

Perritt Funds

MicroCap Opportunities Fund

Ultra MicroCap Fund

Low Priced Stock Fund



Semi-Annual Report
April 30, 2014
(Unaudited)

Perritt Funds

The PERRITT MICROCAP OPPORTUNITIES FUND will, under normal circumstances, invest at least 80% of its net assets in a diversified portfolio of common stocks of United States companies that at the time of initial purchase have a market capitalization (equity market value) that is below \$500 million (referred to as “microcap” companies). The Fund seeks to invest in microcap companies that have demonstrated above-average growth in revenues and/or earnings, possess relatively low levels of long-term debt, have a high percentage of their shares owned by company management, and possess modest price-to-sales ratios and price-to-earnings ratios that are below their long-term annual growth rate. At times, the Fund may also invest in “special situations” such as companies that possess valuable patents, companies undergoing restructuring, and companies involved in large share repurchase programs. Investors should expect the Fund to contain a mix of both value-priced and growth stocks.

The PERRITT ULTRA MICROCAP FUND will, under normal circumstances, invest at least 80% of its net assets in a diversified portfolio of common stocks of United States companies that at the time of initial purchase have a market capitalization (equity market value) that is below \$300 million (referred to as “microcap” companies). The Fund seeks to invest in microcap companies that have a high percentage of their shares owned by company management, possess relatively low levels of long-term debt, have a potential for above average growth in revenues and/or earnings, and possess reasonable valuations based on the ratios of price-to-sales, price-to-earnings, and price-to-book values. The microcap companies in which the Fund may invest include “early stage” companies, which are companies that are in a relatively early stage of development with market capitalizations that are below \$50 million. At times, the Fund may also invest in unseasoned companies, companies that are undergoing corporate restructuring, initial public offerings, and companies believed to possess undervalued assets.

The PERRITT LOW PRICED STOCK FUND will, under normal circumstances, invest at least 80% of its net assets in a diversified portfolio of low priced common stocks of United States companies that at the time of initial purchase have a market capitalization (equity market value) that is below \$3 billion. Low priced stocks are those that are trading at or below \$15 per share at the time of initial purchase. Subsequent to the initial purchase, the Fund may purchase such securities at a price above \$15 per share. The Fund’s strategy is based on the premise that low priced stocks offer growth potential because these stocks have limited broker research coverage, the companies’ prospects are misunderstood by most investors, and some investors mistakenly believe stocks trading below \$15 per share are more “speculative” than those trading at higher levels and therefore avoid low priced stocks. The Fund will invest in “growth” stocks, “value” stocks, or a combination of both. Given the market capitalization restrictions, the Fund will normally invest in securities issued by small-cap companies, including some microcap companies. However, microcap companies will only make up a small portion of the Fund’s portfolio. Microcap companies represent the smallest sector of public companies based on market capitalization. At times, the Fund’s portfolio may contain the shares of unseasoned companies, companies that are undergoing corporate restructuring, initial public offerings, and companies believed to possess undervalued assets.

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Portfolio Managers' Message



*Michael Corbett,
Lead Portfolio Manager
Since 1999*



*George Metrou,
Co-Portfolio Manager
Since 2014*

The Perritt MicroCap Opportunities Fund posted a 6.08 percent gain during the past six months ended April 30, 2014, which compares favorably to the 3.08 percent gain for the benchmark Russell 2000 Index and the 5.10 percent gain for the Russell MicroCap Index. The Fund's longer-term performance results, as well as the benchmark's performance for the Russell 2000 Index and the Russell Microcap Index, can be found on page 7 of this report. As previously mentioned in other reports, we are proud to be among a limited group of mutual funds, not to mention one of the only micro-cap funds, to have achieved such a long-term track record.

The Fund's strong relative performance during the past six months is directly attributed to stock selection. For example, Hill International (HIL) gained 95 percent during the past six months, and contributed nearly one percent to the Fund's total return. Motorcar Parts of American (MPAA) gained more than 100 percent during the past six months, and contributed more than one percent to the Fund's total return. Each of these companies has experienced nice improvement in their respective businesses. As we have often said, we build the Fund's portfolio from the bottom up, so stock selection is very important to us. However, stocks don't always contribute each and every quarter. For example, Barrett Business

Services (BBSI) has been one of the largest contributors to the Fund's performance during the past couple years, but it was the worst detractor from the portfolio last quarter. Barrett stock declined nearly 40 percent, and detracted 0.52 percent from the Fund's performance in the past six months. While we took profits when the stock was at higher levels, we did not sell the entire position. Our recent visit with management and review of recent results gives us increased confidence in the company's long-term merits. As a result, we may be buying back those shares we sold at higher levels.

While our overall stock selection was a strong contributor to the Fund's performance, our attribution analysis also shows us that the stock selection within financial services was strong, too. However, we only had one company, United Insurance Holdings (UIHC), which was in the top 10 of contributors to the Fund's performance. On average, the majority of the companies we own within the financial services performed well, but not enough to contribute on an individual basis.

During the past six months, we liquidated 17 companies from the portfolio. We sold four companies because they received buy offers: AT Cross (ATX), Official Payment (OPAY), Nicholas Financial (NICK) and Vitran (VTNC). Two companies were sold from the portfolio because they became large companies: Hornbeck Offshore (HOS) and Rush Enterprises, Inc. (RUSHB). Both of these companies contributed significantly to the Fund's performance. Since the Fund's initial purchase, Hornbeck Offshore appreciated 181 percent and Rush Enterprises gained by 350 percent. We also sold five companies from the portfolio due to lofty valuation levels: Anika Therapeutics (ANIK), MagicJack (CALL), Insteel (IIN), Virtusa (VRTU) and Endeavour Silver (EXK).

Perritt MicroCap Opportunities Fund

The remaining six issues were sold due to reporting disappointing operating results.

As of April 30, 2014, the Fund's portfolio contained the common stocks of 119 companies, 16 of which were added during the past six months. The Fund's 10 largest holdings and detailed descriptions can be found on page 8 of this report. Based on our earnings estimate, the Fund's portfolio is trading at approximately 18.5 times 2014 earnings. Stocks in the portfolio are priced at a median 0.95 times revenue and the median market capitalization is approximately \$281 million. Finally, the median stock in the Fund is trading at 1.5 times book value.

I would like to welcome George Metrou as my co-portfolio manager for the Perritt MicroCap Opportunities Fund. As an analyst and Director of Research, George has already contributed significantly to the

Fund's success. As co-portfolio manager, his new duties have been expanded to include overseeing the Fund's daily operations and helping me with final investment decisions.

I want to thank my fellow shareholders for their continued support and confidence in the Perritt Capital Management team. We remain dedicated to investing in quality micro-cap companies at attractive valuations. If you have any questions or comments about this report or your investment in the Perritt MicroCap Opportunities Fund, please call us toll-free at (800)331-8936 or visit our web site at www.perrittcap.com. Please refer to the prospectus for information about the Fund's investment objectives and strategies.



Michael Corbett
President and
Portfolio Manager



George Metrou
Portfolio Manager

Perritt MicroCap Opportunities Fund

Russell 2000 Index An index measuring the performance of approximately 2,000 small-cap companies in the Russell 3000 Index, which is made up of 3,000 of the biggest U.S. stocks. The Russell 2000 serves as a benchmark for small-cap stocks in the United States.

Russell Micocap Index A capitalization weighted index of 2,000 small-cap and micro-cap stocks that captures the smallest 1,000 companies in the Russell 2000, plus 1,000 smaller U.S.-based listed stocks. The broad index is designed to present an unbiased collection of the smallest tradable securities that still meet exchange listing requirements, so over-the-counter (OTC) stocks and pink sheet securities are excluded. The Russell Microcap Index is recalculated annually to prevent growing stocks from distorting index performance, and to include new entrants.

One cannot invest directly in an index

Book Value The value at which an asset is carried on a balance sheet. To calculate, take the cost of an asset minus the accumulated depreciation.

Past performance is not a guarantee of future results. Mutual fund investing involves risk. Principal loss is possible. The Funds invest in smaller companies, which involve additional risks such as limited liquidity and greater volatility than larger companies. The Funds invest in micro-cap companies which tend to perform poorly during times of economic stress.

The information provided herein represents the opinion of Perritt Capital Management and is not intended to be a forecast of future events, a guarantee of future results, nor investment advice.

Fund holdings and sector allocations are subject to change and should not be considered a recommendation to buy or sell any security.

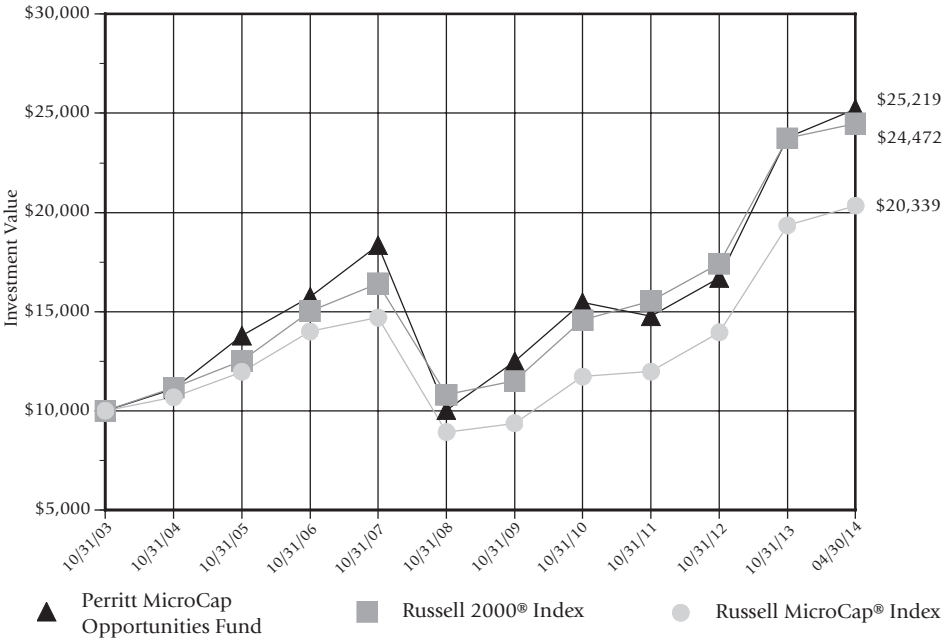
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Perritt MicroCap Opportunities Fund

Performance* (Unaudited)

April 30, 2014

Perritt MicroCap Opportunities Fund versus Russell 2000® Index and Russell MicroCap® Index



There are several ways to evaluate a fund's historical performance. You can look at the total percentage change in value, the average annual percentage change, or the growth of a hypothetical \$10,000 investment. Each performance figure includes changes in a fund's share price, plus reinvestment of any dividends (or income) and capital gains (the profits the fund earns when it sells stocks that have grown in value).

