

Dear Fellow Oberweis Funds Shareholder:

After a strong rebound in 2009, both U.S. and international equity markets retreated in the first half of 2010, with the S&P 500 Index returning -6.65%, the Russell 2000 Growth Index returning -2.31%, and the MSCI World ex-US Small-Cap Growth Index returning -5.67%. The MSCI Zhong Hua Small Cap Growth Index, which measures smaller Chinese equities, returned -6.75%. The MSCI AC Asia Pacific Ex-Japan Small Cap Growth Index returned -6.20%.

Among our U.S. funds, the Micro-Cap Fund returned -10.67%, the Emerging Growth Fund returned -0.99% and the Small-Cap Opportunities Fund returned -2.64%. For the international funds, the China Opportunities Fund returned -10.60%, the International Opportunities Fund returned -6.80%, and the Asia Opportunities Fund returned -7.63%.

Although equities did not fare particularly well in the first half, earnings for our portfolio companies were, on balance, considerably better than the same period last year. Despite strong earnings and positive anecdotal commentary from management teams regarding improving business conditions, investors in the second quarter increasingly began to fret over the possibility that the European sovereign debt crisis might have global repercussions. The Euro fell under severe pressure, depreciating 15% versus the U.S. dollar during the first half. As a result, investors increasingly shunned risk, pushing safe-haven assets higher. Gold rallied 13% and the yield on 10-year U.S. Treasury Notes fell below 3%.

In the wake of the fiscal debacle in Greece, many European countries have announced austerity programs aimed at reducing government deficits. Greece, Spain, Portugal and the United Kingdom have all announced such measures, including pay cuts and reductions in retirement benefits for public sector workers, and increased taxes. Even Germany, seemingly in the best fiscal shape in Europe, announced a program to cut more than 80 billion Euros from its budget over the next four years.

While this should help appease the fiscal vigilantes in the short-run, these austerity measures are likely to curtail European growth. It is premature at this point to speculate on the impact a weaker Europe will have on the global economy in general and the U.S. economy specifically, although the Fed already issued a preliminary warning in its statement on June 23: "Financial conditions have become less supportive of economic growth on balance, largely reflecting developments abroad." With May new home sales falling 33% from April (after the tax credit expired), and the Conference Board Consumer Confidence reading coming in below expectations at 52.9, the U.S. economy appears to have lost some momentum.

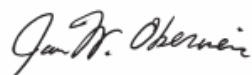
As troublesome as all these signposts might appear, investment prospects are not only based on fundamentals, but also on stock valuations. A compelling argument can be made that today's valuations, as measured by forward P/E estimates, already reflect muted investor expectations and anything better than those modest expectations could prove a catalyst to equities. Indeed, as measured by the average price/earnings ratios of the funds, valuations of the portfolios today are materially cheaper than last year. The differential in valuations between June 30, 2010 and June 30, 2009 was even a little surprising to me. The average forward P/E at the end of the first half was 14.3 times for Micro-Cap (versus 32.1 times last year), 16.5 times for Emerging Growth (versus 22.6 times last year), and 18.1 times for Small-Cap Opportunities (versus 24.0 times last year).

The average P/E was 17.3 times for China Opportunities (versus 21.1 times last year), 14.7 times for Asia Opportunities (versus 18.2 times last year) and 13.3 times for International Opportunities (versus 17.3 times last year). As of 6/30/10, the weighted average market capitalization was \$262 million for Micro-Cap, \$1.1 billion for Emerging Growth, \$1.1 billion for Small-Cap Opportunities, \$1.5 billion for China Opportunities, \$2.7 billion for Asia Opportunities, and \$2.0 billion for International Opportunities.

Our belief is that the next few years could be particularly advantageous for smaller cap companies likely to experience growth even if the broader economy stagnates. In addition to above-average earnings growth, we believe that investors will pay a premium P/E multiple to buy shares in high-growth, small-cap companies when growth is not easily found elsewhere. We believe that our portfolio of rapidly growing small-cap companies is well positioned to benefit during a period in which a sluggish economy puts growth at a premium.

As always, we would like to sincerely thank you for investing in The Oberweis Funds. For more information on all six of The Oberweis Funds, please call Shareholder Services at (800) 245-7311 or visit our website at www.oberweisfunds.com.

Sincerely,



James W. Oberweis, CFA
President & Portfolio Manager

Average Annual Total Returns Period Ending June 30, 2010	1 Year	5 Year	10 Year or Life of Fund*	Expense Ratio**
Micro-Cap Fund	14.83%	-3.86%	4.04%	1.89%
Emerging Growth Fund	26.02%	-4.73%	-2.37%	1.40%
Small-Cap Opportunities Fund	24.30%	-0.44%	-7.40%	2.00%
China Opportunities Fund	22.41%	N/A	19.13%	1.97%
International Opportunities Fund	22.22%	N/A	-5.12%	2.49%
Asia Opportunities Fund	19.03%	N/A	-11.84%	2.49%

*Life of Fund returns are from commencement of operations on 10/1/05 for the China Opportunities Fund, 02/01/07 for the International Opportunities Fund, and 02/01/08 for the Asia Opportunities Fund.

** Expense ratio is the total net annualized fund operating expense ratio as of 06/30/10. The expense ratio gross of any fee waivers or expense reimbursement was 1.89%, 1.40%, 2.55%, 1.97%, 2.92%, and 3.61% for the Micro-Cap, Emerging Growth, Small-Cap Opportunities, China Opportunities, International Opportunities and Asia Opportunities Fund's, respectively. 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 a 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.