

OBERWEIS GLOBAL OPPORTUNITIES FUND

INSTITUTIONAL CLASS: (OBGIX)

MARKET COMMENTARY

3Q 2022

The Quarter in Review

The third quarter was yet another difficult quarter in a challenging year for global small-caps. However, it was a favorable quarter for our Fund on a relative basis, with a 463 bps outperformance. The Global Opportunities Fund returned -0.64% versus -5.27% for the MSCI ACWI Small-Cap Index. On a year-to-date basis, the Fund returned -35.21% versus -26.36% for the Index.

Market Environment

After a rally in the first half of the third quarter, equity markets slumped in the second half, netting an overall decline both in the US and internationally. Inflation was once again the primary culprit. The Federal Reserve, the European Central Bank, and the Bank of England reaffirmed their commitment to increase interest rates to curb aggregate demand and fight inflation. Stock prices dropped in response to rising interest rates and increased expectations for weaker economic growth ahead. US small- and micro-cap growth stocks fared well, relatively speaking, with modest but positive gains for the quarter. On the other hand, emerging market equities fell sharply. China underperformed by a wide margin amid a difficult property market, continued Covid-19 lockdowns, and rising tensions with Taiwan. Developed Eurozone countries fared better than emerging markets but worse than the US. Besides lackluster economic growth, western Europe faces an energy crisis, as its dependence on Russia for natural gas affords Russia an effective weapon to punish those who oppose its invasion of Ukraine.

Overall, this investment climate has been challenging. However, as we look ahead, there is reason for optimism. Ultimately, our ability to generate returns is predicated on the power of our investment companies to generate cash flows, weighed against the price required to acquire those ownership stakes. Without a doubt, some of our holdings will experience slower growth in the near term as the economy slows. However, slower near-term growth offset by a much lower cost of investment may be a return-enhancing tradeoff. Those of you who have invested with us for a long time will surely remember that some of our best years have followed periods of high-risk aversion. Our experience suggests that we are in a similar environment today. Valuations are usually cheapest in scary and uncertain times, and we think today's uncertainty may prove retrospectively to be an above-average buying opportunity. 2008 seemed like the apocalypse but ended up being an incredibly wonderful time to invest in our strategies. US small-caps also soared coming out of the awful 1973-1974 bear market. While no one can predict the future, we believe that there is an above-average opportunity to generate favorable returns for investments made today, when fear is high and valuations are low.

We also believe that the current climate favors active management. For much of the last decade, all one needed to do was to buy an index fund and hold it, as over time virtually everything appreciated. That paradigm, in our view, is dead or at a minimum sub-optimal for small-caps. Investors will likely need to focus much more on stock-level fundamentals and stock-level valuations. Active managers are well suited to search the bear market's rubble for misunderstood and under-valued small-caps. That is what our team does best, and as hard as it may be to see today, we believe the opportunity ahead is materially better than average.

AVERAGE ANNUAL TOTAL RETURNS (as of September 30, 2022)

	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)**	-0.64%	-35.21%	-33.40%	10.98%	3.51%	8.57%	8.46%	1.13%/1.13%
Oberweis Global Opportunities Fund Investor Class (OBEGX)	-0.70%	-35.34%	-33.56%	10.71%	3.25%	8.31%	8.19%	1.38%/1.38%
MSCI ACWI Small-Cap Index	-5.27%	-26.36%	-24.80%	2.96%	2.32%	7.02%	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, 2021. Oberweis Asset Management, Inc. (OAM), the Fund's investment advisor is contractually obligated through April 30, 2023 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.



Fund Highlights

As of September 30, 2022, the Fund was 99.9% invested in 55 different positions. The Fund had its largest over-weightings in technology (38.0% average weighting during the quarter versus 12.0% for the MSCI ACWI Small Cap Index), consumer discretionary (23.8% versus 12.2%), and healthcare (18.1% versus 10.8%). The Fund was most underweight financials (3.1% versus 13.7%), real estate (0.0% versus 9.2%), and industrials (11.9% versus 18.2%).

During the third quarter, the Fund was negatively impacted by its overweight exposure to China while it was positively impacted by stock selection in the US (where our holdings returned 7.87% versus -2.28% for the MSCI ACWI Small Cap Index) and Taiwan (44.37% versus -8.81%). At a sector level, the Fund was positively impacted by stock selection in technology (3.7% versus -5.47%) and healthcare (6.88% versus -2.42%) while it was negatively impacted by stock selection in financials (-30.99% versus -3.56%). In terms of geographic distribution, the Fund was on average 56.6% invested in North America, 19.6% in Asia, and 19.4% in Europe.

Organization Update

Priya Radhakrishna, CFA joined the Emerging Markets team as an Analyst in 3Q2022. Priya previously worked for SBA Communications Corp. as a Principal Finance Analyst-International Business Development, where she led financial modeling on mobile communications tower transactions in Asia, Africa and Latin America.

Steve Foundos, CFA joined the International Opportunities and International Select teams as an Analyst in 3Q2022. Steve joined us after a decade at Artisan Partners, where he was an analyst in the Financials and Payments sectors for their Global Equity Strategies.

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.

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