

EMERGING MARKETS STRATEGY

4Q 2020

The Quarter and Year in Review

The Oberweis Emerging Markets Strategy gained 19.44% (19.33% net of fees) during the fourth quarter of 2020. The MSCI Emerging Markets Small-Cap Index (the benchmark) climbed 22.22% during the period. For the full year of 2020, the Oberweis Emerging Markets Strategy generated a positive return of 44.64% (43.39% net of fees), beating the benchmark's 19.29% return by more than 2500 basis points (2410 basis points net of fees).

The MSCI Emerging Markets Small Cap Index's substantial gain during the quarter came almost entirely after the first week in November. From the beginning of the quarter until the U.S. Presidential election on November 3rd, the index was up just a bit more than 1 percent. The market began its relentless climb the day of the election. Almost a week later, the rally gathered new energy when Pfizer announced the positive results from Phase III trials of its COVID19 vaccine. About a week after that, Moderna announced the positive results of its COVID19 vaccine, further cementing the market's "risk on" move and driving the MSCI Emerging Markets Small Cap Index up more than 20% through the end of the quarter.

From an end to election uncertainty to the exceptional efficacy of two COVID19 vaccines, investors had powerful reasons in November to embrace risk and drive stock markets higher through the end of the year. While the imminent arrival of a President with potentially less bellicose trade policies and the continuation of a divided U.S. government that prevents either party from changing too much too quickly certainly pushed markets uphill, we tend to think that the vaccines were the bigger driver of stock market performance. In emerging markets, the impact of the vaccines can be seen in the MSCI Emerging Markets Small Cap Index's country-level performance data. Many of the countries that had performed the worst from the beginning of the year or the beginning of the quarter through November 9th, when Pfizer announced its vaccine results, were the best performers across the rest of the quarter. Eight of the top ten best-performing countries after the vaccine announcement--Greece, Turkey, Colombia, Indonesia, Philippines, Chile, United Arab Emirates and Hungary--were all amongst the worst-performing countries beforehand. Greece, the best of the post-vaccine top 10, and Hungary, the bottom of the top ten, were up roughly 42% and 16%, respectively, from November 9th through the end of December. For the most part, the rest of the benchmark countries continued to perform well. The vaccine-driven rally, however, drove an exceptional "catch up" trade in those countries that had been laggards, propelling the benchmark well beyond its pre-virus highs in early 2020.

On a portfolio level, we were pleased to once again achieve our primary goal: generating absolute returns for our shareholders. We did not, however, meet our secondary goal of producing benchmark-beating relative returns. The Oberweis Emerging Markets Strategy largely kept pace with the index through the end of November. In December, however, the index pulled ahead. Most of the Strategy's relative underperformance that month came from one stock--China's Dada Nexus, which is a grocery delivery operator somewhat analogous to Instacart in the United States. On November 30th, the company announced plans to issue equity to fund growth. That announcement, coupled subsequent indications of heightened competition, drove down the stock during the last month of the year and significantly curtailed the Strategy's relative performance. We expect quarter-to-quarter fluctuations, but are proud of the strategy's returns since inception on 06/01/2018. Over this period, the strategy returned annualized gains of 15.68% (14.42% net of fees) versus 3.95% for the benchmark.

Taking a broader look at the portfolio across the whole quarter, India and China were the two biggest contributors to outperformance on a country level, adding 124 basis points and 115 basis points, respectively. Brazil and South Korea were the two biggest detractors. The former reduced relative performance by 241 basis points. The latter trimmed 138 basis points from relative performance. On a sector basis, Industrials and Real Estate were the biggest contributors to performance, adding 72 basis points and 39 basis points, respectively. The biggest detractors, Communication Services and Materials, reduced relative performance by 90 basis points and 59 basis points, respectively.

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 emerging markets equities are attractively valued. According to data compiled by Bloomberg, the MSCI Emerging Markets Small Cap Index traded at a forward price-to-earnings multiple of 30 times at the end of 2020, which is higher than the globe-spanning MSCI All-country World Index, which Bloomberg reports traded at 24.6 times at the end of the year. Given the substantial long-term growth opportunities we see for smaller companies in developing markets relative to the rest of the world, we think the somewhat higher valuation multiple is reasonable.

