

**PORTFOLIO MANAGER**

**John O. Barr**

Manager since 1/2010

**Education:**  
 Colgate University  
 Harvard Business School

**Experience:**

**1980 - 1995:** Technology industry experience  
**1995 - 2000:** Needham & Company, LLC  
**2000 - 2002:** Robertson Stephens & Co.  
**2002 - 2008:** Buckingham Capital Management, Inc.  
**2008 - 2009:** Oliver Investment Management, LLC  
**2009 - PRESENT:** Needham Investment Management, LLC

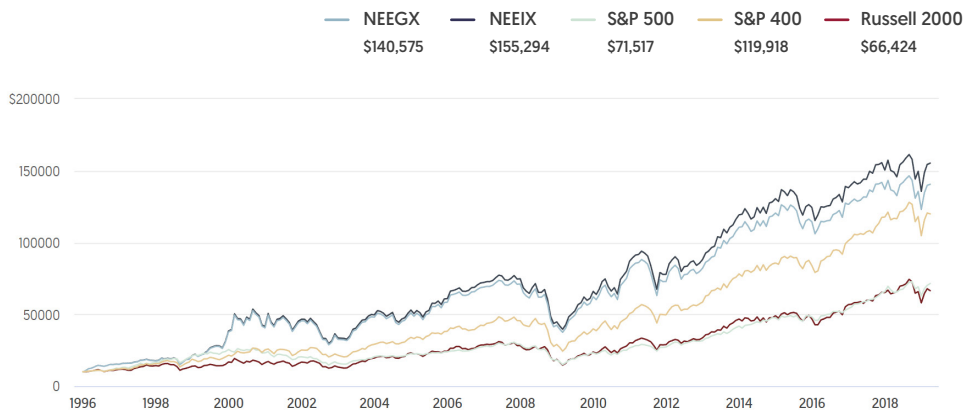

**Chris Retzler**

Manager since 1/2009

**Education:**  
 Bucknell University  
 Fulbright Scholar  
 Columbia Business School

**Experience:**

**1994 - 2002:** Merrill Lynch Investment Banking  
**2002 - 2005:** Winterkorn Orthopedic  
**2005 - PRESENT:** Needham Investment Management, LLC

**GROWTH OF \$10,000 INVESTMENT AS OF MARCH 31, 2019**


The chart illustrates the performance of a hypothetical \$10,000 investment made in the Fund since the Fund's inception. Assumes reinvestment of dividends and capital gains, but does not reflect the effect of any redemption fees. This chart does not imply any future performance.

**DEFINITIONS**

**ACTIVE SHARE:** Represents the proportion of portfolio holdings that differ from those in the benchmark index.

**ALPHA:** Measures the difference between the Fund's actual returns and its benchmark, given its level of risk as measured by beta. The difference is expressed as an annual percentage.

**BETA:** Measures the volatility of the fund, as compared to that of the overall market.

**MAXIMUM DRAWDOWN:** Measures the largest single drop from peak to trough in the value of a portfolio (before a new peak is achieved).

**DOWNSIDE CAPTURE RATIO:** Measures a fund's performance versus a benchmark during periods where the benchmark had a negative return.

**FUND HIGHLIGHTS**

- Seeks to create long-term, tax-efficient capital appreciation
- Focus on domestic growth equities in sectors including technology, healthcare, energy, specialty retail, media and business and consumer services
- Sound valuation discipline of buying growth companies at a reasonable price
- Seeks to invest in companies with focused, incentivized management teams
- Seeks investments with unrecognized product or operating margin expansion opportunities
- The Fund may engage in short sales and hold cash
- Invests in venture-backed post-IPO opportunities

| RISK/REWARD METRICS*   | FUND   | S&P 500 |
|------------------------|--------|---------|
| Average Annual Return  | 12.04  | 8.83    |
| Active Share           | 107.5  | 0.00    |
| Alpha                  | 3.25   | 0.00    |
| Beta                   | 1.07   | 1.00    |
| Maximum Drawdown       | -49.15 | -50.95  |
| Downside Capture Ratio | 103.98 | 100.00  |
| Standard Deviation     | 21.28  | 14.84   |
| R-Squared              | 55.36  | 100.00  |
| Sharpe Ratio           | 0.44   | 0.44    |

