

OBERWEIS GLOBAL OPPORTUNITIES FUND

INSTITUTIONAL CLASS: (OBGIX)

MARKET COMMENTARY

2Q 2021

The Quarter in Review

The Oberweis Global Opportunities Fund returned 8.96% in the second quarter of 2021 versus 5.68% for the MSCI ACWI Small-Cap Index, outperforming the Index by 328 basis points for the quarter. Year-to-date, the Fund returned 20.40% versus 15.43% for the Index, outperforming by 497 basis points in the first half.

Market Environment

Given how severe the Covid-19 crisis was just six short months ago, the progress made in the U.S. during the second quarter on the vaccination front is nothing short of miraculous. Over 330 million doses have been administered with nearly half the U.S. population fully vaccinated, and it's projected that the country may enter the zone for herd immunity (those vaccinated plus those infected) later this year. As a result, Americans are quickly returning to everyday life and the economy, bolstered by accommodative monetary and fiscal policies, is booming, with forecasted GDP growth of 7.8% in the second quarter. Composite Purchasing Managers' Index readings over 60 in the U.S. and the U.K. and over 50 in China, Germany, France, Italy, and Spain suggest strength should continue into the second half of the year.

Stocks largely anticipated this dramatic recovery and rallied significantly from the Covid-19 panic lows in March 2020. Large-cap U.S. indices like the S&P 500 trade well above 25-year averages based on P/E, dividend yield, price/book and price/cash flow. For equity bulls, these premium valuations reflect investors discounting an anticipated period of explosive growth as economies reopen globally, particularly after central banks have flooded their economies with stimulus cash and interest rates remain far below historical averages. From equities to housing to commodities to groceries, demand appears to be outstripping supply and prices are rising.

However, looking out a couple years, the picture is far less clear. Will too much money chasing too few goods ignite longer-term inflation? The Fed says no, but some investors are less convinced. What will be the unintended consequences of all this stimulus cash? Moreover, if growth does explode, will the Fed use this opportunity to reign in stimulus and increase interest rates? Even discussion of rising interest rates in recent years has ignited "taper tantrums" in the stock market. We do not think raging inflation is the most likely outcome, but it's hard to predict the end outcome of the massive stimulus unleashed over the last couple years. How much of current economic activity is being driven by demand that was pulled forward as a result of stimulus? How much is related to inventory replenishment as companies struggle to overcome last year's supply disruptions? It will take months for the economy to adjust to these extraneous influences. The sooner that policy makers get out of the way, the better.

Though data so far seems good, there's no guarantee that vaccines prove effective toward suppressing Covid-19 variants. A vaccine-resistant mutation remains a significant risk that could hinder economic recovery. On the other side, continued vaccinations, herd immunity and a "return to normal" would likely produce an economic growth boon rivaled by few others of our lifetime.

Still, irrespective of macroeconomic growth over the next couple of years, share prices of growth stocks such as those owned in the Oberweis Funds will be substantially determined by the fundamental performance of our investment companies. While a favorable GDP growth tailwind is helpful, the real long-term driver is innovation – whether or not our companies can grow by creating new markets or taking market share from incumbents via superior product offerings. Innovation is the ultimate determinant for growth stock share prices and increasing rates of lifestyle change from seismic events such as COVID-19 tend to open the door for disruptive innovation. Our job is to find innovative disruptors early and often, and position the funds to benefit from their growth.

AVERAGE ANNUAL TOTAL RETURNS (as of June 30, 2021)

	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception 1/7/1987	Gross/Net Expense Ratio*
Oberweis Global Opportunities Fund Institutional Class (OBGIX)**	8.96%	20.40%	64.45%	20.87%	19.09%	12.30%	10.14%	1.28%/1.27%
Oberweis Global Opportunities Fund Investor Class (OBEGX)	8.88%	20.24%	64.04%	20.59%	18.80%	12.02%	9.87%	1.53%/1.53%
MSCI ACWI Small-Cap Index	5.68%	15.43%	54.07%	12.20%	14.13%	9.90%	N/A	

Performance data shown represents past performance and is no guarantee of future results. Investment return and principal value will fluctuate, so that you may have gain or loss when shares are sold. Current performance may be higher or lower than quoted. Unusually high returns may not be sustainable. Visit us online at oberweisfunds.com for most recent month end performance.

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.

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.

*Audited data as of December 31, 2020. Oberweis Asset Management, Inc. (OAM), the Fund's investment advisor is contractually obligated through April 30, 2022 to reduce its management fees or reimburse OBEGX to the extent that total ordinary operating expenses, as defined, exceed in any one year the following amounts expressed as a percentage of each Fund's average daily net assets: 1.8% of the first \$50 million; plus 1.6% of average daily net assets in excess of \$50 million and for OBGIX 1.55% of the first \$50 million; plus 1.35% of average daily net assets in excess of \$50 million.

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

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

The MSCI ACWI Small-Cap Index (Net) is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of small cap developed markets and emerging markets, with minimum dividends reinvested net of withholding tax. The MSCI ACWI Small-Cap Index began on May 31, 1994.

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Fund Highlights

As of June 30, 2021, the Fund was 98% invested in 56 different positions. The Fund had its largest over-weightings in technology (34.5% average weighting during the quarter versus 13.1% for the MSCI ACWI Small Cap Index), healthcare (22.4% versus 11.2%), and consumer discretionary (24.8% versus 14.0%). The Fund was most underweight financials (2.1% versus 13.0%), real estate (0.0% versus 9.3%), industrials (8.9% versus 18.1%).

During the second quarter, the Fund was positively impacted by stock selection in the US (where our holdings returned 7.99% versus 5.22% for the MSCI ACWI Small Cap Index). At a sector level, the Fund was positively impacted from stock selection in consumer discretionary (10.18% versus 4.48%) and healthcare (10.64% versus 5.29%). In terms of geographic distribution, the Fund was on average 50.8% invested in North America, 23.1% in Asia, and 24.2% in Europe.

Organization Update

There was no change to the team during the quarter.

Oberweis Asset Management's Investment Philosophy

We believe that investing in smaller companies driving revenue and earnings growth in excess of expectations results in superior investment performance over long periods of time. We believe that innovation is the key to economic growth and wealth creation and are committed to investing in companies at the forefront of innovation – smaller company stocks that offer the potential for extraordinary revenue and earnings growth.

The entrepreneurial spirit is alive and well at these companies. Many are nimble and uniquely address the needs of their customers with patented new products and services. Successful investing, however, demands more than finding companies with good growth prospects. We must also buy these stocks for our clients at prices that make sense. By paying careful attention to companies' valuations in relation to expected earnings growth rates, we seek to purchase stocks when they still have considerable appreciation potential.

For more information please contact:

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