



First Quarter 2011 Commentary

Micro-Cap Fund (OBMCX)

The Quarter in Review

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. The Russell Micro-Cap and Micro-Cap Growth indices returned 6.80% and 7.96%, respectively. The Oberweis Micro-Cap Fund returned 6.90%.

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 micro-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 only 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 17.1 times for Micro-Cap (versus 15.1 times on December 31, 2010 and 17.1 times on December 31, 2008). Notably, while P/E's have expanded modestly in the Small-Cap Fund, the Fund average P/E remains at the same level as in 2008. Somewhat unusually, the Fund currently trades at a discount to the Small-Cap Fund; this stands in stark contrast to a year ago, when Micro-Cap traded for a premium relative to the other Oberweis Funds. In general, our experience has been that the upside opportunity has been above-average when the beginning period valuation has been below-average.

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 not seen 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 micro-cap and small-cap growth stocks still remain undervalued.

Organization Update

There was no change in OAM's Micro-Cap Growth Equity team.

Oberweis Asset Management's Investment Philosophy

We believe that investing in rapidly growing small and micro 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

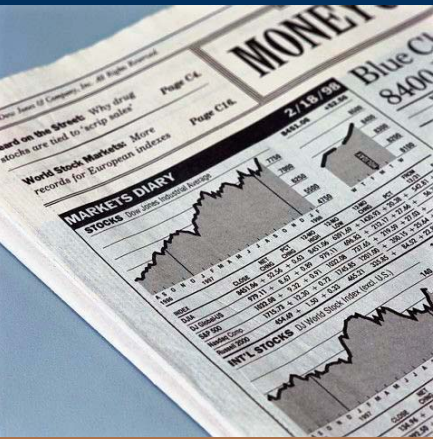


Oberweis Micro-Cap Fund (OBMCX)

First Quarter 2011

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

Oberweis Asset Management, Inc.



Key Benefits

The Micro-Cap Fund invests at least 80% of its net assets in the securities of very small companies with a market capitalization of \$400 million or less at the time of investment in an effort to capture the exceptional growth potential of emerging companies in the most dynamic phase of their development.

The key benefits of the Micro-Cap Fund are:

- Access to the least efficient segment of the equity market
- Potential for significant alpha over a full market cycle
- Disciplined and repeatable investment process
- Fundamental research process specifically designed to uncover micro-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.

For more information please contact Brian Lee at:

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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

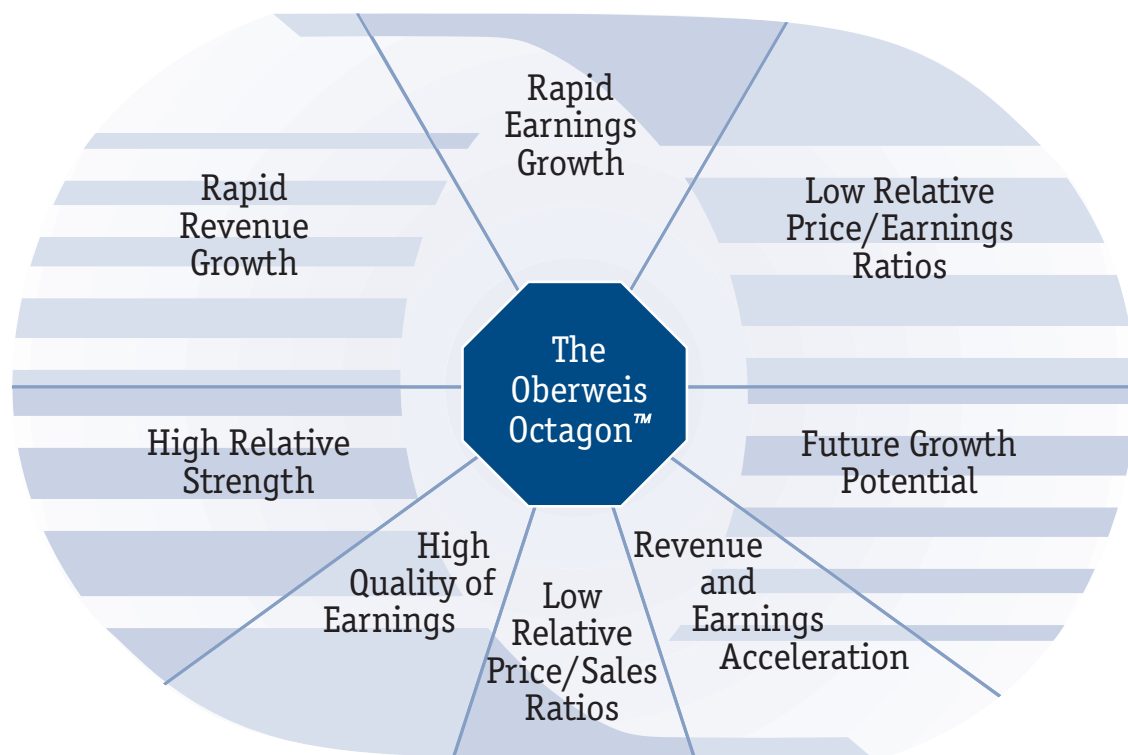


The Oberweis Octagon™

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 Micro-Cap Fund Characteristics

(as of March 31, 2011)

