

The Quarter in Review

We are pleased to report a strong year for global small-caps and the Fund. For the year, the Oberweis Global Opportunities Fund returned 19.68% versus 19.72% for the MSCI ACWI Small-Cap Index. Despite a fair amount of macro volatility in the fourth quarter, the quarter still finished with modest gains. The Fund returned 2.41% in the fourth quarter versus 2.66% for the Index.

Market Environment

To say 2025 was wild might be the understatement of the year itself. Seldom in our long careers – absent the Global Financial Crisis and the pandemic – have we had to navigate such tricky and ever-changing market currents. Much of the year’s volatility was driven by the Trump administration, from on-again off-again tariff promises to oscillating immigration policy and military-style raids to an attempted hijacking of the historically independent US Fed. On the foreign policy front, Trump’s gambits included flip-flops on defending Ukraine, teetering devotion to NATO, an attack on Iran and the early 2026 capture of Venezuelan’ President Maduro. One thing is clear: The gentele post-WW2 rules-based order that has guided international relations for the last 75 years is now suspended, if not dead. All else equal, we would normally expect such self-inflicted volatility to increase investor uncertainty and put pressure on stock valuations.

Still, all is not equal, and global growth held up reasonably well in 2025. While the U.S. tariffs initially weighed on growth expectations, the outlook improved as partial rollbacks and exemptions were introduced and activity, particularly in the US and Europe, remained resilient. More importantly, the uptick in marginal uncertainty was offset by investor belief that artificial intelligence is on the precipice of unleashing an unprecedented wave of rising corporate productivity. In a further nod to the bulls, US and Euro interest rates seem poised to hover or modestly decline. Across most key developed markets, core inflation data continued to show a disinflationary trend. Euro area data point to more services disinflation driven by easing wage pressures and a disinflationary impulse from Chinese export rerouting. Japan was the primary outlier amongst the developed markets as wage growth and inflation expectations have reset to higher levels. The Bank of Japan tightened by 25bps and is expected to continue normalizing into 2026, whereas the ECB last cut policy rates in June and is expected to keep them on hold into the new year.

AVERAGE ANNUAL TOTAL RETURNS (as of December 31, 2025)

	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)**	2.41%	19.68%	19.68%	12.32%	4.75%	9.30%	9.05%	1.19%/1.19%
Oberweis Global Opportunities Fund Investor Class (OBEGX)	2.33%	19.38%	19.38%	12.03%	4.48%	9.03%	8.77%	1.44%/1.44%
MSCI ACWI Small-Cap Index	2.66%	19.72%	19.72%	14.62%	7.29%	9.32%	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.

**Expense ratio as of 12/31/2025. Oberweis Asset Management, Inc., the Fund’s investment advisor, is contractually obligated through April 30, 2026 to reduce its management fees or reimburse OBGIX 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: 1.55% 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. It is not possible to invest directly in an index.

The Year Ahead

In the short run, the economy is holding up well. Inflation has remained subdued, US interest rates are likely to slightly decline, and growth data has been firm. Still, there's reason to worry. On the geopolitical front, Trump's reshaping of the world order will undoubtedly yield unanticipated consequences. Whether in the Middle East, the Straits of Taiwan, South America, or Ukraine, every action today will affect permutations down the road in unexpected ways. With so many macro changes, we believe that the odds of a significant dislocation in 2026 to be above-average, both militarily and economically. It's a bit surprising to us that the market has not significantly discounted such risks, even when balanced against a favorable interest rate environment and an upswing in AI technology adoption. Rising uncertainty of U.S. policies is likely to lead investors to look elsewhere for diversification, and lower demand typically results in lower asset prices. Marginally, this seems likely to favor non-US stocks over the US large-cap leaders that have dominated much of the past decade.

One bet seems fairly obvious to us: small-cap stocks appear to be a much better value than large-caps. For over a decade, all one had to do was buy the S&P 500 and it worked better than almost everything else. Be wary of that trend. Small-cap and large-cap leadership has a clear pattern of shifting in 5-10 year cycles; we are already overdue. Valuations for small-caps are at nearly a 30-year low relative to those of large caps. That is, on a P/E basis, small stocks are really cheap compared to large-caps.

Some of the large-cap bull thesis can be attributed to the "winner takes all" nature of AI technology. That could be true in the early stages of AI adoption, but the longer-term picture could be quite different. We wonder aloud if the productivity benefits from AI workflows could disproportionately accrue to smaller companies that are less bureaucratic, nimbler, and more likely to benefit incrementally from "white collar robotics" efficiency gains. It seems reasonable to question the ability of highly complex multi-national conglomerates to benefit from AI. The opportunity is large: only 17% of US businesses are currently using AI in any business function, and we are starting to think the marginal benefits for small cap businesses might be material. AI is a force multiplier and could help smaller companies act big without a lot of cost. Historically, the cost of automation was more prohibitive for small companies and AI is changing that. Watch for small-caps to outshine their large-cap brethren in 2026.

Fund Highlights

As of December 31, 2025, the Fund was 90.4% invested in 53 different positions. The Fund was most overweight technology (24.5% average weighting during the quarter versus 13.2% for the MSCI ACWI Small Cap Index), consumer discretionary (16.6% versus 11.5%), and industrials (26.9% versus 20.2%). The Fund was most underweight financials (5.1% versus 14.4%), materials (0.0% versus 8.5%), and real estate (0.0% versus 7.6%).

During the fourth quarter, the Fund was positively impacted by stock selection in the US (where our holdings returned 10.15% versus 2.64% for the MSCI ACWI Small Cap Index) while it was negatively impacted by stock selection in Japan (-15.71% versus +1.08%). At a sector level, the Fund was positively impacted by stock selection in technology (15.04% versus 3.34%) and consumer discretionary (+8.75% versus -2.57%) while it was negatively impacted by stock selection in industrials (-9.08% versus +2.71%) and health care (3.08% versus 8.71%).

Geographically, the Fund maintains a diversified portfolio, with about half of the Fund invested in the U.S. and the other half in non-U.S. companies. Emerging markets comprised approximately 2.1% of the Fund. Note that our strategy is primarily driven by individual stock selection within our risk management protocols and quarter-to-quarter fluctuations in country weights are typically a residual of where we are finding the most interesting individual companies. In terms of geographic distribution, the Fund was on average 58.9% invested in North America, 21.1% in Europe, and 12.0% in Asia.

Organization Update

There was no change to our Global Opportunities team this 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.

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