



First Quarter 2011 Commentary

Emerging Growth Fund (OBEGX)

The Quarter in Review

During the first quarter of 2011, the Oberweis Emerging Growth Fund returned 13.89% versus 9.24% for the Russell 2000 Growth Index.

Overall, domestic equities had a good start to the year and small-cap growth stocks performed particularly well. Small growth stocks beat small value stocks by 264 basis points in the first quarter, as measured by the respective returns of the Russell 2000 Growth and Value indices. Small stocks beat large stocks as well, with the Russell 2000 returning 7.94% versus 6.24% for the Russell 1000.

Remarkably, the overall advance in equities during the quarter occurred despite two major global shocks. First, the March 11th earthquake in Japan and the subsequent nuclear crisis was an enormous catastrophe for the people of Japan. While the human tragedy is clear, the global economic consequences are more difficult to discern. The earthquake has undoubtedly disrupted the supply chains of consumer electronics and auto industries, but it isn't yet clear as to the duration or magnitude of the problem. Do manufacturers have sufficient inventories to buy enough time for Japan to recover and/or alternative suppliers to be procured? Or will the semiconductor and automotive companies experience supply chain problems that could weigh on earnings in the second quarter? We believe the second scenario to be more likely. In a second shock, mass street protests in Tunisia, Bahrain, Egypt, Yemen, and Libya rocked the Middle East in domino-like succession. Oil climbed 15% in the first quarter amid rising demand and fear that unrest would spread to the elephant of oil producers, Saudi Arabia. All in all, it would be an understatement to say the quarter was an eventful one.

Still, U.S. equity markets moved higher. American investors shrugged off geopolitical concerns as the U.S. economy continued to grow. While domestic GDP growth has been more modest than that of other post-recession recoveries, 3% growth trumps the double-dip doomsayers. The point is that below-average valuations for small-cap growth stocks reflected weak investor expectations. The U.S. economy appears to be tracking ahead of those modest expectations, leading to stock market gains despite the earthquake and Mideast turmoil.

In our experience, our investment style tends to perform well during periods when growth outperforms value. From 2001-2008, value stocks strongly outperformed growth stocks. From 2009-present, growth stocks have outperformed, including this past quarter. Since 2008, the stock prices for many of the Fund holdings have increased substantially, but most of the gain has been proportionate to increases in corporate earnings. The average P/E multiple that investors have been willing to pay for such companies has only nudged up slightly, even though a fair amount of the uncertainty from 2008 has dissipated. The average forward P/E of the Fund at the end of the first quarter was 23 times (versus 20.9 times on December 31, 2010 and 18.5 times on December 31, 2008,

respectively). Although not quite as cheap as in 2008, valuations still remain quite reasonable. In our experience, during periods of economic recovery, stock prices tend to rise both from rebounding earnings and, as fear recedes, expanding P/E multiples. The fact that we have seen only modest P/E multiple expansion leads us to believe that this growth cycle may still be in its infancy. Our research also indicates that high growth stock multiples remain below their average of the past decade, despite below-average cost of capital attributable to low interest rates. In short, even after a couple years of gains, we believe that many small-cap growth stocks still remain undervalued.

Fund Highlights

The Fund benefitted from strong stock selection in healthcare, consumer staples, and consumer discretionary during the quarter. Stock selection in healthcare added 183 basis points of excess return, consumer staples 138 basis points, and consumer discretionary 107 basis points. The Fund also benefited from an overweight allocation to technology, with the allocation effect adding 102 basis points of excess return. Performance during the quarter was hampered by stock selection in financial services, which detracted 65 basis points of return.

Organization Update

There was no change to OAM's Small-Cap Growth Equity team during the quarter.

Oberweis Asset Management's Investment Philosophy

We believe that investing in rapidly growing small companies in the early stages of their growth cycles 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.

For over 20 years, we have focused exclusively on these companies, seeking opportunities where rapid change is driving growth and the potential for superior investment results over the long-term. Our time-tested and proprietary Oberweis Octagon is a specific research framework that allows us to quickly identify and understand the companies driving innovation in the global economy.

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. We call our approach to investing AGARP---aggressive growth at a reasonable price. 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.