Cumulative total returns reflect the Fund's actual performance over a set period. For example, if you invested \$1,000 in a fund that had a 5% return over one year, you would end up with \$1,050. You can compare the Fund's returns to the Russell 2000® Index, which reflects a popular measure of the stock performance of small companies, and the Russell MicroCap® Index, which measures the performance of the micro-cap segment of the U.S. equity market.

Average annual total returns take the Fund's actual (or cumulative) return and show you what would have happened if the Fund had performed at a constant rate each year.

* The graph illustrates the performance of a hypothetical \$10,000 investment made in the Fund 10 years ago. Assumes reinvestment of dividends and capital gains, but does not reflect the effect of any applicable sales charge or redemption fees or the deduction of taxes that a shareholder would pay on the Fund's distributions or the redemption of the Fund shares. The graph does not imply any future performance.

Perritt MicroCap Opportunities Fund

Performance* (Unaudited) (Continued)

April 30, 2014

Cumulative Total Returns**

Periods ended April 30, 2014 (Unaudited)

	Past 6 Months	Past 1 Year	Past 3 Years	Past 5 Years	Past 10 Years	Past 15 Years	Past 25 Years
Perritt Microcap Opportunities Fund	6.08%	29.42%	36.35%	155.13%	128.21%	472.97%	1,036.49%
Russell 2000 Index (reflects no deduction for fees and expenses)	3.08%	20.50%	35.79%	147.16%	129.70%	217.19%	880.40%
Russell Microcap Index (reflects no deduction for fees and expenses)	5.10%	25.50%	41.50%	156.30%	89.18%	N/A	N/A

Average Annual Total Returns**

Periods ended April 30, 2014 (Unaudited)

	Past 1 Year	Past 3 Years	Past 5 Years	Past 10 Years	Past 15 Years	Past 25 Years
Perritt Microcap Opportunities Fund	29.42%	10.89%	20.60%	8.60%	12.34%	10.21%
Russell 2000 Index (reflects no deduction for fees and expenses)	20.50%	10.74%	19.84%	8.67%	8.00%	9.56%
Russell Microcap Index (reflects no deduction for fees and expenses)	25.50%	12.27%	20.71%	6.58%	N/A	N/A

The Perritt MicroCap Opportunities Fund's annualized expense ratio for the period ended February 28, 2014, as stated in the statutory prospectus, was 1.24%. The Fund imposes a 2% redemption fee on shares held for 90 days or less. Performance data does not reflect the redemption fee. If reflected, total returns would be reduced.

Performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the Fund may be lower or higher than the performance quoted. Performance data current to the most recent month end is available by calling 800-331-8936.

**The tables do not reflect the deduction of taxes that a shareholder would pay on the Fund's distributions or the redemption of Fund shares.

Ten Largest Common Stock Holdings (Unaudited)

Hill International, Inc. (HIL) provides management and consulting services to transportation, environmental, energy and industrial markets. Clients include the United States and other national governments, foreign governments, and the private sector. Hill specifically focuses on two segments, Project Management and Construction Claims. The Project Management services provide a variety of construction management services and the Construction Claims advises clients to assist them in preventing or resolving claims and disputes.

Motorcar Parts of America, Inc. (MPAA) manufactures and distributes aftermarket automobile parts. It offers alternators, starters & wheel hub assembly products for import and domestic cars, light trucks, heavy duty, agriculture & industrial applications. The company sells its products through auto parts retail, warehouse chains & manufactures aftermarket programs under private label & their own name brands.

VASCO Data Security International, Inc. (VDSI) provides security software and services by designing, developing and marketing security systems worldwide. VDSI retails its security systems through its direct sales force, distributors, resellers and systems integrators. VDSI's strategy is to expand its markets and offering additional products and services to the financial services sector.

Atlas Financial Holdings, Inc. (AFH) engages in the underwriting of commercial automobile insurance policies, focusing on the 'light' commercial automobile sector. This sector includes taxi cabs, non-emergency para-transit, and limousine, livery and business auto.

Matrix Service Company (MTRX) provides engineering, fabrication, infrastructure, construction, and maintenance services primarily to the oil, gas, power,

petrochemical, industrial, mining, and minerals markets. Clients are located in the United States and Canada.

Oppenheimer Holdings, Inc. (OPY) delivers to the securities industry including retail securities brokerage, institutional sales and trading, investment banking, research, market-making, trust services and investment advisory and asset management services. It serves high-net-worth individuals, corporate executives, small and mid-sized businesses, endowments and foundations, institutions, and trusts globally.

John B. Sanfilippo & Son, Inc. (JBSS) engages in the processing and marketing of tree nuts and peanuts in the United States. It offers raw and processed nuts, including peanuts, almonds, Brazil nuts, pecans, pistachios, filberts, cashews, English walnuts, black walnuts, pine nuts, and macadamia nuts. The company provides its products under various private labels, as well as under the Fisher, Orchard Valley Harvest, and Sunshine Country brand names.

PHI, Inc. (PHIIK) provides helicopter transportation services for companies, hospitals, government agencies and other affiliated facilities with the oil and gas exploration, development, and production industry. PHIIK primarily operates in North America, West Africa and the Middle East. The company operates in three business segments: Oil and Gas, Air Medical, and Technical Services.

VAALCO Energy, Inc. (EGY) is an independent energy company that engages in acquisitions, exploration, development, and production of crude oil and natural gas. VAALCO's strategy is to pursue selective opportunities with a focus on West Africa. They currently operate as part of an international consortium in the Gabonese Republic with further exploration programs in Angola & Equatorial Guinea.

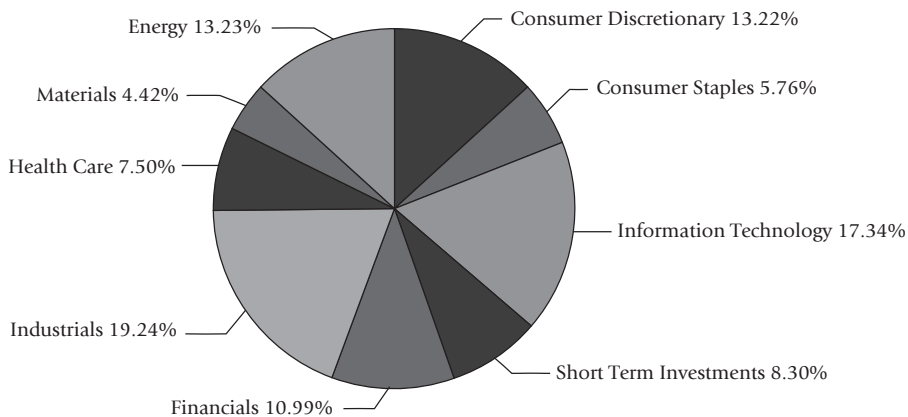
Perritt MicroCap Opportunities Fund

Ten Largest Common Stock Holdings (Unaudited) (Continued)

Orchids Paper Products Company (TIS) manufactures tissue products serving the private label, or 'at-home' market. Its products include bathroom tissue, paper towels, and paper napkins. It serves dollar stores, discount retailers, grocery stores, grocery wholesalers and co-operatives, and convenience stores primarily in Texas, Oklahoma, Kansas, Missouri, Arkansas, Nebraska, and Iowa.

Fund holdings and/or sector allocations are subject to change at any time and are not recommendations to buy or sell any security. Please refer to the Schedule of Investments in this report for a complete list of Fund holdings.

Allocation of Portfolio Investments (Unaudited) April 30, 2014



The sector classifications represented in the graph above and industry classifications represented in the Schedule of Investments are in accordance with Global Industry Classification Standard (GICS®), which was developed by and/or is the exclusive property of MSCI, Inc. and Standard & Poor Financial Services LLC. Percentages are based on total investments, at value.

Portfolio Managers' Message



*Michael Corbett,
Lead Portfolio Manager
Since 2004*



*Matthew Brackmann,
Co-Portfolio Manager
Since 2014*

The Perritt Ultra MicroCap Fund posted a 12.21 percent gain in the first six months of fiscal 2014, ended April 30, 2014 which compares very favorably to the 3.08 percent gain for the Russell 2000 Index and the 5.10 percent gain for the Russell MicroCap Index. The complete performance results for the Fund and its benchmark can be viewed on page 13.

An examination of our internal attribution report gives us some interesting insight into the past performance for the Ultra MicroCap Fund, and why the Fund performed so well during the past six months. First, our selections within consumer staples, financial services, and technology performed significantly better than those in the Russell MicroCap Index. The group of stocks within the Fund's portfolio for financial services and technology each outperformed the stocks within the Index by more than 16 percentage points. The Fund's consumer staple stock outperformed the consumer staple stocks in the Russell MicroCap Index by 33 percent. This strong performance within consumer staples is directly related to Primo Water (PRMW), which was up 80.3 percent in the past six months, and Liberator Medical Holdings (LBMH), which was up 70.8 percent during the past six months. Overall, we had strong stock selection across the entire portfolio.

In fact, a little more than half of the Fund's performance during the past six months can be attributed to stock selection. The largest gainer in the past six months was Vertex Energy (VTNR), which gained 162.2 percent. The second largest gainer during the past six months was Rex Energy (REX), which rose by 126.6 percent.

During the past six months, we sold 14 issues from the portfolio. Three companies were sold due to receiving buy-out offers: AT Cross (ATX), Official Payment Holdings (OPAY), and Vitran Corporation (VTNC). There were three companies sold from the portfolio that reached their price targets; Digital Ally (DGLY), Meet Me (MEET), and Perma-Fix Environmental Services (PESI). The remaining eight companies were sold due to reporting disappointing operating results.

As of April 30, 2014, the Fund's portfolio contained the common stocks of 148 companies, 46 of which were new this year. The Fund's largest holdings and detailed description can be found on page 14. Based on our earnings estimates, the Fund's portfolio is trading at more than 14 times 2014 earnings. The median stock in the portfolio is priced at 1.1 times revenue and the median market capitalization is approximately \$78 million. According to Morningstar, as of March 31, 2014, the Perritt Ultra MicroCap Fund has the lowest average market capitalization of 8,111 domestic stock mutual funds. Lastly, the median stock in the portfolio is priced at 1.4 times book value.

As we have mentioned in this report in previous years, the Perritt Ultra MicroCap Fund tends to have investments that fly under the radar of most investors. The micro-cap universe, particularly stocks under \$100 million market capitalization, can be ignored by investors for an extended

Perritt Ultra MicroCap Fund

period of time. Therefore, the rewards can take longer to achieve, but can be swift. As evidenced by the Fund's strong performance during the past six months as well as the fiscal year ended 2013, the returns have been strong. We would like to remind investors that the rewards of micro-cap investing typically are never consistent in the short run, but can have the potential to be rewarding in a full market cycle. Please review the Fund's full performance results on page 13.

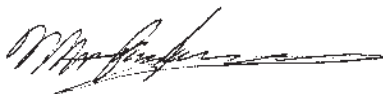
I would like to welcome Matt Brackmann as my co-portfolio manager for the Perritt Ultra MicroCap Opportunities Fund. As an analyst and Director of Trading, Matt has already contributed significantly to the

Fund's success. As co-portfolio manager, his new duties have been expanded to include overseeing the Fund's daily operations and helping me with final investment decisions.