\*Risk/Reward metrics based on the Fund's retail share class. Metrics are since inception of the Fund, 1/1/96 to 3/31/19. Active Share is as of 3/31/19.

| TOP TEN HOLDINGS               | % OF NET ASSETS |
|--------------------------------|-----------------|
| Thermo Fisher Scientific, Inc. | 9.45%           |
| PDF Solutions, Inc.            | 6.71%           |
| CarMax, Inc.                   | 6.50%           |
| Gilead Sciences, Inc.          | 6.13%           |
| Becton Dickinson and Co.       | 5.47%           |
| KVH Industries, Inc.           | 5.40%           |
| Entegris, Inc.                 | 5.32%           |
| Comcast Corp. Class A          | 5.04%           |
| Amber Road, Inc.               | 4.23%           |
| FormFactor, Inc.               | 4.14%           |
| <b>Total</b>                   | <b>58.39%</b>   |

| MARKET CAPITALIZATION EXPOSURE |        |
|--------------------------------|--------|
| >\$8 billion                   | 41.06% |
| \$2-8 billion                  | 20.54% |
| \$250 million- \$2 billion     | 25.83% |
| <\$250 million                 | 12.57% |

| FUND STATISTICS            |              |
|----------------------------|--------------|
| Net Assets                 | \$91 million |
| 12-month Trailing Turnover | 7%           |

| CLASS STATISTICS              | RETAIL                  | INSTITUTIONAL |
|-------------------------------|-------------------------|---------------|
| Share Class                   | No-Load                 | No-Load       |
| NASDAQ Symbol                 | NEEGX                   | NEEIX         |
| NAV                           | \$37.77                 | \$38.29       |
| Minimum Initial Investment    | \$2,000/\$1,000 for IRA | \$100,000     |
| Minimum Subsequent Investment | \$100/No min for IRA    | None          |
| 12b-1 Fees                    | 0.25%                   | None          |
| Gross Expense Ratio           | 2.34%                   | 2.15%         |
| Net Expense Ratio*            | 2.34%                   | 1.90%         |
| Inception Date                | 1/1/1996                | 12/30/2016    |

\*Reflects a contractual agreement by the Fund's investment adviser to waive its fee and/or reimburse the Fund through May 1, 2019 to the extent the Gross Expense Ratio exceeds 1.95% and 1.40% of the average daily net assets of Retail Class Shares and Institutional Class Shares (Expense Cap). The Expense Cap excludes taxes, interest, brokerage, dividends on short positions, fees and expenses of "acquired funds," extraordinary items and shareholder redemption fees but includes the management fee.

**AVERAGE ANNUAL RETURNS AS OF 3/31/19**

|  | 3 MO   | YTD    | 1YR   | 3YR    | 5YR    | 10YR   | SINCE INCEPT. |
|--|--------|--------|-------|--------|--------|--------|---------------|
| Needham Growth Fund Inst Class**             | 14.47% | 14.47% | 4.16% | 7.53%  | 5.22%  | 13.77% | 12.52%        |
| After Taxes on Distributions                 | 14.47% | 14.47% | 0.68% | 5.23%  | 3.24%  | 12.43% | 11.15%        |
| After Taxes on Distributions & Redemptions   | 8.57%  | 8.57%  | 4.68% | 5.73%  | 3.92%  | 11.51% | 10.70%        |
| Needham Growth Fund Retail Class             | 14.28% | 14.28% | 3.59% | 7.00%  | 4.73%  | 13.27% | 12.04%        |
| After Taxes on Distributions                 | 14.28% | 14.28% | 0.10% | 4.70%  | 2.75%  | 11.93% | 10.67%        |
| After Taxes on Distributions and Redemptions | 8.45%  | 8.45%  | 4.36% | 5.32%  | 3.55%  | 11.08% | 10.26%        |
| S&P 500 Index                                | 13.65% | 13.65% | 9.50% | 13.51% | 10.91% | 15.92% | 8.83%         |
| S&P 400 Index                                | 14.49% | 14.49% | 2.59% | 11.24% | 8.29%  | 16.28% | 11.28%        |
| Russell 2000 Index                           | 14.58% | 14.58% | 2.05% | 12.92% | 7.05%  | 15.36% | 8.49%         |

The Needham Growth Fund inception date is 1/1/96. Performance data quoted represents past performance and does not guarantee future results. Figures include changes in principal value, reinvested dividends and capital gains distributions. Investment return and principal value will vary, and shares may be worth more or less at redemption than at original purchase. Current performance may be lower or higher than the performance data quoted. Please visit [www.needhamfunds.com](http://www.needhamfunds.com) or call 1-800-625-7071 for the most current month-end performance data.