Growth Equity Investing

James W. Oberweis, CFA
President, Portfolio Manager

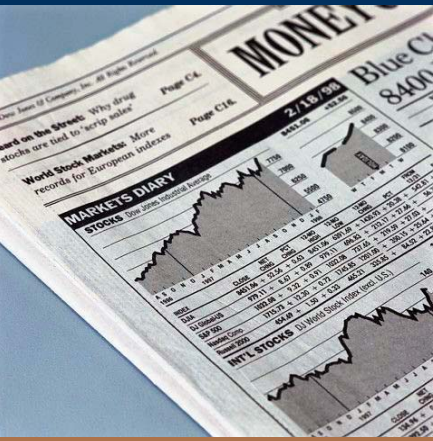
Ken Farsalas, CFA
Director of U.S. Equities,
Portfolio Manager



Oberweis Emerging Growth Fund (OBEGX) First Quarter 2011

Investing in small-cap growth companies in the expansionary phase of their lifecycle.

Oberweis Asset Management, Inc.



Key Benefits

The Emerging Growth Fund invests at least 80% of its net assets in the securities of relatively small companies with a market capitalization of less than \$1.5 billion at the time of investment. The Emerging Growth Fund helps investors capitalize on the exceptional growth potential of rapidly growing emerging companies in the expansionary phase of their lifecycle.

The key benefits of the Emerging Growth Fund are:

- Potential for significant alpha over a full market cycle
- Disciplined and repeatable investment process
- Fundamental research process specifically designed to uncover small-cap companies at the forefront of innovation
- Emphasizing rapidly growing small companies expected to have exceptionally high revenue and earnings growth at reasonable price/earnings to growth rates
- Diversified, fully invested portfolio – no market timing

Minimum Investment: \$1,000

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.

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Oberweis Asset Management, Inc. – Advisor to The Oberweis Funds

Recognized as a leading small-cap stock specialist, Oberweis has been helping institutional investors manage their assets prudently and effectively for many years. Our key investment professionals include:

James W. Oberweis, CFA
President, Portfolio Manager (Principal)



- MBA, University of Chicago
- Over 16 years of investment experience
- Featured guest on CNBC and Bloomberg television

Kenneth S. Farsalas, CFA Director of U.S. Equities, Portfolio Manager (Principal)



- MBA, University of Chicago
- Over 18 years of investment experience
- Featured guest on Forbes.com

David I. Covas, CFA
Portfolio Manager (Principal)



- MBA, University of Chicago
- Over 14 years of investment experience
- Featured guest on Bloomberg television

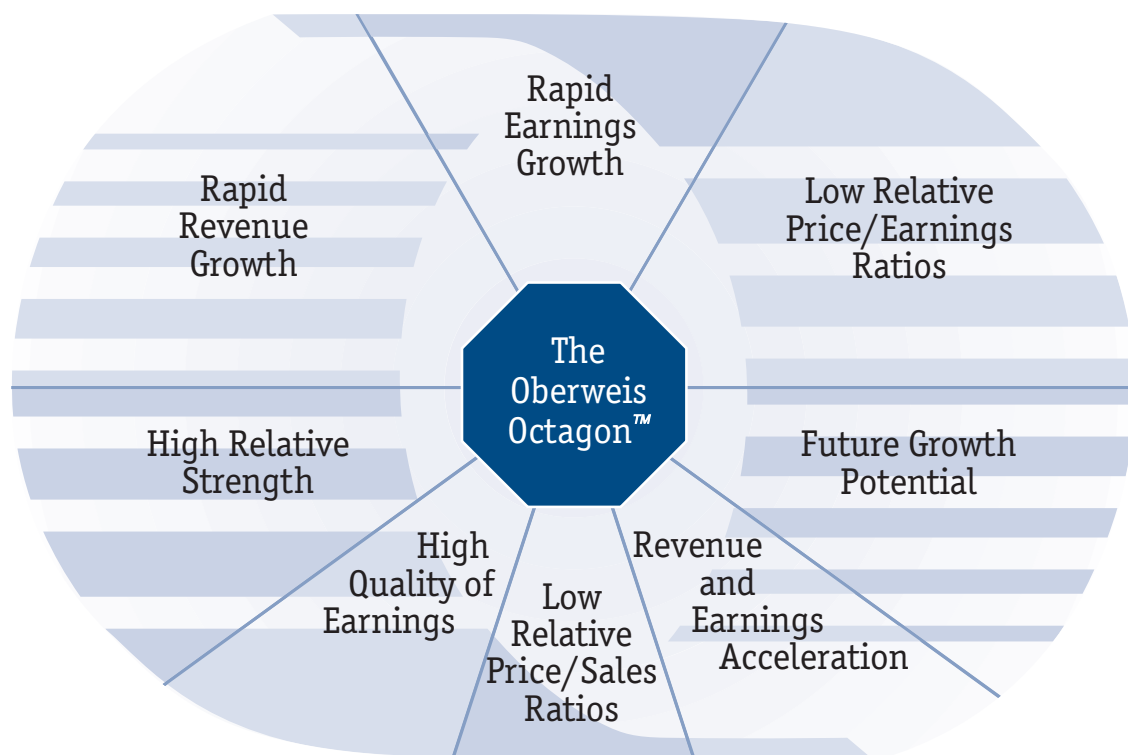


The Oberweis Octagon™

A unique blueprint for success

Our unique, highly disciplined investment approach includes a series of eight criteria to focus our research efforts. Beginning with a universe of approximately 14,000 companies, we select only those with the potential for exceptional growth. These companies must be profitable in the most recently reported quarter and have:

1. Revenue growth of 30% or more
2. Earnings growth of 30% or more
3. Price/earnings ratio less than half the company's rate of growth (12 month fwd P/E)
4. Products or services offering the potential for extraordinarily rapid and sustained growth
5. Ideally, the company should be experiencing revenue and earnings acceleration
6. Reasonable price/sales ratio
7. High quality of earnings
8. High relative strength





Oberweis Emerging Growth Fund Characteristics

(as of March 31, 2011)

Source: Baseline

Oberweis Emerging Growth Fund (OBEGX)

Number of Stocks	76
Weighted Market Capitalization (in millions)	\$1,648
Median Market Capitalization (in millions)	\$1,109
2011 Price to Earnings Ratio	23.0x
2012 Price to Earnings Ratio (estimated)	19.0x
Long-Term Future EPS Growth Rate (estimated)	22.0%
2011 P/E to Growth Rate Ratio	1.0x
2012 P/E to Growth Rate Ratio (estimated)	0.9x
Dividend Yield	0.1%
Price to Book Ratio	4.5x
Price to Cash Flow Ratio	19.1x
Price to Sales Ratio	2.36x
Long-Term Debt to Total Equity	11.0%
Return on Equity	19.0%
Net Profit Margin	10.7%
Cash Position	1.1%
Portfolio Turnover (2010)	102.3%



Oberweis Emerging Growth Fund Sector Weightings

(as of March 31, 2011)

Source: Baseline

Oberweis Emerging Growth Fund (OBEGX)

Consumer Discretionary	18.6%
Consumer Staples	2.8%
Energy	8.3%
Financial Services	1.4%
Health Care	14.4%
Materials & Processing	3.9%
Producer Durables	9.3%
Technology	40.1%
Utilities	0.0%
Cash	1.2%
Total	100.0%

Sector Weightings as a % of Total Net Assets



Company Name	Percentage	Line of Business
1. IMAX Corporation	5.2%	Designs, manufactures, and leases proprietary projection and sound systems for IMAX theaters
2. Acacia Research Corporation	4.0%	Develops, acquires, and licenses patented technologies
3. SXC Health Solutions Corp.	3.6%	Provides pharmacy benefit management services and healthcare IT solutions
4. MIPS Technologies, Inc.	2.9%	Designs high-performance processors and licenses related to intellectual property
5. LogMeIn, Inc.	2.5%	Offers remote connectivity services to computers for mobile professionals
6. Medidata Solutions	2.4%	Provides hosted clinical development software for healthcare companies engaged in clinical trials
7. OpenTable	2.4%	Operates an internet website where diners can make reservations at restaurants
8. Power-One	2.4%	Designs and manufactures power conversion products
9. American Superconductor	2.3%	Designs, develops manufactures & markets high temperature superconductor wires and power electronic converters
10. Aruba Networks, Inc.	2.3%	Provides enterprise mobility and secure connectivity solutions

Oberweis Emerging Growth Fund Ten Largest Equity Holdings

(as of December 31, 2010)

Source: Baseline

Top 10 Holdings as a % 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.

Oberweis Emerging Growth Fund Total Returns

(as of March 31, 2011)

	Quarter	Annualized			
		1-Year	3-Year	5-Year	10-Year
Oberweis Emerging Growth Fund (OBEGX)	13.89%	34.93%	10.15%	-1.08%	5.30%
Russell 2000 Growth Index	9.24%	31.04%	10.16%	4.34%	6.44%

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. Visit us online at oberweisfunds.com for most recent month-end performance. Foreign investments involve greater risks than U.S. investments, including political and economic risks and the risk of currency fluctuations.

The Russell 2000 Index measures the performance of approximately 2,000 companies with small-market capitalizations. 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. Each index is an unmanaged group of stocks, whose performance does not reflect the deduction of fees, expenses or taxes.

Before investing, consider the fund's investment objectives, risks, charges, and expenses. To obtain a copy of the prospectus please visit our website at oberweisfunds.com or call 800-323-6166. Read it carefully.

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



Growth of \$10,000 invested

1/7/87 (with income reinvested)