I want to thank my fellow shareholders for their continued support and confidence in the Perritt Capital Management team. Dr. Perritt and I made the first investment in this Fund nearly 10 years ago. If you have any questions or comments about this report or your investment in the Perritt Ultra MicroCap Fund, please call us toll-free at (800)331-8936 or visit our web site at www.perrittcap.com. Please refer to the prospectus for information about the Fund's investment objectives and strategies.



Michael Corbett
President and
Portfolio Manager



Matt Brackmann
Portfolio Manager

Russell 2000 Index An index measuring the performance of approximately 2,000 small-cap companies in the Russell 3000 Index, which is made up of 3,000 of the biggest U.S. stocks. The Russell 2000 serves as a benchmark for small-cap stocks in the United States.

Russell Micocap Index A capitalization weighted index of 2,000 small-cap and micro-cap stocks that captures the smallest 1,000 companies in the Russell 2000, plus 1,000 smaller U.S.-based listed stocks. The broad index is designed to present an unbiased collection of the smallest tradable securities that still meet exchange listing requirements, so over-the-counter (OTC) stocks and pink sheet securities are excluded. The Russell Microcap Index is recalculated annually to prevent growing stocks from distorting index performance, and to include new entrants.

One cannot invest directly in an index

Book Value The value at which an asset is carried on a balance sheet. To calculate, take the cost of an asset minus the accumulated depreciation.

Past performance is not a guarantee of future results. Mutual fund investing involves risk. Principal loss is possible. The Funds invest in smaller companies, which involve additional risks such as limited liquidity and greater volatility than larger companies. The Funds invest in micro-cap companies which tend to perform poorly during times of economic stress.

The information provided herein represents the opinion of Perritt Capital Management and is not intended to be a forecast of future events, a guarantee of future results, nor investment advice.

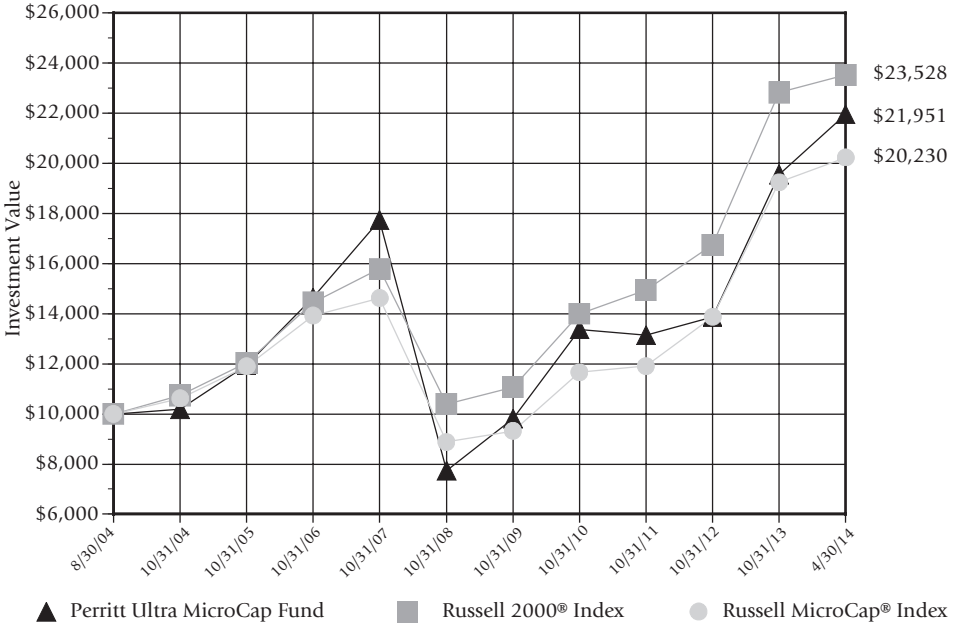
Fund holdings and sector allocations are subject to change and should not be considered a recommendation to buy or sell any security.

Perritt Ultra MicroCap Fund

Performance* (Unaudited)

April 30, 2014

Perritt Ultra MicroCap Fund versus Russell 2000® Index and Russell MicroCap® Index



There are several ways to evaluate a fund's historical performance. You can look at the total percentage change in value, the average annual percentage change, or the growth of a hypothetical \$10,000 investment. Each performance figure includes changes in a fund's share price, plus reinvestment of any dividends (or income) and capital gains (the profits the fund earns when it sells stocks that have grown in value).

Cumulative total returns reflect the Fund's actual performance over a set period. For example, if you invested \$1,000 in a fund that had a 5% return over one year, you would end up with \$1,050. You can compare the Fund's returns to the Russell MicroCap® Index, which measures the performance of the micro-cap segment of the U.S. equity market, and the Russell 2000® Index, which reflects a popular measure of the stock performance of small companies.

Average annual total returns take the Fund's actual (or cumulative) return and show you what would have happened if the Fund had performed at a constant rate each year.

* The graph illustrates the performance of a hypothetical \$10,000 investment made in the Fund at inception (August 30, 2004) through April 30, 2014. Assumes reinvestment of dividends and capital gains, but does not reflect the effect of any applicable sales charge or redemption fees or the deduction of taxes that a shareholder would pay on the Fund's distributions or the redemption of Fund shares. The graph does not imply any future performance.

Perritt Ultra MicroCap Fund

Performance* (Unaudited) (Continued)

April 30, 2014

Cumulative Total Returns**

Periods ended April 30, 2014 (Unaudited)

	<i>Past 6 Months</i>	<i>Past 1 Year</i>	<i>Past 3 Years</i>	<i>Past 5 Years</i>	<i>Since Inception*</i>
Perritt Ultra MicroCap Fund	12.21%	40.09%	36.21%	203.53%	119.51%
Russell 2000® Index <i>(reflects no deduction for fees and expenses)</i>	3.08%	20.50%	35.79%	147.16%	135.28%
Russell MicroCap® Index <i>(reflects no deduction for fees and expenses)</i>	5.10%	25.50%	41.50%	156.30%	102.30%

Average Annual Total Returns**

Periods ended April 30, 2014 (Unaudited)

	<i>Past 1 Year</i>	<i>Past 3 Years</i>	<i>Past 5 Years</i>	<i>Since Inception*</i>
Perritt Ultra MicroCap Fund	40.09%	10.85%	24.87%	8.47%
Russell 2000® Index <i>(reflects no deduction for fees and expenses)</i>	20.50%	10.74%	19.84%	9.26%
Russell MicroCap® Index <i>(reflects no deduction for fees and expenses)</i>	25.50%	12.27%	20.71%	7.56%

The Perritt Ultra MicroCap Fund's annualized expense ratio for the period ended February 28, 2014, as stated in the statutory prospectus, was 1.76%. The Fund imposes a 2% redemption fee on shares held for 90 days or less. Performance data does not reflect the redemption fee. If reflected, total returns would be reduced.

Performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the Fund may be lower or higher than the performance quoted. Performance data current to the most recent month end is available by calling 800-331-8936.

* The since inception date is August 30, 2004.

** The tables do not reflect the deduction of taxes that a shareholder would pay on the Fund's distributions or the redemption of Fund shares.

Ten Largest Common Stock Holdings (Unaudited)

1347 Property Insurance Holdings, Inc. (PIH) provides property and casualty insurance products to individuals in its office based location of Louisiana. PIH's products include homeowners insurance, manufactured or mobile home insurance, and dwelling fire insurance.

Hill International, Inc. (HIL) provides management and consulting services to transportation, environmental, energy and industrial markets. Clients include the United States and other national governments, foreign governments, and the private sector. Hill specifically focuses on two segments, Project Management and Construction Claims. The Project Management services provide a variety of construction management services and the Construction Claims advises clients to assist them in preventing or resolving claims and disputes.

Hennessy Advisors, Inc. (HNNA) a publicly traded investment manager offering a broad range of domestic equity, specialty, balanced and fixed income mutual funds. Hennessy currently serves as the investment advisor to 16 open-ended mutual funds and primarily provides its services to investment companies.

United Insurance Holdings Corp. (UIHC) operates as a property and casualty insurance holding company. They provide sourcing and writing services in Florida, Massachusetts, New Jersey, North Carolina, Rhode Island, South Carolina, and Texas. The company markets and distributes its policies to consumers through approximately 2,000 agents. The company's target market consists of cases where the threat of natural disasters has caused large national insurance carriers to reduce their concentration of policies.

Quadrant 4 System Corporation (QFOR) provides consulting, technology services

and outsourcing services through its direct sales approach. The company provides health care exchange platforms, innovative software products and propriety SMAC (social media, mobility, analytics and cloud computing) solutions to enterprise clients in Retail and Manufacturing, Media and Publishing, Financial Services and Health Care sectors.

U.S. Global Investors, Inc. (GROW) is a boutique registered investment adviser specializing in actively managed equity and bond strategies. The company has a longstanding history as experts in gold and precious metals, natural resources and emerging markets. Headquartered in San Antonio, Texas, the company provides advisory and other services to U.S. Global Investors Funds and other clients.

Century Casinos, Inc. (CNTY) is a international casino entertainment company that owns and operates Century Casino & Hotels in Cripple Creek and Central City, Colorado, and in Edmonton, Alberta, Canada and the Century Casino in Calgary, Alberta, Canada. The Company also operates casinos aboard 14 luxury cruise vessels. Through its Austrian subsidiary, Century Casinos Europe GmbH, the Company holds a 66.6% ownership interest in Casinos Poland Ltd., the owner and operator of nine casinos in Poland. The Company is currently developing a project in the north metropolitan area of Calgary, Alberta, Canada that will include a horse race track and other gaming, restaurant and entertainment facilities.

REX American Resources Corporation (REX) engages in the production and sale of ethanol and distillers grains that are used as proteins in animal feed in its Alternative Energy segment. In its Real Estate segment, REX leases real estate properties including retail stores and a distribution center.

Perritt Ultra MicroCap Fund

Ten Largest Common Stock Holdings (Unaudited) (Continued)

Allied Motion Technologies, Inc. (AMOT) designs, manufactures, and sells motors, electronic motion controls, gearing, and optical encoder products worldwide. The company offers fractional horsepower permanent magnet DC and brushless DC motors for a range of original equipment applications; gearing solutions for the commercial and industrial equipment, healthcare, medical, and non-automotive transportation markets; and fractional

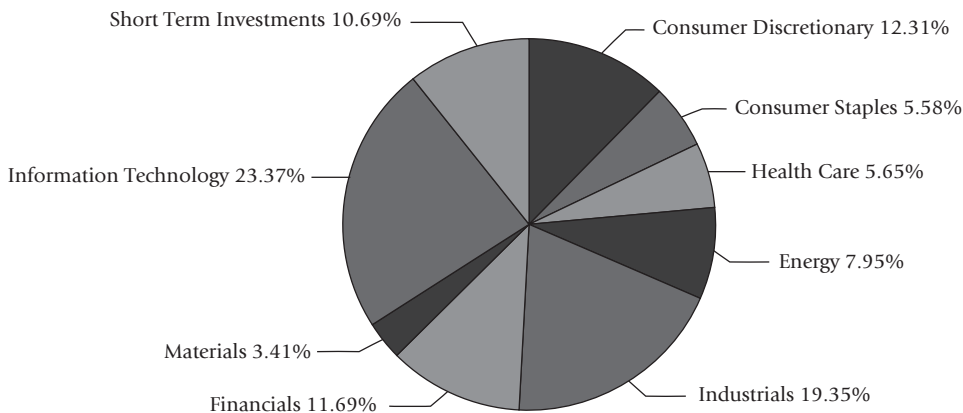
horsepower brushless DC motors for medical, industrial, and commercial aviation applications.