\*\*Performance for any periods prior to the inception date of Institutional Class Shares are based on the historical performance of the Retail Class Shares adjusted to assume the expenses associated with Institutional Class Shares.

**INDUSTRY WEIGHTINGS\*\*\***

| SECTOR  | LONG          | (SHORT)      | NET           |
|---|---------------|--------------|---------------|
| Airlines  | 0.3%          | 0.0%         | 0.3%          |
| Biotechnology   | 6.5%          | 0.0%         | 6.5%          |
| Building Products   | 0.7%          | 0.0%         | 0.7%          |
| Capital Markets   | 1.1%          | 0.0%         | 1.1%          |
| Commercial Services & Supplies                                      | 0.1%          | 0.0%         | 0.1%          |
| Communications Equipment  | 7.6%          | -4.8%        | 2.8%          |
| Consumer Finance  | 0.0%          | -1.1%        | -1.1%         |
| Electrical Equipment/Electronic Equipment, Instruments & Components | 6.6%          | 0.0%         | 6.6%          |
| Energy Equipment & Services   | 1.9%          | 0.0%         | 1.9%          |
| Entertainment   | 1.0%          | 0.0%         | 1.0%          |
| Health Care Equipment & Supplies/Health Care Providers & Services   | 9.8%          | 0.0%         | 9.8%          |
| Household Products  | 0.6%          | 0.0%         | 0.6%          |
| Industrial Conglomerates  | 0.5%          | 0.0%         | 0.5%          |
| IT Services   | 2.8%          | 0.0%         | 2.8%          |
| Life Sciences Tools & Services                                      | 10.0%         | 0.0%         | 10.0%         |
| Machinery   | 0.3%          | 0.0%         | 0.3%          |
| Media   | 5.3%          | 0.0%         | 5.3%          |
| Oil, Gas & Consumable Fuels   | 0.4%          | 0.0%         | 0.4%          |
| Semiconductors & Semiconductor Equipment                            | 24.8%         | 0.0%         | 24.8%         |
| Software  | 10.1%         | 0.0%         | 10.1%         |
| Specialty Retail  | 6.8%          | 0.0%         | 6.8%          |
| Technology Hardware, Storage & Peripherals                          | 6.3%          | 0.0%         | 6.3%          |
| Trading Companies & Distributors                                    | 2.0%          | 0.0%         | 2.0%          |
| Cash  | 0.4%          | 0.0%         | 0.4%          |
| <b>Total</b>  | <b>105.9%</b> | <b>-5.9%</b> | <b>100.0%</b> |

**DEFINITIONS AND DISCLOSURES**

This report is not an offer of the Needham Growth Fund. Shares are sold only through the currently effective prospectus, which must precede or accompany this report. To obtain a copy of the Fund's current prospectus, please visit [www.needhamfunds.com](http://www.needhamfunds.com) or contact the Fund's transfer agent, U.S. Bancorp Fund Services, LLC at 1-800-625-7071. Funds holding smaller capitalized companies are subject to greater price fluctuation than those of larger companies. Total return figures include reinvestment of all dividends and capital gains

*Please read the prospectus or summary prospectus and consider the investment objectives, risks, and charges and expenses of the Fund carefully before you invest. The prospectus and summary prospectus contain this and other information about the Fund. Short sales present the risk that the price of the security sold short will increase in value between the time of the short sale and the time the Fund must purchase the security to return it to the lender. The Fund may not be able to close a short position at a favorable price or time and the loss of value on a short sale is potentially unlimited. Investment returns and principal value will fluctuate, and when redeemed, shares may be worth more or less than their original cost. The results contained in this report represent past performance of the Fund. Past performance does not guarantee future results and current performance may be higher or lower than these results*

\*\*\*Percentage of total investments as of 3/31/19, which means all stocks held long plus cash minus all short positions.

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