Portfolio Highlights

At quarter-end, the portfolio was invested in 74 stocks domiciled in 23 countries. Our top five country weightings (portfolio versus the MSCI Emerging Markets Small-Cap Index) were South Korea (17.2% vs. 19.7%), China (17.0% vs. 11.4%), Taiwan (14.4% vs. 22.2%), India (11.2% vs. 16.1%), and Brazil (6.9% vs. 6.9%). The strategy's largest overweight sectors were Consumer Discretionary (21.8% vs. 12.2%), Information Technology (27.0% vs. 19.2%) and Communication Services (7.9% vs. 3.8%). The largest underweight sectors were Materials (4.6% vs. 11.3%), Financials (4.2% vs. 10.5%), and Real Estate (1.3% vs. 7.0%).

COUNTRY ALLOCATION (As of December 31, 2020)

	Emerging Markets	MSCI Emerging Markets Small-Cap Index
South Korea	17.2%	19.7%
China	17.0%	11.4%
Taiwan	14.4%	22.2%
India	11.2%	16.1%
Brazil	6.9%	6.9%
Indonesia	4.7%	2.2%
Chile	3.3%	1.0%
Canada	2.5%	0.0%
Mexico	2.4%	2.1%
South Africa	1.7%	3.5%
Malaysia	1.3%	3.5%
Thailand	0.7%	3.6%
Other Countries	14.7%	7.8%
Cash	2.0%	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

Investment Strategy

The Oberweis Emerging Markets strategy invests principally in the common stocks of small-cap companies in developing markets that Oberweis believes have the potential for significant long-term growth in market value. The team believes that companies in emerging markets positioned to generate significant market-value growth exhibit four key attributes: strong balance sheets, durable sales growth driven by secular tailwinds, robust competitive advantages and seasoned, prudent management teams. Oberweis seeks to invest in companies with those attributes when they trade at attractive valuations, which the team determines by estimating future earnings, margins and free cash flows in a proprietary valuation model. We believe that patient ownership of growing, resilient firms with ample opportunities to reinvest capital at high returns generates attractive risk-adjusted results over a full market cycle. Our goal is to provide our investors an All Weather approach to Emerging Markets Small Cap.

Key Benefits

The potential key benefits of the Emerging Markets strategy are:

- Opportunity to capture growth: Emerging markets are estimated to grow 50% and 20% faster than developed nations in 2021 and 2022, respectively, 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 broad global equity market in 13 of the last 20 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
- All-weather approach to Emerging Markets Small-Cap

Minimum Account Size: \$5 million for Institutional Account Management

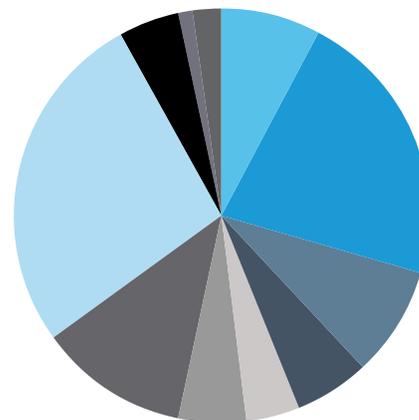
TOP TEN HOLDINGS (as of December 31, 2020)

	Company		Line of Business
1	Dada Nexus Limited	3.4%	Leading local instant retail and distribution platform in China
2	M31 Technology Corporation	3.3%	Taiwan-based ilicon intellectual property provider servicing customers globally
3	Affle (India) Ltd.	3.1%	Global technology company with proprietary consumer intelligence platform that delivers consumer transactions through mobile advertising
4	NHN KCP	2.1%	Leading online payment service provider in Korea
5	Vanrun Beverages	2.0%	Largest soft drink manufacturer and distributor in India and one of the largest franchisees of PepsiCo globally
6	Leeno Industrial, Inc.	2.0%	Specializes in the manufacturing critical testing components for IC production, tests and analysis
7	POSCO Chemical Co., Ltd.	1.9%	Produces fine chemical products in Korea; it is also a leading supplier of battery materials
8	IDP Education Ltd.	1.9%	Market leader in international student placements and English language testing globally
9	LandMark Optoelectronics Corp.	1.8%	A global epitaxial wafer supplier based in Taiwan, specialized in manufacturing 200mm wafer
10	Wizz Air Holdings	1.8%	A Hungarian-based company with legal domicile in Switzerland is Eastern Europe's leading low cost airline

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 December 31, 2020)

■ Communication Services	7.9%
■ Consumer Discretionary	21.8%
■ Consumer Staples	8.5%
■ Energy	5.7%
■ Financials	4.2%
■ Health Care	5.3%
■ Industrials	11.7%
■ Information Technology	27.0%
■ Materials	4.6%
■ Real Estate	1.3%
■ Utilities	0.0%
■ Cash	2.0%
Total	100.0%



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.