Bluerock Residential Growth REIT, Inc. (BRG) is an equity real estate investment trust and invests in residential properties throughout the United States. Bluerock has transacted over 9 million square feet of residential and commercial real estate acquisitions since its inception in 2002.

Fund holdings and/or sector allocations are subject to change at any time and are not recommendations to buy or sell any security.

Please refer to the Schedule of Investments in this report for a complete list of Fund holdings.

Allocation of Portfolio Investments (Unaudited) April 30, 2014



The sector classifications represented in the graph above and industry classifications represented in the Schedule of Investments are in accordance with Global Industry Classification Standard (GICS®), which was developed by and/or is the exclusive property of MSCI, Inc. and Standard & Poor Financial Services LLC. Percentages are based on total investments, at value.

Portfolio Managers' Message



*Michael Corbett,
Lead Portfolio Manager
Since 2014*



*Brian Gillespie,
Co-Portfolio Manager
Since 2014*

Earlier this year Perritt Capital Management Inc. launched our newest mutual fund, the Perritt Low Priced Stock Fund. We are excited to provide investors with another opportunity, along with the Perritt MicroCap Opportunities Fund and the Perritt Ultra MicroCap Fund, to invest in companies that are off the radar screen for most investors. The Fund commenced operations February 28, 2014 and is the successor to a separately managed account with an inception date of June 30, 2012. The Fund's performance since inception and the performance of the separately managed account can be reviewed on page 19.

The Perritt Low Priced Stock Fund will use a "bottom-up" approach of fundamental analysis to look for individual companies that we believe offer significant potential for stock price appreciation. All prospective investments are subjected to our proprietary nine-factor scoring system based on an analysis of the company's income statement, balance sheet and cash flow statement. Stocks within the portfolio are generally those that obtain above-average scores. The Perritt Low Priced Stock Fund will contain a blend of both so-called growth and value stocks. During market cycles, there will be times that each discipline will outperform the other. Our diversified strategy should allow investors

to experience exposure to both disciplines without having to select one or the other investment style.

The definition of "small cap" investing can differ between firms. The majority of the holdings in the Fund will have a market cap between \$300 million and \$3 billion. We believe there are a number of quality companies that are undiscovered "gems" trading in this range. Staying at the \$3 billion and under size allows us to remain focused on our core competency, which is small-cap and micro-cap investing.

The Fund will invest in low priced stocks which we define as those companies trading at or below \$15 at the time of initial purchase. Subsequent to the initial purchase, the Fund may purchase such securities at a price above \$15 per share. We believe some investors mistakenly avoid investing in stocks trading below \$15 based on the perception that these stocks are more "speculative" than those trading at higher levels. Additionally, our investment philosophy is rooted in finding companies under researched and unloved by "Wall Street", which is usually reserved for stocks under \$15.

As of April 30, 2014, the Fund's portfolio contained the common stocks of 88 companies. The Fund's 10 largest holdings and detailed descriptions can be found on page 20. Based on our earnings estimate, the Fund's portfolio is trading at just above 15 times next year's earnings. The median price/revenues for the portfolio is 1.3 times and the median market capitalization is approximately \$400 million.

We are excited for the opportunities our new fund presents. Perritt Capital Management and its employees provided a little more than \$1 million of initial capital to launch the Perritt Low Priced Stock

Perritt Low Priced Stock Fund

Fund. As part of our dedication, we have capped the Fund's expense ratio at 1.50 percent for at least the first year, with a gross expense ratio of 2.50 percent, which means that Perritt Capital will be paying a great deal of the Perritt Low Priced Stock Fund's expenses. We currently estimate that we need a little more than \$10 million in assets to cover the Fund's annual expenses,

but Perritt will still not be collecting a fee at the \$10 million asset level. If you have any questions or comments about this report or your investment in the Perritt Low Priced Stock Fund, please call us toll-free at (800)331-8936 or visit our web site at www.perrittcap.com. Please refer to the prospectus for information about the Fund's investment objectives and strategies.



Michael Corbett
President and
Portfolio Manager



Brian Gillespie
Portfolio Manager

The fund is the successor to a separately managed account. The investment policies, objectives, guidelines and restrictions of the fund are in all material respects equivalent to those of the predecessor, and the predecessor's portfolio managers are the current portfolio managers of the fund. However, the predecessor was not a registered investment company. Had the predecessor been registered under the Investment Company Act and been subject to the provisions of the Investment Company Act and the Internal Revenue Code to which the fund is subject, its investment performance may have been adversely affected.

Cash Flow A revenue or expense stream that changes a cash account over a given period. Cash inflows usually arise from one of three activities – financing, operations or investing – although this also occurs as a result of donations or gifts in the case of personal finance. Cash outflows result from expenses or investments. This holds true for both business and personal finance.

Price/Revenues A valuation ratio that compares a company's stock price to its revenues. The price-to-sales ratio is an indicator of the value placed on each dollar of a company's sales or revenues. It can be calculated either by dividing the company's market capitalization by its total sales over a 12-month period, or on a per-share basis by dividing the stock price by sales per share for a 12-month period.

Mutual fund investing involves risk. Principal loss is possible. The Funds invest in smaller companies, which involve additional risks such as limited liquidity and greater volatility. The Funds invest in micro-cap companies which tend to perform poorly during times of economic stress. The Fund may invest in early stage companies which tend to be more volatile and somewhat more speculative than investments in more established companies. Low Priced stocks are generally more volatile than higher priced securities.

The investment adviser has contractually agreed to waive fees and/or reimburse operating expenses (other than interest, brokerage commissions, dividend expense on short sales, taxes, extraordinary expenses and acquired fund fees and expenses) so that total annual operating expenses are not expected to exceed 1.50% through February 2015.

The information provided herein represents the opinion of Perritt Capital Management and is not intended to be a forecast of future events, a guarantee of future results, nor investment advice.

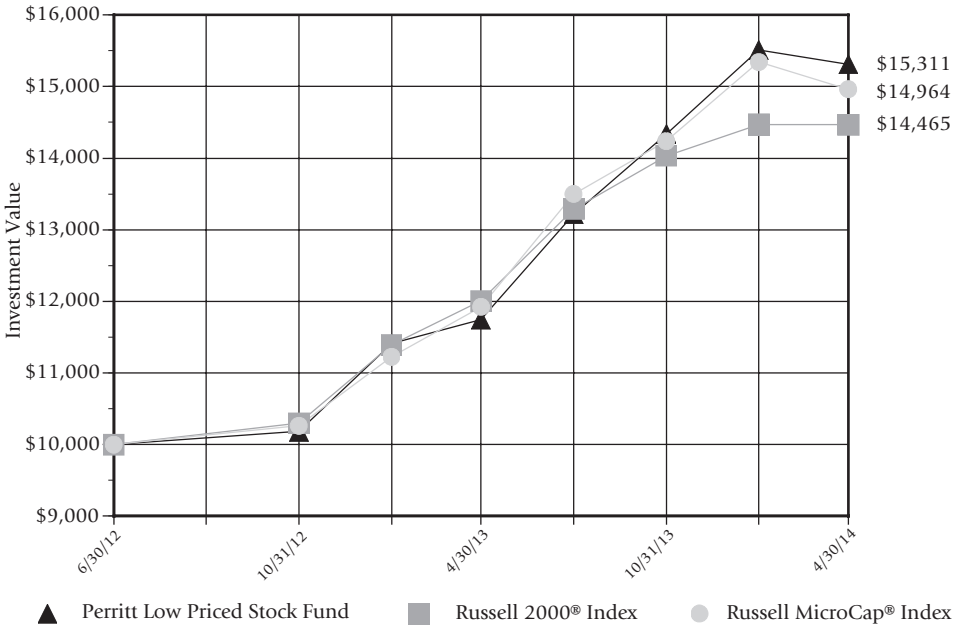
Fund holdings and sector allocations are subject to change and should not be considered a recommendation to buy or sell any security.

Perritt Low Priced Stock Fund

Performance* (Unaudited)

April 30, 2014

Perritt Low Priced Stock Fund versus Russell 2000® Index and Russell MicroCap® Index



There are several ways to evaluate a fund's historical performance. You can look at the total percentage change in value, the average annual percentage change, or the growth of a hypothetical \$10,000 investment. Each performance figure includes changes in a fund's share price, plus reinvestment of any dividends (or income) and capital gains (the profits the fund earns when it sells stocks that have grown in value).

Cumulative total returns reflect the Fund's actual performance over a set period. For example, if you invested \$1,000 in a fund that had a 5% return over one year, you would end up with \$1,050. You can compare the Fund's returns to the Russell MicroCap® Index, which measures the performance of the micro-cap segment of the U.S. equity market, and the Russell 2000® Index, which reflects a popular measure of the stock performance of small companies.

Average annual total returns take the Fund's actual (or cumulative) return and show you what would have happened if the Fund had performed at a constant rate each year.

* The graph illustrates the performance of a hypothetical \$10,000 investment made in the Fund at inception (June 30, 2012) through April 30, 2014. Assumes reinvestment of dividends and capital gains, but does not reflect the effect of any applicable sales charge or redemption fees or the deduction of taxes that a shareholder would pay on the Fund's distributions or the redemption of Fund shares. The graph does not imply any future performance.

Perritt Low Priced Stock Fund

Performance* (Unaudited) (Continued)

April 30, 2014

Cumulative Total Returns**

Periods ended April 30, 2014 (Unaudited)

	Past 6 Months	Past 1 Year	Since Inception*
Perritt Low Priced Stock Fund	6.80%	30.35%	53.11%
Russell 2000 Index <i>(reflects no deduction for fees and expenses)</i>	3.08%	20.50%	44.65%
Russell MicroCap Index <i>(reflects no deduction for fees and expenses)</i>	5.10%	25.50%	49.64%

The Perritt Low Priced Stock Fund's annualized expense ratio for the period ended February 28, 2014, as stated in the statutory prospectus, was 1.50%. The Fund imposes a 2% redemption fee on shares held for 90 days or less. Performance data does not reflect the redemption fee. If reflected, total returns would be reduced.

Performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the Fund may be lower or higher than the performance quoted. Performance data current to the most recent month end is available by calling 800-331-8936.

* The Fund is the successor to a separately managed account. Immediately prior to the Fund commencing operations on February 28, 2014, the predecessor transferred its assets to the Fund in exchange for the Fund's shares. The investment policies, objectives, guidelines and restrictions of the Fund are in all material respects equivalent to those of the predecessor. In addition, the predecessor's portfolio managers are the current portfolio managers of the Fund. As a mutual fund registered under the Investment Company Act of 1940, the Fund is subject to certain restrictions under the 1940 Act and the Internal Revenue Code to which the predecessor was not subject. Had the predecessor been registered under the 1940 Act and been subject to the provisions of the 1940 Act and the Code, its investment performance may have been adversely affected. The performance was achieved by the predecessor when Fund assets were relatively small; the same strategies may not be available, and similar performance may not be achieved, when the Fund's assets are larger. The performance shown includes an annual management fee of 1.00% and does not include any expenses paid by the predecessor's investment adviser.

The since inception date is June 30, 2012, the date of inception of the Fund's predecessor. The past performance of the Fund and its predecessor (before and after taxes) is not necessarily an indication of how the Fund will perform in the future.

** The tables do not reflect the deduction of taxes that a shareholder would pay on the Fund's distributions or the redemption of Fund shares.

Ten Largest Common Stock Holdings (Unaudited)

Amkor Technology, Inc. (AMKR) provides outsourced semiconductor packaging and test services. The company provides services designed to meet application and chip specific requirements to the United States and internationally. Amkor focuses on developing new packages and services to integrated device manufacturers, 'fabless' semiconductor companies and contract foundries in order to improve the efficiency of its existing production processes. Amkor's major customers include Qualcomm Incorporated and Toshiba.

Select Medical Holdings Corporation (SEM) operates on two segments, Specialty Hospitals and Outpatient Rehabilitation. The specialty segment focuses on long term inpatients and intensive care patients. SEM focuses on the need to improve inpatient services, commercial volume and expansion through joint ventures and acquisition. The outpatient rehabilitations segment engages in physical, occupational, and speech rehabilitation services.

Smith & Wesson Holding Corporation (SWHC) manufactures and sells a range of handguns, long guns, handcuffs, and firearm-related products and accessories. SWHC operates through retailers, dealers, distributors and manufacturers within the US and internationally. Clients include individuals partaking in recreational activities (such as hunting or sportsmen), law enforcement and other government organizations.

Sibanye Gold Limited (SBGL) is an independent, South African domiciled and focused mining Group, which currently owns and operates three underground and surface gold operations, namely the Driefontein Operation and the Kloof Operation in the West Witwatersrand region and the Beatrix Operation in the

southern Free State. Sibanye is the largest individual producer of gold from South Africa and is one of the world's 10 largest gold producers.

Warren Resources, Inc. (WRES) is an independent energy company that engages in the exploration, development, and production of domestic onshore crude oil and gas reserves. The company focuses on the development of its waterflood oil recovery properties. The company currently has several properties throughout the U.S. including properties that are located in California, Wyoming, New Mexico, and Texas.

Information Services Group, Inc. (III) operates as a technology insights, market intelligence, and advisory services company. Services include research, benchmarking, consulting, management services, and enterprise resource planning. III provides services in the Americas, Europe, and the Asia Pacific. III focuses on optimizing the operational environments of private and public sector organizations.

Penn Virginia Corporation (PVA) is an independent oil and gas company. PVA focuses on domestic onshore regions of the United States for the exploration, development and production of oil, natural gas liquids and natural gas. PVA's strategy is to expand oil and NGL reserves, increase cash flows and margins and improve operations and financial position.

Bellatrix Exploration Ltd. (BXE) is an intermediate energy producer focused on the development and production of oil and natural gas reserves in the provinces of Alberta, British Columbia, and Saskatchewan. BXE is currently focusing on the development of Cardium and the Notikewin/Falher intervals in Western Canada.

Perritt Low Priced Stock Fund

Ten Largest Common Stock Holdings (Unaudited) (Continued)

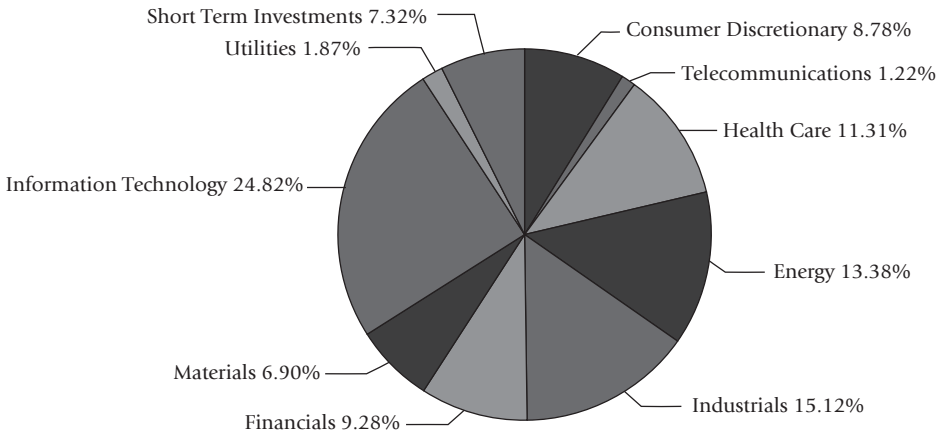
Star Gas Partners, L.P. (SGU) is a home heating oil, propane distributor and services provider to residential and commercial customers in the United States. SGU also provides installation and repair services. The company conducts business through an operating subsidiary, Petro Holdings, Inc.. Key elements in SGU's strategy include improving customer service, refining operating efficiency and expanding through select acquisitions.

ADDvantage Technologies Group, Inc. (AEY) distributes and services a line of electronics and hardware for the cable television industry by providing new and refurbished equipment, access and transport products and head-end products. Clients include franchise and private multiple system operators, telephone companies, system contractors, and other resellers principally in the United States, Canada, Central America, Mexico, and South America.

Fund holdings and/or sector allocations are subject to change at any time and are not recommendations to buy or sell any security.

Please refer to the Schedule of Investments in this report for a complete list of Fund holdings.

Allocation of Portfolio Investments (Unaudited) April 30, 2014



The sector classifications represented in the graph above and industry classifications represented in the Schedule of Investments are in accordance with Global Industry Classification Standard (GICS®), which was developed by and/or is the exclusive property of MSCI, Inc. and Standard & Poor Financial Services LLC. Percentages are based on total investments, at value.

Perritt MicroCap Opportunities Fund

Schedule of Investments

April 30, 2014 (Unaudited)

Shares	COMMON STOCKS – 86.70%	Value
Aerospace & Defense – 0.87%		
304,533	CPI Aerostructures, Inc. ^(a)	\$ 4,102,059
		<u>4,102,059</u>
Auto Parts & Equipment – 1.58%		
211,618	Miller Industries, Inc.	4,099,041
486,081	SORL Auto Parts, Inc. ^(a)	1,511,712
175,000	Stoneridge, Inc. ^(a)	1,870,750
		<u>7,481,503</u>
Business Services – 6.30%		
79,150	Barrett Business Services, Inc.	3,989,952
304,700	Datalink Corp. ^(a)	3,912,348
300,000	EPIQ Systems, Inc.	3,837,000
178,200	GP Strategies Corp. ^(a)	4,683,096
964,500	Innodata Isogen, Inc. ^(a)	3,250,365
600,000	PRGX Global, Inc. ^(a)	3,858,000
498,000	RCM Technologies, Inc. ^(a)	3,376,440
50,000	Rentrak Corporation ^(a)	2,849,500
		<u>29,756,701</u>
Chemical & Related Products – 3.12%		
225,000	Aceto Corporation	4,923,000
158,000	KMG Chemicals, Inc.	2,466,380
399,109	OMNOVA Solutions, Inc. ^(a)	3,639,874
299,080	Penford Corp. ^(a)	3,768,408
		<u>14,797,662</u>
Computers & Electronics – 1.76%		
325,069	CyberOptics Corp. ^(a)	2,444,519
465,157	PC-Tel, Inc.	3,837,545
150,000	Qumu Corp. ^(a)	2,017,500
		<u>8,299,564</u>
Construction & Engineering – 5.19%		
135,028	Comfort Systems USA, Inc.	2,025,420
440,000	Furmanite Corp. ^(a)	4,611,200
1,252,714	Hill International, Inc. ^(a)	8,418,238
200,000	Layne Christensen Company ^(a)	3,484,000
310,000	MFRI, Inc. ^(a)	3,375,900
350,800	Sterling Construction Company, Inc. ^(a)	2,694,144
		<u>24,608,902</u>

Shares	Value
Consumer Products – Manufacturing – 5.78%	
207,739	Delta Apparel, Inc. ^(a) \$ 3,163,865
140,240	Flexsteel Industries, Inc. 4,813,037
125,000	Motorcar Parts of America, Inc. (Acquired 4/24/2011, Cost \$968,750) ^{(a)(b)} 3,430,000
128,970	Motorcar Parts of America, Inc. ^(a) 3,538,937
211,780	Orchids Paper Products Co. 5,690,529
100,000	Universal Electronics, Inc. ^(a) 3,735,000
255,000	VOXX International Corp. ^(a) 2,996,250
	<u>27,367,618</u>
Consumer Services – 1.88%	
503,000	Dice Holdings, Inc. ^(a) 3,847,950
1,200,000	Hudson Technologies, Inc. ^(a) 3,918,000
205,950	Intersections, Inc. 1,157,439
	<u>8,923,389</u>
Energy & Related Services – 5.48%	
2,488,900	Cal Dive International, Inc. ^(a) 3,683,572
200,000	Matrix Service Co. ^(a) 6,194,000
146,900	Mitcham Industries, Inc. ^(a) 2,027,220
325,000	Newpark Resources, Inc. ^(a) 3,913,000
130,000	PHI, Inc. ^(a) 5,824,000
200,000	Renewable Energy Group, Inc. ^(a) 2,354,000
375,000	TGC Industries, Inc. ^(a) 1,897,500
	<u>25,893,292</u>
Financial Services – 8.87%	
452,800	Atlas Financial Holdings, Inc. ^(a) 6,321,088
928,000	Cowen Group, Inc. ^(a) 3,814,080
15,681	EMC Insurance Group, Inc. 517,316
46,344	FBR & Co. ^(a) 1,195,675
600,000	Global Cash Access Holdings, Inc. ^(a) 3,960,000
100,000	JTH Holding, Inc. ^(a) 2,720,000

The accompanying notes to financial statements are an integral part of this schedule.

