Oberweis
Asset Management

OBERWEIS SMALL-CAP OPPORTUNITIES FUND
INVESTOR CLASS (OBSOX)
INSTITUTIONAL CLASS (OBSIX)

4Q 2019

AVERAGE ANNUAL TOTAL RETURNS ***(as of December 31, 2019)***

	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception 9/15/96	Gross/Net Expense Ratio*
Oberweis Small-Cap Opportunities Fund Institutional Class (OBSIX)**	**9.19%**	**25.43%**	**25.43%**	**13.66%**	**10.74%**	**12.19%**	**7.36%**	**1.96%/1.30%**
Oberweis Small-Cap Opportunities Fund Investor Class (OBSOX)	**9.12%**	**25.07%**	**25.07%**	**13.36%**	**10.45%**	**11.90%**	**7.09%**	**2.21%/1.55%**
Russell 2000 Growth Index	11.39%	28.48%	28.48%	12.49%	9.34%	13.01%	8.50%	

**As of December 31, 2019. Oberweis Asset Management, Inc. (OAM), the Fund's investment advisor is contractually obligated through April 30, 2020 to reduce its management fees or reimburse OBSOX to the extent that total ordinary operating expenses exceed in any one year 1.55% expressed as a percentage of the Fund's average daily net assets and for OBSIX 1.30%.*

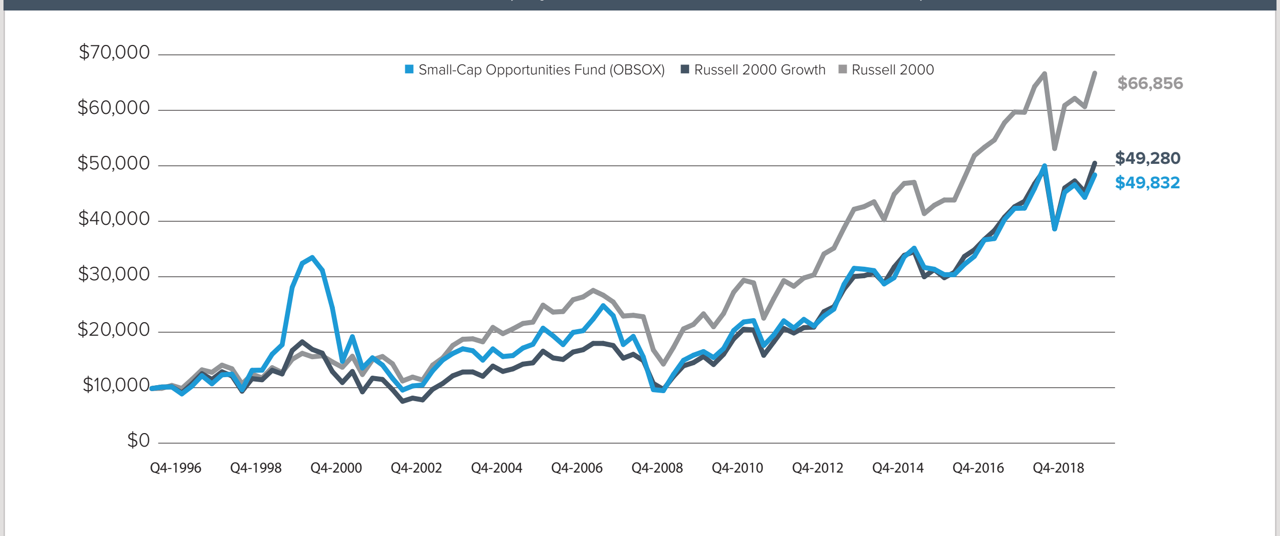
***Institutional Class shares OBSIX performance information was calculated using the historical performance of Investor Class shares for periods prior to May 1, 2017.*

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 oberweis.funds.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 Growth Index measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted earnings growth rates. The 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 ***(September 15, 1996– December 31, 2019)***