Source: Baseline

| | Oberweis Micro-Cap Fund (OBMCX) |
|--|---------------------------------|
| Number of Stocks | 100 |
| Weighted Market Capitalization (in millions) | \$400 |
| Median Market Capitalization (in millions) | \$240 |
| 2011 Price to Earnings Ratio | 17.2x |
| 2012 Price to Earnings Ratio (estimated) | 13.0x |
| Long-Term Future EPS Growth Rate (estimated) | 21.0% |
| 2011 P/E to Growth Rate Ratio | 0.8x |
| 2012 P/E to Growth Rate Ratio (estimated) | 0.6x |
| Dividend Yield | 0.2% |
| Price to Book Ratio | 2.8x |
| Price to Cash Flow Ratio | 16.1x |
| Price to Sales Ratio | 2.49x |
| Long-Term Debt to Total Equity | 11.0% |
| Return on Equity | 13.2% |
| Net Profit Margin | 4.6% |
| Cash Position | 0.0% |
| Portfolio Turnover (2010) | 85.4% |



Oberweis Micro-Cap Fund Sector Weightings

(as of March 31, 2011)

Source: Baseline

| | Oberweis Micro-Cap Fund (OBMCX) |
|------------------------|---------------------------------|
| Consumer Discretionary | 12.8% |
| Consumer Staples | 1.3% |
| Energy | 6.0% |
| Financial Services | 5.2% |
| Health Care | 14.9% |
| Materials & Processing | 5.6% |
| Producer Durables | 14.2% |
| Technology | 37.4% |
| Utilities | 2.6% |
| Cash | 0.0% |
| Total | 100.0% |

Sector Weightings as a % of Total Net Assets



Oberweis Micro-Cap Fund Ten Largest Equity Holdings

(as of December 31, 2010)

Source: Baseline

| Company Name | Percentage | Line of Business |
|----------------------------------|------------|--|
| 1. Acacia Research Corporation | 5.9% | Develops, acquires, and licenses patented technologies |
| 2. G-III Apparel Group | 3.8% | Designs and markets outerwear, sportswear, and dresses |
| 3. Amerigon, Inc. | 3.2% | Develops high-technology products for automotive OEM's |
| 4. Entropic Communications, Inc. | 2.8% | Leading fabless semiconductor company that develops and markets solutions to enable connected home entertainment |
| 5. KEMET Corporation | 2.7% | Global manufacturer of a variety of capacitors |
| 6. Herley Industries, Inc. | 2.6% | Provides microwave components and systems used in defense, aerospace, and commercial industries |
| 7. Medidata Solutions | 2.4% | Provides hosted clinical development software for healthcare companies engaged in clinical trials |
| 8. KVH Industries, Inc. | 2.4% | Manufactures mobile satellite communication and navigation systems |
| 9. GeoResources, Inc. | 2.4% | Explores for and produces oil and gas |
| 10. Nanometrics Incorporated | 2.2% | Manufactures film thickness and overlay metrology systems for integrated circuit and flat panel displays |

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 Micro-Cap Fund Total Returns

(as of March 31, 2011)

| | Quarter | Annualized | | | |
|---------------------------------|---------|------------|--------|--------|---------|
| | | 1-Year | 3-Year | 5-Year | 10-Year |
| Oberweis Micro-Cap Fund (OBMCX) | 6.90% | 24.00% | 6.49% | -1.82% | 9.62% |
| Russell 2000 Growth Index | 9.24% | 31.04% | 10.16% | 4.34% | 6.44% |
| Russell Microcap Growth Index | 7.96% | 31.33% | 9.06% | 0.41% | 6.01% |

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.

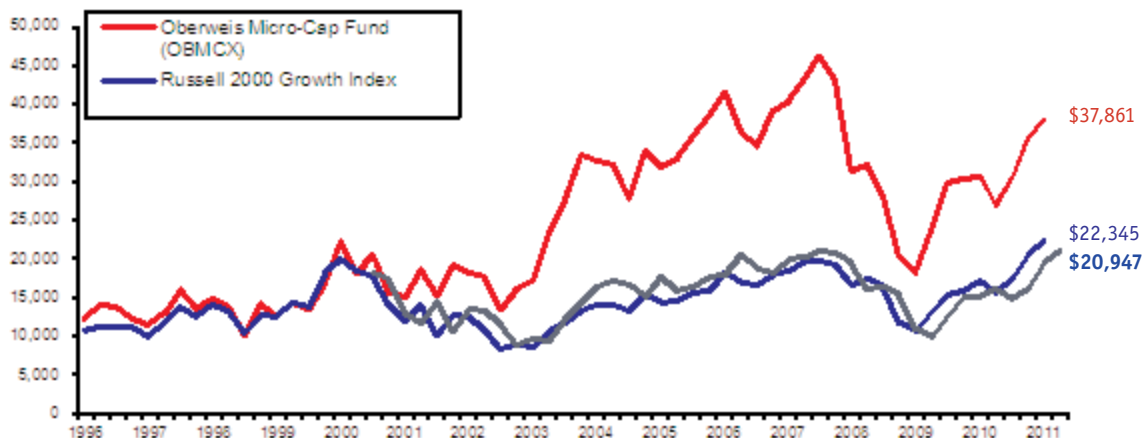
The Russell 2000 Index measures the performance of approximately 2,000 companies with small-market capitalizations. The Russell 2000 Growth Index measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted earnings growth rates. Each index is an unmanaged group of stocks, whose performance does not reflect the deduction of fees, expenses or taxes. Russell Microcap Growth Index measures the performance of those Russell Micro Cap companies with higher price-to-book ratios and higher forecasted growth values. The performance data includes reinvested dividends. The Russell Microcap Index is represented by the smallest 1,000 securities in the small cap Russell 2000 Index plus the next 1,000 securities.

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.



Growth of \$10,000 invested

1/1/96 (with income reinvested)



The Russell Microcap Growth Index began on 7/3/00, and the line graph for the Index begins at the same value as the Fund on that date.