Qualified Dividend Income

For the year ended December 31, 2019, 68.17% of the dividends paid from net investment income for the International Opportunities Institutional Fund is designated as qualified dividend income.

Foreign Taxes Paid

Pursuant to Section 853 of the Internal Revenue Code of 1986, as amended, the International Opportunities Institutional Fund designates \$13,784,861 of income derived from foreign sources and \$1,238,154 of foreign taxes paid for the period ended December 31, 2019.

Of the ordinary income (including short-term capital gain) distributions made (or to be made) for the year ended December 31, 2019, the proportionate share of income derived from foreign sources and foreign taxes paid attributable to one share of stock are:

| | Foreign Source Income | Foreign Taxes Paid |
|--|--------------------------|-----------------------|
| International Opportunities Institutional Fund | \$0.1483 | \$0.0133 |

Proxy Voting:

The Oberweis Fund has delegated authority to vote proxies related to the Oberweis International Opportunities Institutional Fund Portfolio securities to the Funds' investment adviser, Oberweis Asset Management, Inc. ("OAM"). A description of the policies and procedures that OAM uses in fulfilling this responsibility is available, without charge upon request, by calling 1-800-323-6166. It also appears on www.oberweisfunds.com and in the Funds' Statement of Additional Information, which can be found on the Securities and Exchange Commission's ("SEC") website at <http://www.sec.gov>. Information on how the Funds voted proxies relating to portfolio securities during the most recent 12 month period ended December 31 is available (1) without charge, upon request, by calling 1-800-323-6166, and (2) on the SEC's website at <http://www.sec.gov>.

Availability of Schedules of Portfolio Investments:

The Fund files its complete schedule of portfolio investments with the SEC for the first and third quarter of each fiscal year (March 31 and September 30) on Form NPORT. The Fund's Form NPORT are available, without charge, on the SEC's website at <http://www.sec.gov> and may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

Approval of Investment Advisory Agreement:

The Investment Advisory and Management Agreement between The Oberweis Funds (the "Trust") and Oberweis Asset Management, Inc. ("OAM") (the "Advisory Agreement") with respect to the International Opportunities Institutional Fund (the "Fund") was last approved by the Board of Trustees of the Trust (the "Board"), including all of the trustees who are not parties to the Advisory Agreement or interested persons of any such party (the

OBERWEIS INTERNATIONAL OPPORTUNITIES INSTITUTIONAL FUND

Supplemental Information *(Unaudited) (continued)*

“independent trustees”), at an in-person meeting on August 22, 2019. The Board, including a majority of the independent trustees, determined that the continuation of the Advisory Agreement was in the best interests of the Fund.

The Board noted that OAM has been associated with the Fund since its inception. The Board recognized that a long-term relationship with a capable, conscientious investment adviser is in the best interests of the Fund, and that shareholders have invested in the Fund knowing that OAM manages the Fund and knowing the investment advisory and management fee schedule.

Nature, Quality and Extent of Services. With respect to the nature, quality and extent of the services provided to the Fund by OAM pursuant to the Advisory Agreement, the Board considered the background and experience of OAM, the functions performed by OAM and the personnel providing such services, the management capabilities of OAM, the information contained in OAM's Form ADV, OAM's financial condition and the compliance reports provided to the Board, and the culture of compliance created by OAM, including the competency of the Trust's chief compliance officer. The Board also considered the experience, academic background, long tenure, structure and size of the portfolio management/strategy investment team and its role, the investment process with respect to the types of investments held by the Fund, as well as the honesty and integrity of OAM, and that, in the Board's experience, OAM personnel are open and forthright with the Board. In addition, the Board considered that OAM is a research-oriented firm that conducts extensive research in connection with managing the Fund.

The Board reviewed the investment performance of the Fund as compared to a peer universe of funds provided by Broadridge Financial Solutions, Inc. (“Broadridge”), an independent provider (the “Performance Universe”), and as compared to the performance of a relevant market benchmark index. With respect to Fund performance, the Board considered the Fund's performance over the one-, three- and five-year periods ended June 30, 2019, including any periods of outperformance or underperformance as compared to the performance of the relevant market benchmark index and the Fund's Performance Universe. In light of the information provided and the considerations made, the Board concluded that the nature, quality and extent of the services provided to the Fund by OAM have been and are expected to remain satisfactory.

Fees and Expenses. The Board considered the combined investment advisory and management fees charged to the Fund by OAM (the “management fees”) as compared to the management fees of a peer group of funds provided by Broadridge (the “Expense Group”) and the expense ratio of the Fund as compared to the expense ratios of the Expense Group. The Board considered information provided by Broadridge on how it selected the peer funds included in the Expense Group for the Fund and considered certain limitations as to the comparability of the data provided. Based on the information provided, the Board noted that the management fees charged to the Fund were equal to the median management fee of its Expense Group.