Perritt MicroCap Opportunities Fund

Schedule of Investments (Continued) April 30, 2014 (Unaudited)

<u>Shares</u>	<u>Value</u>	<u>Shares</u>	<u>Value</u>
<i>Financial Services (Continued)</i>		<i>Medical Supplies & Services (Continued)</i>	
233,140 Oppenheimer Holdings, Inc.	\$ 5,935,745	450,000 Medical Action Industries, Inc. ^(a)	\$ 2,884,500
250,924 Silvercrest Asset Management Group, Inc. - Class A	4,366,077	300,000 PhotoMedex, Inc. ^(a)	4,533,000
542,247 SWS Group, Inc. ^(a)	4,018,050	400,000 Syneron Medical Ltd. ^(a) ..	4,148,000
325,000 Tristate Capital Holdings, Inc. ^(a)	4,251,000	110,000 The Ensign Group, Inc. .	4,675,000
325,000 United Insurance Holdings Corp.	4,956,250		35,128,423
	42,055,281	<i>Minerals & Resources - 0.70%</i>	
<i>Food - 4.38%</i>		210,000 Global Brass & Copper Holdings, Inc.	3,330,600
220,000 Crimson Wine Group Ltd. ^(a)	1,955,800		3,330,600
350,000 Diversified Restaurant Holdings, Inc. ^(a)	1,753,500	<i>Oil & Gas - 5.23%</i>	
142,955 Farmer Brothers Co. ^(a) ..	2,817,643	367,463 Hallador Energy Co.	3,365,961
255,000 John B. Sanfilippo & Son, Inc. ^(a)	5,877,750	425,000 Resolute Energy Corp. ^(a) .	3,187,500
300,000 Landec Corp. ^(a)	3,558,000	272,040 SAExploration Holdings, Inc. ^(a)	2,540,854
425,000 Omega Protein Corp. ^(a) .	4,828,000	375,000 Synergy Resources Corp. ^(a)	4,365,000
	20,790,693	500,000 Triangle Petroleum Corp. ^(a)	4,810,000
<i>Health Care Providers & Services - 0.71%</i>		600,000 Valco Energy, Inc. ^(a)	5,532,000
649,800 Skilled Healthcare Group, Inc. - Class A ^(a) .	3,352,968	200,000 Warren Resources, Inc. ^(a)	1,014,000
	3,352,968		24,815,315
<i>Leisure - 2.33%</i>		<i>Pharmaceuticals - 0.43%</i>	
900,000 Century Casinos, Inc. ^(a) .	5,355,000	1,475,000 LifeVantage Corp. ^(a)	2,035,500
988,473 Full House Resorts, Inc. ^{(a)(c)}	1,972,004		2,035,500
230,000 Monarch Casino & Resort, Inc. ^(a)	3,689,200	<i>Retail - 4.70%</i>	
	11,016,204	202,955 Big 5 Sporting Goods Corp.	2,478,080
<i>Medical Supplies & Services - 7.41%</i>		458,400 CafePress, Inc. ^(a)	2,745,816
197,400 Addus Homecare Corp. ^(a)	4,267,788	500,000 Christopher & Banks Corp. ^(a)	3,120,000
438,500 BioScrip, Inc. ^(a)	3,034,420	173,050 Kirklands, Inc. ^(a)	2,960,886
169,940 Cryolife, Inc.	1,543,055	400,000 PCM, Inc. ^(a)	4,168,000
182,000 Exactech, Inc. ^(a)	4,044,040	307,100 Systemax, Inc. ^(a)	5,309,759
500,000 Five Star Quality Care, Inc. ^(a)	2,415,000	59,953 Weyco Group, Inc.	1,504,221
926,000 Liberator Medical Holdings, Inc.	3,583,620		22,286,762
		<i>Road & Rail - 0.76%</i>	
		350,600 Covenant Transportation Group, Inc. - Class A ^(a) .	3,593,650
			3,593,650

The accompanying notes to financial statements are an integral part of this schedule.

Perritt MicroCap Opportunities Fund

Schedule of Investments (Continued) April 30, 2014 (Unaudited)

<u>Shares</u>	<u>Value</u>	<u>Shares</u>	<u>Value</u>
Semiconductor Related Products – 4.71%		Transportation – 2.29%	
1,497,584 AXT, Inc. ^(a)	\$ 3,234,781	453,000 DHT Holdings, Inc.	\$ 3,537,930
300,000 Integrated Silicon Solution, Inc. ^(a)	4,338,000	420,000 Scorpio Tankers, Inc.	3,784,200
575,000 Photonics, Inc. ^(a)	4,991,000	325,000 StealthGas, Inc. ^(a)	<u>3,523,000</u>
400,000 Rudolph Technologies, Inc. ^(a)	3,644,000		10,845,130
130,400 Sparton Corp. ^(a)	3,541,664	TOTAL COMMON STOCKS	
300,000 Ultra Clean Holdings, Inc. ^(a)	<u>2,556,000</u>	(Cost \$305,565,872)	<u>\$410,853,729</u>
	<u>22,305,445</u>		
Software – 3.16%		REAL ESTATE INVESTMENT TRUSTS – 3.32%	
420,000 American Software, Inc. – Class A	4,048,800	310,000 City Office Real Estate Investment Trust, Inc.	\$ 3,881,200
2,081,250 iPass, Inc. ^(a)	3,371,625	360,895 Monmouth Real Estate Investment Corp. – Class A	3,388,804
100,000 Kofax Ltd. ^(a)	758,000	375,812 Physicians Realty Trust	5,156,140
600,000 VASCO Data Security International, Inc. ^(a)	<u>6,846,000</u>	234,000 Whitestone Real Estate Investment Trust	<u>3,283,020</u>
	<u>15,024,425</u>	TOTAL REAL ESTATE INVESTMENT TRUSTS	
Specialty Manufacturing – 7.30%		(Cost \$14,228,121)	<u>\$ 15,709,164</u>
227,500 Core Molding Technologies, Inc. ^(a)	2,732,275		
200,000 Courier Corp.	2,906,000		
110,000 Douglas Dynamics, Inc.	1,855,700		
250,000 Federal Signal Corp. ^(a)	3,795,000		
198,800 Global Power Equipment Group, Inc.	3,484,964		
250,000 KVH Industries, Inc. ^(a)	3,377,500		
77,200 L.B. Foster Co.	3,655,420		
325,000 Manitex International, Inc. ^(a)	5,349,500		
206,800 Northern Technologies International Corp. ^(a)	4,373,820		
87,816 Northwest Pipe Co. ^(a)	<u>3,141,178</u>		
	<u>34,671,357</u>		
Telecommunications – 1.76%			
839,400 Ceragon Networks Ltd. ^(a)	2,257,986		
220,000 Oplink Communications, Inc. ^(a)	3,770,800		
250,000 SeaChange International, Inc. ^(a)	<u>2,342,500</u>		
	<u>8,371,286</u>		

The accompanying notes to financial statements are an integral part of this schedule.

Perritt MicroCap Opportunities Fund

Schedule of Investments (Continued) April 30, 2014 (Unaudited)

Shares	SHORT TERM INVESTMENTS – 8.15%	Value
15,114,484	Alpine Municipal Money Market Fund – Investor Class, 0.05% ^(d)	\$ 15,114,484
23,500,000	Fidelity Institutional Money Market Funds – Prime Money Market Portfolio – Class I, 0.01% ^(d)	23,500,000
	TOTAL SHORT TERM INVESTMENTS (Cost \$38,614,484)	\$ 38,614,484
	Total Investments (Cost \$358,408,477) – 98.17%	\$465,177,377
	Other Assets in Excess of Liabilities – 1.83%	8,694,004
	TOTAL NET ASSETS – 100.00%	\$ 473,871,381

Percentages are stated as a percent of net assets.

- ^(a) Non-income producing security.
- ^(b) Security was purchased exempt from registration in the U.S. pursuant to Rule 144A of the Securities Act of 1933 (the “Act”) or was acquired in a private placement, and, unless registered under the Act, may only be sold to “qualified institutional buyers” (as defined in the Act) or pursuant to another exemption from registration. See Note 7 of the Note to Financial Statements.
- ^(c) Affiliated issuer. See Note 11 of the Notes to Financial Statements.
- ^(d) Variable rate security whose rate shown is the effective rate as of April 30, 2014.

The industry classifications listed above are in accordance with Global Industry Classification Standard (GICS®), which was developed by and/or is the exclusive property of MSCI, Inc. and Standard & Poor Financial Services LLC (“S&P”).

The accompanying notes to financial statements are an integral part of this schedule.

Perritt Ultra MicroCap Fund

Schedule of Investments

April 30, 2014 (Unaudited)

<u>Shares</u>	<u>COMMON STOCKS – 87.72%</u>	<u>Value</u>		<u>Shares</u>		<u>Value</u>
<i>Aerospace & Defense – 1.85%</i>				<i>Business Services (Continued)</i>		
82,872	CPI Aerostructures, Inc. ^(a)	\$ 1,116,286		550,000	USA Technologies, Inc. ^(a)	\$ 1,111,000
125,000	Kratos Defense & Security Solutions, Inc. ^(a)	902,500		565,958	WidePoint Corp. ^(a)	781,022
125,384	Micronet Enertec Technologies, Inc. ^(a)	507,805				13,212,267
		2,526,591		<i>Chemical & Related Products – 0.76%</i>		
<i>Air Transport – 0.62%</i>				605,000	Flexible Solutions International, Inc. ^(a)	399,300
47,185	AeroCentury Corp. ^(a)	846,971		61,300	TOR Minerals International, Inc. ^(a)	641,198
		846,971				1,040,498
<i>Auto Parts & Equipment – 0.90%</i>				<i>Commercial Services & Supplies – 0.98%</i>		
149,324	SORL Auto Parts, Inc. ^(a)	464,398		67,169	Empire Resources, Inc.	278,080
135,000	Supreme Industries, Inc. ^(a)	765,450		120,500	General Finance Corp. ^(a)	1,070,040
		1,229,848				1,348,120
<i>Biotechnology – 1.34%</i>				<i>Communications Equipment – 0.14%</i>		
125,000	Columbia Laboratories, Inc. ^(a)	837,500		41,300	ParkerVision, Inc. ^(a)	188,328
40,600	Trinity Biotech plc – ADR	995,106				188,328
		1,832,606		<i>Computers & Electronics – 3.41%</i>		
<i>Business Services – 9.63%</i>				330,100	ADDvantage Technologies Group, Inc. ^(a)	1,109,136
276,356	Auxilio, Inc. ^(a)	400,716		121,000	Concurrent Computer Corporation	1,015,190
77,000	Datalink Corp. ^(a)	988,680		80,000	CyberOptics Corp. ^(a)	601,600
134,282	DLH Holdings Corp. ^(a)	275,278		196,000	Dot Hill Systems Corp. ^(a)	809,480
141,234	Edgewater Technology, Inc. ^(a)	999,937		195,000	NAPCO Security Technologies, Inc. ^(a)	1,138,800
175,000	Information Services Group, Inc. ^(a)	866,250				4,674,206
216,000	Innodata Isogen, Inc. ^(a)	727,920		<i>Construction & Engineering – 2.77%</i>		
269,000	Intrusion, Inc. ^(a)	613,320		81,800	Gencor Industries, Inc. ^(a)	858,082
415,309	Newtek Business Services, Inc. ^(a)	1,146,253		260,000	Hill International, Inc. ^(a)	1,747,200
200,742	Professional Diversity Network, Inc. ^(a)	704,605		71,538	MFRI, Inc. ^(a)	779,049
2,714,567	Quadrant 4 Systems Corp. ^(a)	1,465,866		85,400	Willdan Group, Inc. ^(a)	398,818
101,555	RCM Technologies, Inc. ^(a)	688,543				3,783,149
234,900	SmartPros Ltd. ^(d)	805,707		<i>Consumer Products – Distributing – 1.17%</i>		
212,444	Sysorex Global Holdings Corp. ^(a)	1,125,953		248,399	FitLife Brands, Inc. ^(a)	591,190
51,953	Transcat, Inc. ^(a)	511,217		325,000	US Auto Parts Network, Inc. ^(a)	1,014,000
						1,605,190

The accompanying notes to financial statements are an integral part of this schedule.