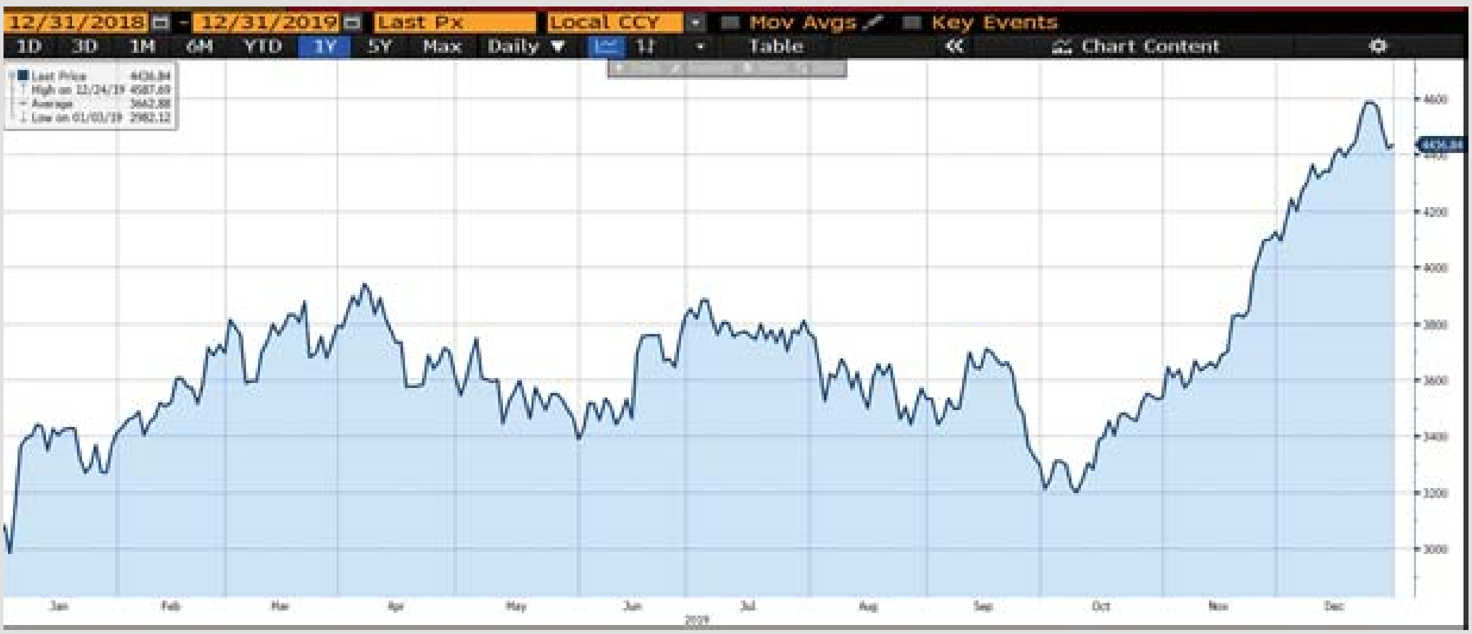


The Quarter and Year in Review

The Oberweis Small-Cap Opportunities Fund returned 25.07% versus 28.48% for the Russell 2000 Growth Index in 2019, and in the fourth quarter, the Fund returned 9.12% versus 11.39% for the Russell 2000 Growth Index. While our results for both periods were modestly shy of the benchmark, we are long-term investors with a solid track record of excess returns demonstrated by our 5-year annualized return of 10.45% compared to 9.34% for the Index, an outperformance of 111 basis points.

Although we produced a strong absolute return in 2019, it was a challenging year for our investment style as we faced numerous headwinds that increased with intensity as the year progressed, concluding with one of the strangest and most frustrating quarters we have seen in many years. Similar to 2018, bigger was better last year. Capitalization was again a significant drag relative to larger-cap market proxies with performance worsening as capitalization declined .