In addition, the Board considered management fees paid to OAM by other clients. With respect to OAM's other clients, the Board recognized that the mix of services provided to the Fund, the level of responsibility required under the Advisory Agreement with the Fund, and the regulatory and operational requirements with respect to the Fund are greater than OAM's obligations for similar client accounts, and that the management fees for such accounts are less relevant to the Board's consideration of the management fees for the

OBERWEIS INTERNATIONAL OPPORTUNITIES INSTITUTIONAL FUND

Supplemental Information *(Unaudited) (continued)*

Fund because they reflect different competitive forces than those in the mutual fund marketplace. Based on the information provided, the Board concluded that the Fund's management fees were reasonable and appropriate in amount, given the nature, quality and extent of the services provided and taking into consideration relevant circumstances.

Profitability. With respect to the costs of services provided and profits realized by OAM, the Board considered the management fees received by OAM from the Fund as well as the level, quality and expense of OAM's staff and the services that OAM provides. The Board also considered the explanation from OAM that the profits realized by OAM specifically from the relationship with the Fund could not be identified due to the impracticality of expense allocation, noting the difficulty of breaking down profitability related to the Fund versus the other Oberweis Funds and other client accounts because management and personnel time and services are not allocated between the various types of accounts. The Board noted OAM's belief that, while the profits could not be itemized, the overall profitability of OAM was average and within a reasonable range relative to other investment advisory firms, and considered that OAM has contractually agreed to reimburse the Fund for expenses if its expense ratio exceeds a certain limit. Based on this information, the Board concluded for the Fund that OAM's profitability was not unreasonable.

Economies of Scale. The Board considered the extent to which economies of scale would be realized as the Fund grows, and whether management fee levels reflect economies of scale for the benefit of Fund shareholders. The Board noted asset capacity constraints for the Fund which limit economies of scale. The Board concluded that the Fund's management fees reflect an appropriate recognition of any economies of scale.

Other Benefits to OAM and Its Affiliates. The Board considered the character and amount of other incidental benefits received by OAM and its affiliates from their relationship with the Fund, including benefits to OAM and other OAM accounts related to soft dollars generated by the Fund's brokerage transactions. The Board also noted that during the past year none of the Fund's brokerage transactions had been placed through the affiliated broker-dealer of OAM.

After due consideration of all of the information and factors deemed relevant by the Board and based upon its own business judgment and the conclusions reached, the Board determined to approve the continuance of the Advisory Agreement. The Board, including the independent trustees, did not identify any single factor or group of factors as all-important or controlling, and considered all factors together.

Expense Examples:

As a shareholder of The Oberweis International Opportunities Institutional Fund, you may incur two types of costs: (1) transaction costs, including redemption fees and (2) ongoing costs, including management fees; distribution (and/or service) 12b-1 fees; and other Fund expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in The Oberweis International Opportunities Institutional Fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The Example is based on an investment of \$1,000 investment at the beginning of the period and held for the entire period.

OBERWEIS INTERNATIONAL OPPORTUNITIES INSTITUTIONAL FUND

Supplemental Information (Unaudited) (continued)

Actual Expenses:

The first line for each Fund in the table below provides information about actual account values and actual expenses. You may use the information below, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000=8.6), then multiply the result by the number in the table under the heading entitled "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

Hypothetical Example for Comparison Purposes:

The second line for each Fund in the table below provides information about hypothetical account values and hypothetical expenses based on each Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return.

The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as redemption fees. Therefore, the second line for each Fund in the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

| | Beginning Account Value 7/1/19 | Ending Account Value 12/31/19 | Expenses Paid During Period 7/1/19– 12/31/19 | Expense Ratio During Period 7/1/19– 12/31/19 |
|------------------------|---|--|---|---|
| Actual | \$1,000.00 | \$1,033.99 | \$5.54 | 1.08% |
| Hypothetical | \$1,000.00 | \$1,019.76 | \$5.50 | 1.08% |

* Expenses are equal to the average account value times the Fund's annualized expense ratio multiplied by the number of days in the most recent fiscal half-year divided by the number of days in the fiscal year.

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Trustees and Officers

James D. Oberweis
Trustee

Gary D. McDaniel
Trustee

James W. Oberweis
President

David I. Covas
Vice President

Kenneth S. Farsalas
Vice President

Katherine Smith Dedrick
Trustee

James G. Schmidt
Trustee

Patrick B. Joyce
Executive Vice President
Chief Compliance Officer
Treasurer

Eric V. Hannemann
Secretary

Manager and Investment Advisor

Oberweis Asset Management, Inc.
3333 Warrenville Road, Suite 500, Lisle, IL 60532
800-323-6166
oberweisfunds.com

Distributor

Oberweis Securities, Inc.
3333 Warrenville Road, Suite 500, Lisle, IL 60532
630-577-2300
oberweisfunds.com

Custodian

UMB Bank, n.a.
928 Grand Blvd., Kansas City, MO 64106

Transfer Agent

UMB Fund Services, Inc.
P.O. Box 711, Milwaukee, WI 53201-0711
800-245-7311

Counsel

Vedder Price P.C.
222 North LaSalle Street, Chicago, IL 60601

Independent Registered Public Accounting Firm

BBD LLP
1835 Market Street, 3rd Floor, Philadelphia, PA 19103

International Opportunities Institutional Fund

800-245-7311
oberweisfunds.com



Oberweis
Asset Management

3333 Warrenville Road
Suite 500
Lisle, IL 60532