Perritt Ultra MicroCap Fund

Schedule of Investments (Continued) April 30, 2014 (Unaudited)

<u>Shares</u>	<u>Value</u>	<u>Shares</u>	<u>Value</u>
Consumer Products – Manufacturing – 2.78%		Financial Services (Continued)	
71,022 Cherokee, Inc.	\$ 985,075	90,000 Bank of Commerce Holdings	\$ 571,500
81,600 Crown Crafts, Inc.	696,048	43,500 First Internet Bancorp	949,605
199,947 Emerson Radio Corp. ^(a)	405,892	123,600 Hennessy Advisors, Inc.	1,541,292
24,000 Flexsteel Industries	823,680	80,000 HopFed Bancorp, Inc.	910,400
140,000 Vapor Corp. ^(a)	896,000	35,000 JTH Holding, Inc. ^(a)	952,000
	3,806,695	114,330 MicroFinancial, Inc.	899,777
		80,000 Pacific Premier Bancorp ^(a)	1,092,000
Consumer Services – 1.35%		350,000 U.S. Global Investors, Inc. – Class A	1,270,500
290,000 Hudson Technologies, Inc. ^(a)	946,850	100,000 United Insurance Holdings Corp.	1,525,000
200,000 Primo Water Corp. ^(a)	898,000	43,300 Virginia Heritage Bank ^(a)	959,095
	1,844,850	80,000 Xenith Bankshares, Inc. ^(a)	488,000
			14,653,115
Electronic Equipment & Instruments – 3.91%		Food – 3.67%	
109,300 Allied Motion Technologies, Inc.	1,239,462	86,500 Crimson Wine Group Ltd. ^(a)	768,985
450,000 Iteris, Inc. ^(a)	873,000	172,500 Diversified Restaurant Holdings, Inc. ^(a)	864,225
50,800 LGL Group, Inc. ^(a)	248,920	100,000 C. Willi-Food International Ltd. ^(a)	753,000
43,783 Magnetek, Inc. ^(a)	965,415	700,000 Hot Mama’s Foods, Inc. (Acquired 1/28/2014, Cost \$560,000) ^{(a)(b)}	840,000
64,834 Richardson Electronics Ltd.	649,637	41,500 John B. Sanfilippo & Son, Inc. ^(a)	956,575
189,835 Ultralife Corp. ^(a)	683,406	139,000 Willamette Valley Vineyards, Inc. ^(a)	852,070
405,000 Wells-Gardner Electronics Corp. ^(a)	692,550		5,034,855
	5,352,390	Health Care Providers & Services – 0.56%	
Energy & Related Services – 3.43%		142,100 Celsion Corporation ^(a)	471,772
300,106 Acorn Energy, Inc.	696,246	100,000 InfuSystem Holdings, Inc. ^(a)	282,000
640,000 Cal Dive International, Inc. ^(a)	947,200		753,772
19,000 REX American Resources Corp. ^(a)	1,241,840	Insurance – 0.69%	
150,000 TGC Industries, Inc. ^(a)	759,000	140,000 Kingstone Companies, Inc.	938,000
994,760 Uranium Energy Corp. ^(a)	1,064,393		938,000
	4,708,679		
Environmental Services – 1.29%			
175,000 Fuel Tech, Inc. ^(a)	1,065,750		
179,500 Versar, Inc. ^(a)	692,870		
	1,758,620		
Financial Services – 10.70%			
200,000 1347 Property Insurance Holdings, Inc. ^{(a)(d)}	1,810,000		
125,836 AMREP Corp. ^(a)	685,806		
71,500 Atlas Financial Holdings, Inc. ^(a)	998,140		

The accompanying notes to financial statements are an integral part of this schedule.

Perritt Ultra MicroCap Fund

Schedule of Investments (Continued) April 30, 2014 (Unaudited)

<u>Shares</u>	<u>Value</u>	<u>Shares</u>	<u>Value</u>
Leisure – 4.69%		Oil & Gas (Continued)	
210,000 Century		110,300 Hallador Energy Co.	\$ 1,010,348
Casinos, Inc. ^(a)	\$ 1,249,500	400,500 Pedevco Corp. ^(a)	793,390
161,000 Digital Cinema		137,910 Vertex Energy, Inc. ^(a)	1,121,208
Destinations Corp. –			<u>5,927,488</u>
Class A ^(a)	821,100		
322,000 Full House		Retail – 0.60%	
Resorts, Inc. ^(a)	642,390	136,600 CafePress, Inc. ^(a)	818,234
1,534,825 Galaxy Gaming, Inc. ^(a)	721,368		<u>818,234</u>
104,500 Gaming Partners		Semiconductor Related Products – 3.46%	
International Corp.	883,025	380,000 AXT, Inc. ^(a)	820,800
419,600 Nevada Gold &		27,135 Cascade	
Casinos, Inc. ^(a)	482,540	Microtech, Inc. ^(a)	289,802
1,100,000 NTN Buzztime, Inc. ^(a)	693,000	100,000 DSP Group, Inc. ^(a)	796,000
129,333 Reading		213,000 inTEST Corp. ^(a)	879,690
International, Inc. ^(a)	915,678	250,000 On Track	
	<u>6,408,601</u>	Innovations Ltd. ^(a)	575,000
		150,000 Sigma Designs, Inc. ^(a)	565,500
Medical Supplies & Services – 4.63%		30,000 Sparton Corporation ^(a)	814,800
31,600 Addus Homecare			<u>4,741,592</u>
Corp. ^(a)	683,192	Software – 5.86%	
450,000 Allied Healthcare		95,484 American Software,	
Products ^{(a)(d)}	972,000	Inc. – Class A	920,466
51,000 Birner Dental Management		239,000 ARI Network	
Services, Inc.	870,060	Services, Inc. ^(a)	731,340
1,438,600 Hooper Holmes, Inc. ^(a)	877,546	115,400 Asure Software, Inc. ^(a)	694,708
131,100 Lakeland		290,500 Bsquare Corp. ^(a)	929,600
Industries, Inc. ^(a)	930,810	159,900 CIBER, Inc. ^(a)	690,768
280,000 Liberator Medical		100,000 Cimatron Ltd. ^(a)	660,000
Holdings, Inc.	1,083,600	101,000 Evolving Systems, Inc.	880,720
76,300 MGC Diagnostics		384,320 GlobalSCAPE, Inc.	949,270
Corp. ^(a)	839,300	600,000 iPass, Inc. ^(a)	972,000
500,000 Urologix, Inc. ^(a)	80,000	175,000 Speed Commerce, Inc. ^(a)	577,500
	<u>6,336,508</u>		<u>8,006,372</u>
Minerals & Resources – 0.38%		Specialty Manufacturing – 8.08%	
300,000 Silvercrest Mines, Inc. ^(a)	516,000	54,200 Broadwind	
	<u>516,000</u>	Energy, Inc. ^(a)	731,158
Motion Pictures – 0.67%		54,844 CECO Environmental	
202,227 Ballantyne		Corp.	871,471
Strong, Inc. ^(a)	914,066	816,000 China Gerui Advanced	
	<u>914,066</u>	Materials Group Ltd. ^(a)	609,552
Oil & Gas – 4.33%		131,046 China Solar & Clean	
140,000 American Eagle		Energy Solutions, Inc.	
Energy Corp. ^(a)	966,000	(Acquired 3/15/2005,	
493,893 Deep Down, Inc. ^(a)	1,007,542	10/3/2005, and 3/5/2008,	
525,000 Enservco Corp. ^(a)	1,029,000	Cost \$441,000) ^{(a)(b)}	6,552

The accompanying notes to financial statements are an integral part of this schedule.

Perritt Ultra MicroCap Fund

Schedule of Investments (Continued) April 30, 2014 (Unaudited)

<u>Shares</u>	<u>Value</u>	<u>Shares</u>	<u>REAL ESTATE</u>	<u>Value</u>
<i>Specialty Manufacturing (Continued)</i>			INVESTMENT TRUST – 1.48%	
70,900	Core Molding Technologies, Inc. ^(a)	90,000	Bluerock Residential Growth Real Estate Investment Trust, Inc.	\$ 1,212,300
178,100	CTI Industries Corp. ^{(a)(d)}		Preferred Apartment Communities, Inc.	809,000
80,000	Friedman Industries	100,000		
22,727	Hurco Companies, Inc.		TOTAL REAL ESTATE	
25,000	Kewaunee Scientific Corp.		INVESTMENT TRUST	
60,000	KVH Industries, Inc. ^(a)		(Cost \$2,124,988)	\$ 2,021,300
73,354	Manitex International, Inc. ^(a)			
45,600	Northern Technologies International Corp. ^(a)		<u>Contracts</u> WARRANTS – 0.04%	<u>Value</u>
275,764	Orbit International Corp. ^{(a)(d)}		<i>Electronic Equipment & Instruments</i>	
100,000	Pioneer Power Solutions, Inc. ^(a)	249,000	The LGL Group, Inc. Warrant	
959,000	TechPrecision Corp. ^(a)		Expiration: 8/6/2018, Exercise Price: \$7.50 ^(a)	\$ 14,940
166,667	Worldwide Energy & Manufacturing USA, Inc. (Acquired 1/26/2010, Cost \$749,997) ^{(a)(b)(c)}			
46,183	Worldwide Energy & Manufacturing USA, Inc. ^{(a)(c)}		<i>Food</i>	
	<u>11,076,292</u>	350,000	Hot Mama’s Foods, Inc. Warrant (Acquired 1/28/2014, Cost \$0) Expiration: 1/28/2017, Exercise Price: \$2.00 ^{(a)(b)(c)}	—
<i>Telecommunications – 1.46%</i>			<i>Specialty Manufacturing</i>	
660,000	Mobivity Holdings Corp. (Acquired 3/11/2014, Cost \$660,000) ^{(b)(c)}	418,518	Worldwide Energy & Manufacturing USA, Inc. Warrant (Acquired 1/26/2010, Cost \$0) Expiration: 1/26/2015, Exercise Price: \$5.65 ^{(a)(b)(c)}	—
325,000	Westell Technologies, Inc. ^(a)		<i>Telecommunications</i>	
	<u>2,009,900</u>	165,000	Mobivity Holdings Corp. Warrant	
<i>Transportation – 1.61%</i>			Expiration: 03/11/2019, Exercise Price: \$1.20 ^{(a)(b)(c)}	39,600
120,000	DHT Holdings, Inc.		<i>Oil & Gas</i>	
500,000	Euroseas Ltd. ^(a)	35,625	American Standard Energy Corp. Warrant A (Acquired 2/24/2011, Cost \$0) Expiration: 2/1/2016, Exercise Price: \$5.00 ^{(a)(b)(c)}	—
56,000	Star Bulk Carriers Corp. ^(a)			
	<u>665,280</u>			
	<u>2,197,480</u>			
TOTAL COMMON STOCKS				
(Cost \$98,632,695)	<u>\$120,091,283</u>			

The accompanying notes to financial statements are an integral part of this schedule.