Growth stocks performed better than value during the year , but the growth style outperformance was conspicuously driven by low return-on-equity stocks , biotechs, and other non-earners . The largest drag on performance late in the year was our limited exposure to biotech stocks, which spiked during the fourth quarter (as shown below in the 2019 price graph of the Biotech industry within the Russell 2000 Growth Index):



Biotech companies, which now represent over 15% of the Russell 2000 Growth, returned a staggering 34% during the fourth quarter alone, and 46% during all of 2019, significantly outpacing the overall Index return of 11.39% and 28.48%, respectively. We have historically had nominal exposure to biotech shares because earnings surprises are fundamental to our process of identifying companies undergoing misunderstood fundamental changes. Biotechs are often quasi-venture-stage enterprises without meaningful sales and earnings that are typically highly dependent on the outcome of a future binary event. These businesses are usually unprofitable and burning cash while on a quest for positive clinical data that will hopefully lead to a sale at a juicy valuation down the road. Rather than identifying incremental execution progress that is misunderstood, biotech investors must reliably predict the outcomes of these largely binary events, and we do not generally have an edge in such predictions. In the short-run, however, market risk appetite can sometimes lead to sizable valuation swings in small-cap biotechs and skew benchmark returns, even in the absence of a change in aggregate industry profits. Late in 2019, the lack of congruence between our investment process and biotech stocks and resulting healthcare underweight cost us nearly 310 basis points of relative performance in the fourth quarter – more than our total shortfall to the benchmark.

It wasn't only biotechs that impacted performance late in the year. The small-cap segment of the market was also led by other stocks devoid of earnings – companies we would usually classify as "junk." We see this below in a graph of MSCI Barra's "Profitability" factor performance, which was distinctly negative throughout much of the year and culminated in a sharp collapse beginning mid-October. The negative factor performance suggests that stocks of profitable companies – which represent the vast majority of our investments – performed poorly.

[1] The Russell 2000 Growth Index underperformed the Russell 1000 Growth Index by 791 basis points in 2019.
[2] The Russell 2000 Growth Index returned 28.48% versus 22.39% for the Russell 2000 Value Index in 2019, an outperformance of 609 basis points.
[3] The lowest two quintiles of ROE stocks within the Russell 2000 Growth Index performed best during both the quarter and the year.
[4] Non-earners within the Russell 2000 Growth Index performed the best compared to all other P/E quintiles during both the quarter and the year.

MSCI Barra's "Earnings Quality" factor tells a very similar story. Earnings Quality was negative all year and also collapsed in the fourth quarter. Similarly, companies with strong earnings quality – defined by Barra as those with strong cash flows relative to earnings and good sales growth – also underperformed in 2019.

The Quarter and Year in Review (continued)

While the types of stocks that led the market in 2019 was surprising and limited our excess return for the year, the overall rally is something we anticipated. A year ago we noted the prevalence of attractive equity valuations and extreme levels of fear gripping market participants. We characterized 2019 as "an above-average investment opportunity" and one of the best we had seen since 2011. Absolute equity returns generated inside and outside the U.S. in 2019 certainly proved that out. Today, however, we are essentially at the opposite end of the spectrum with positive sentiment as the market makes new all-time highs. Valuations, while far from expensive, are nonetheless above-average, suggesting equities are pricing in at least some re-acceleration in economic and earnings growth. For equities to move materially higher from here will likely require growth that surprises to the upside.

There are certainly multiple factors in play that could drive that exact outcome. Monetary policy is now squarely dovish. The Federal Reserve cut interest rates three times in 2019, global central bank bond purchases are again accelerating, and the yield curve has steepened since the inversion fears of early 2019. Furthermore, the U.S. consumer remains in solid shape, bolstered by a record-low debt-service ratio, record household net worth, record low unemployment and wage growth that is starting to accelerate again. Importantly, inflation worldwide remains under control.

While current monetary policy is intended to stimulate economic growth, there remain numerous macro-level influences that could cause volatility to increase and investors to be fearful again in the short-term. Despite the recent thaw in trade tensions with China, we must discount President Trump's track record of volatile decision-making and are concerned that we are a tweet away from seeing those gains evaporate. Recent tensions with Iran in the Mideast also represent a potential shock should they escalate. Finally, the presidential election could increase the clouds of uncertainty as Democratic candidates jockey for position and their eventual nominee squares off against the president in what's sure to be a hotly contested race with the potential for incendiary rhetoric. Markets dislike uncertainty, and there are multiple unpredictable issues this year that could trip up the market in the short-run.