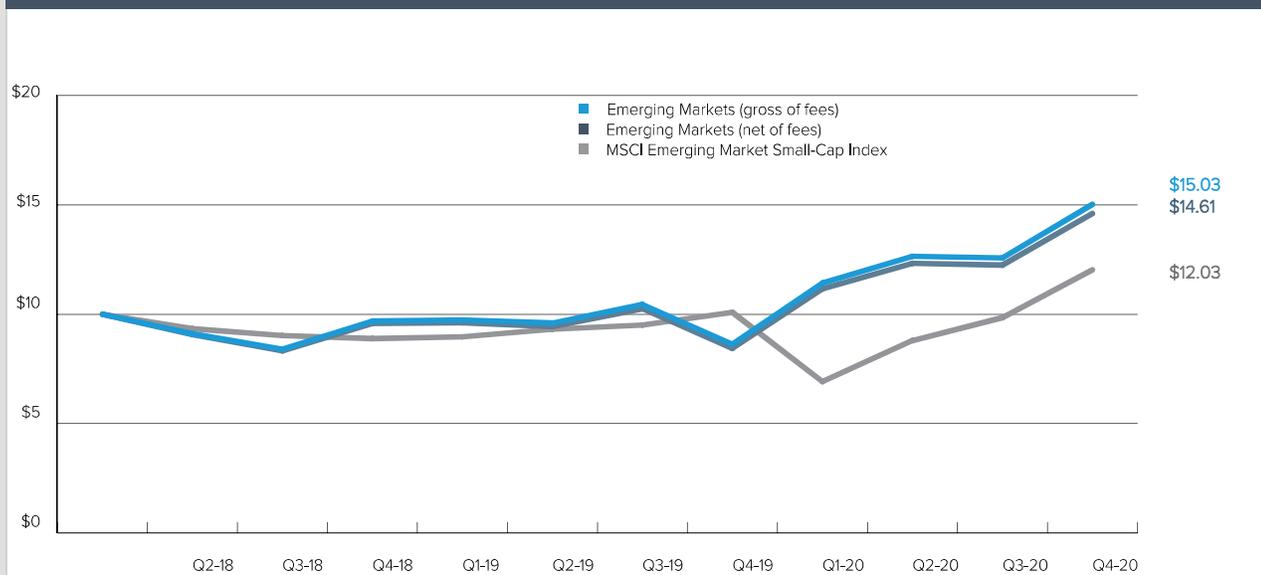
AVERAGE ANNUAL TOTAL RETURNS (as of December 31, 2020)

	QTD	1 YR	2 YR	Since Inception 6/1/2018
Emerging Markets (gross of fees)	19.44%	44.64%	34.14%	15.68%
Emerging Markets (net of fees)	19.33%	43.39%	32.89%	14.42%
MSCI Emerging Markets Small-Cap Index	22.22%	19.29%	15.33%	3.95%

Oberweis Asset Management, Inc. ("OAM") is an independent investment management firm that is not affiliated with any parent organization. The composite returns are comprised of all fully discretionary accounts with a minimum value of \$5 million. Performance results, from 6-1-18 to present, are derived solely from the performance of the Oberweis Emerging Markets Fund, a registered, open-end mutual fund, for which OAM serves as investment adviser. Accounts are dollar-weighted within the composite and reported in U.S. dollars.

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.

Advisory fees are disclosed in Part II of Form ADV. Performance is historical and includes the reinvestment of dividends and other income. Past performance is not necessarily indicative of future results.

GROWTH OF \$10 MILLION — WITH INCOME INVESTED (June 1, 2018 – December 31, 2020)


For more information please contact:

Brian K. Lee, Director of Marketing & Client Service
 Oberweis Asset Management, Inc.
 3333 Warrenville Rd., Suite 500, Lisle, IL 60532
 (800) 323-6166 | (630) 577-2321 | brian.lee@oberweis.net

Marc Carlson, Director Marketing & Client Service
 Oberweis Asset Management, Inc.
 3333 Warrenville Rd., Suite 500, Lisle, IL 60532
 (800) 323-6166 | (630) 577-2364 | marc.carlson@oberweis.net

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