Even though there may be pockets of increased volatility in 2020, we believe investors are likely to again embrace companies generating surprising earnings growth as some of the dramatic moves we observed late in 2019 (i.e. biotech) likely mean-revert. Our bottom-up strategy has always been focused on investing in businesses with idiosyncratic attributes that afford the potential for earnings growth to surprise to the upside. These companies are often undergoing a transformational change or event that we believe is potentially misunderstood or underestimated by the consensus. While the earnings multiples afforded such companies can oscillate from quarter to quarter, we believe that prudent stock selection of a diversified portfolio of companies with prospects for better-than-expected earnings growth is likely to outperform the broader market over the long-term.

Fund Highlights

As of December 31, 2019, the Fund was 95.5% invested in 68 different positions. The Fund had its largest over-weightings in technology (28.6% average weighting during the quarter versus 16.4% for the Russell 2000 Growth Index), energy (3.9% versus 1.1%), and consumer discretionary (16.3% versus 13.9%). The Fund was underweight in health care (16.5% versus 28.4%, due mainly to our lack of biotech exposure), financial services (8.0% versus 11.2%), and utilities (0.0% versus 2.6%).

Performance in the fourth quarter was positively impacted by stock selection in financial services (where our holdings returned 24.45% versus a 6.07% return for the benchmark's financial services holdings) and consumer discretionary (13.52% versus 9.85%), while performance was negatively impacted by our stock selection in health care (12.37% versus 23.45%).

Key Benefits

The Small-Cap Opportunities Fund seeks to capitalize on the exceptional growth potential of smaller companies that are often misunderstood by traditional Wall Street research analysts. The Oberweis Small-Cap Opportunities Fund invests, under normal circumstances, at least 80% of its net assets in the securities of companies (with market capitalizations less than $5 billion at the time of investment) where our expectations for earnings growth differ from consensus expectations. These companies often boast exciting products and/or services, a strong and sustainable competitive position, and the potential for upward revisions in earnings expectations in the future. Our fundamental research process is specifically designed to efficiently identify such opportunities.

The potential key benefits of the Small-Cap Opportunities Fund are:

- 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 smaller cap companies that are misunderstood by traditional Wall Street research analysts
- Exposure to smaller 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 Small-Cap Opportunities Fund Investor Class (OBSOX): $1,000 non-IRA, $500 IRA

Oberweis Small-Cap Opportunities Fund Institutional Class (OBSIX): $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 yea

MEET THE TEAM

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INSTITUTIONAL CLASS (OBSIX)

4Q 2019

TOP TEN HOLDINGS *(as of September 30, 2019)*

	Company		Line of Business
1	CACI International, Inc.	3.0%	Provides IT services and technology products primarily to US government agencies
2	HMS Holdings Corp.	2.7%	Provides cost containment services for commercial and government healthcare payors
3	WW International, Inc.	2.4%	Offers weight control programs under the Weight Watchers brand
4	Bandwidth, Inc.	2.2%	Develops cloud-based communications platforms
5	Tetra Tech, Inc.	2.1%	Provides specialized management consulting and technical services
6	Cornerstone OnDemand, Inc.	2.0%	Provider of employee development software
7	Skywest, Inc.	2.0%	Operates a regional airline
8	DMC Global, Inc.	1.9%	Global technology company that offers collaboration, research, development, and other services
9	Tandem Diabetes Care, Inc.	1.9%	Develops pump systems for diabetes patients
10	Knowles Corp.	1.9%	Designs and manufactures advances acoustic components used in consumer electronics

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

FUND CHARACTERISTICS *(AS OF DECEMBER 31, 2019)*

Number of Stocks	68
Weighted Market Capitalization (in millions)	$2,732
Median Market Capitalization (in millions)	$2,386
P/E Forward 4 Quarters (estimated)	19.2x
Long-Term Future EPS Group Rate (estimated)	10.4%
Long-Term Debt to Total Equity	11.3%
Return on Equity	6.2%
Cash Position	4.5%
Portfolio Turnover (2019)	142.0%

Source: Thomson Reuters Eikon

SECTOR WEIGHTINGS *(as of December 31, 2019)*

Consumer Discretionary	17.9%
Consumer Staples	1.8%
Energy	4.0%
Financial Services	8.6%
Health Care	16.6%
Materials & Processing	4.7%
Producer Durables	12.3%
Technology	29.6%
Utilities	0.0%
Cash	4.5%
Total	100.0%

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