Perritt Ultra MicroCap Fund

Schedule of Investments (Continued) April 30, 2014 (Unaudited)

Contracts	Value
<i>Oil & Gas (Continued)</i>	
35,625 American Standard Energy Corp. Warrant B (Acquired 2/24/2011, Cost \$0) Expiration: 2/1/2016, Exercise Price: \$6.50 ^{(a)(b)(c)}	\$ —
TOTAL WARRANTS (Cost \$346,104)	<u>\$ 54,540</u>
Shares	Value
SHORT TERM INVESTMENTS – 10.68%	
6,800,000 Alpine Municipal Money Market Fund – Investor Class, 0.05% ^(e)	\$ 6,800,000
1,024,202 STIT – Liquid Assets Portfolio – Institutional Class, 0.07% ^(e)	1,024,202
6,800,000 Fidelity Institutional Money Market Funds – Prime Money Market Portfolio – Class I, 0.01% ^(e)	<u>6,800,000</u>
TOTAL SHORT TERM INVESTMENTS (Cost \$14,624,202)	<u>\$ 14,624,202</u>
Total Investments (Cost \$115,727,989) – 99.92%	\$ 136,791,325
Other Assets in Excess of Liabilities – 0.08%	<u>107,807</u>
TOTAL NET ASSETS – 100.00%	<u><u>\$ 136,899,132</u></u>

Percentages are stated as a percent of net assets.

ADR American Depository Receipt

^(a) Non-income producing security.

^(b) Security was purchased exempt from registration in the U.S. pursuant to Rule 144A of the Securities Act of 1933 (the “Act”) or was acquired in a private placement, and, unless registered under the Act, may only be sold to “qualified institutional buyers” (as defined in the Act) or pursuant to another exemption from registration. See Note 7 of the Notes to Financial Statements. Of these securities, \$846,552 or 0.62% of the Fund’s Net assets were deemed to be illiquid.

^(c) The price for this security was derived from an estimate of fair market value using methods approved by the Fund’s Board of Directors. These securities represent \$990,000 or 0.72% of the Fund’s Net Assets. With the exception of Worldwide Energy & Manufacturing USA, Inc. (“WEMU”) and WEMU warrants, these securities were classified as Level 2 securities. WEMU and WEMU warrants were classified as Level 3 securities.

^(d) Affiliated issuer: See Note 11 of the Notes to Financial Statements.

^(e) Variable rate security the rate shown is the effective rate as of April 30, 2014.

The industry classifications listed above are in accordance with Global Industry Classification Standard (GICS®), which was developed by and/or is the exclusive property of MSCI, Inc. and Standard & Poor Financial Services LLC (“S&P”).

The accompanying notes to financial statements are an integral part of this schedule.

Perritt Low Priced Stock Fund

Schedule of Investments

April 30, 2014 (Unaudited)

<u>Shares</u> COMMON STOCKS – 86.93% <u>Value</u>	<u>Shares</u> <u>Value</u>
Air Transport – 1.33%	
3,100 JetBlue Airways Corp. ^(a)	\$ 24,506
	24,506
Biotechnology – 2.57%	
1,300 Cambrex Corp. ^(a)	26,637
2,900 Columbia Laboratories, Inc. ^(a)	19,430
350 Cumberland Pharmaceuticals, Inc. ^(a)	1,558
	47,625
Building Materials – 1.13%	
2,100 PGT, Inc. ^(a)	20,895
	20,895
Business Services – 6.64%	
2,500 Graphic Packaging Holding Co. ^(a)	25,650
5,800 Information Services Group, Inc. ^(a)	28,709
3,900 Lionbridge Technologies, Inc. ^(a)	22,932
800 Newtek Business Services, Inc. ^(a)	2,208
1,525 RCM Technologies, Inc. ^(a)	10,340
700 Steelcase, Inc.	11,536
4,000 Sysorex Global Holdings Corp. ^(a)	21,200
	122,575
Chemical & Related Products – 2.88%	
1,800 Arabian American Development Co. ^(a)	19,674
800 FutureFuel Corporation	16,056
1,900 OMNOVA Solutions, Inc. ^(a)	17,328
	53,058
Commercial Banks – 1.44%	
3,700 Southcoast Financial Corp. ^(a)	26,603
	26,603
Commercial Services & Supplies – 0.59%	
1,800 ACCO Brands Corp. ^(a)	11,034
	11,034
Communications Equipment – 2.60%	
2,200 ClearOne, Inc. ^(a)	\$ 22,352
2,800 Mitel Networks Corp. ^(a)	25,620
	47,972
Computers & Electronics – 3.95%	
8,200 ADDvantage Technologies Group, Inc. ^(a)	27,552
2,400 Brocade Communications Systems, Inc. ^(a)	22,344
3,600 Napco Security Technologies, Inc. ^(a)	21,024
250 PC-Tel, Inc. ^(a)	2,063
	72,983
Construction & Engineering – 1.36%	
2,400 Gencor Industries, Inc. ^(a)	25,176
	25,176
Consumer Products – Distributing – 0.30%	
475 Consolidated Water Co., Inc.	5,520
	5,520
Consumer Products – Manufacturing – 2.96%	
3,000 Crown Crafts, Inc.	25,590
1,900 Smith & Wesson Holding Corp. ^(a)	29,165
	54,755
Electronic Equipment & Instruments – 4.34%	
1,400 Allied Motion Technologies, Inc.	15,876
1,400 Daktronics, Inc.	18,228
10,800 Iteris, Inc. ^(a)	20,952
1,700 Orbotech Ltd. ^(a)	25,058
	80,114
Energy & Related Services – 0.64%	
1,000 Renewable Energy Group, Inc. ^(a)	11,770
	11,770
Energy Equipment & Services – 1.43%	
3,700 Tsakos Energy Navigation Ltd.	26,381
	26,381

The accompanying notes to financial statements are an integral part of this schedule.

Perritt Low Priced Stock Fund

Schedule of Investments (Continued) April 30, 2014 (Unaudited)

<u>Shares</u>	<u>Value</u>	<u>Shares</u>	<u>Value</u>
Financial Services – 3.53%		Minerals & Resources – 1.57%	
2,200 Gain Capital Holdings, Inc.	\$ 22,220	2,800 Sibanye Gold Ltd. – ADR	\$ 28,924
1,500 Janus Capital Group, Inc.	18,195		<u>28,924</u>
2,100 Pzena Investment Management, Inc.	22,827	Oil & Gas – 12.38%	
175 Susquehanna Bancshares, Inc.	1,813	2,900 Bellatrix Exploration Ltd. ^(a)	28,187
	<u>65,055</u>	2,800 Callon Petroleum Co. ^(a) .	25,704
		10,000 Enservco Corp. ^(a)	19,600
		1,700 Gran Tierra Energy, Inc. ^(a)	12,155
Health Care Providers & Services – 2.66%		1,550 Hercules Offshore, Inc. ^(a)	6,929
2,300 BioTelemetry, Inc. ^(a)	18,262	1,900 Kodiak Oil & Gas Corp. ^(a)	24,149
2,200 Select Medical Holdings Corp.	30,712	1,700 Penn Virginia Corp. ^(a) ...	28,288
	<u>48,974</u>	4,400 Star Gas Partners LP	27,940
		1,400 W&T Offshore, Inc.	26,880
Insurance – 1.31%		5,700 Warren Resources, Inc. ^(a)	28,899
525 Atlantic American Corp.	1,838		<u>228,731</u>
1,300 CNO Financial Group, Inc.	22,425		
	<u>24,263</u>	Retail – 1.84%	
Leisure – 2.39%		4,400 1-800-Flowers.com, Inc. ^(a)	23,980
1,425 Century Casinos, Inc. ^(a) .	8,479	800 Stein Mart, Inc.	10,000
150 Monarch Casino & Resort, Inc. ^(a)	2,406		<u>33,980</u>
900 Nautilus, Inc. ^(a)	7,497		
150 Penn National Gaming, Inc. ^(a)	1,674	Semiconductor Related Products – 9.04%	
3,400 Reading International, Inc. ^(a) ...	24,072	3,900 Amkor Technology, Inc. ^(a)	31,004
	<u>44,128</u>	2,100 Cascade Microtech, Inc. ^(a)	22,428
Medical Supplies & Services – 5.70%		2,000 Entegris, Inc. ^(a)	22,180
1,600 AMN Healthcare Services, Inc. ^(a)	19,968	5,300 inTEST Corp. ^(a)	21,889
9,800 Hooper Holmes, Inc. ^(a) ...	5,978	1,900 Photonics, Inc. ^(a)	16,492
425 Merit Medical Systems, Inc. ^(a)	5,470	2,500 Silicon Image, Inc. ^(a)	14,025
250 MGC Diagnostics Corp. ^(a)	2,750	600 Sparton Corp. ^(a)	16,296
2,300 Nordion, Inc. ^(a)	26,634	1,600 Vishay Intertechnology, Inc. ...	22,752
1,700 PhotoMedex, Inc. ^(a)	25,686		<u>167,066</u>
2,300 Symmetry Medical, Inc. ^(a)	18,998	Software – 1.41%	
	<u>105,484</u>	2,700 American Software, Inc. .	26,028
			<u>26,028</u>

The accompanying notes to financial statements are an integral part of this schedule.

Perritt Low Priced Stock Fund

Schedule of Investments (Continued) April 30, 2014 (Unaudited)

<u>Shares</u>	<u>Value</u>	<u>Shares</u>	<u>SHORT TERM</u>	<u>Value</u>
<i>Specialty Manufacturing – 6.72%</i>			INVESTMENTS – 7.08%	
300 Arts-Way Manufacturing Co., Inc.	\$ 1,818	130,751	Fidelity Institutional Money Markets Funds – Money Market Portfolio, 0.05%(b)	\$ 130,751
1,400 CECO Environmental Corp.	22,246		TOTAL SHORT TERM INVESTMENTS	
1,300 Core Molding Technologies, Inc.(a) ...	15,613		(Cost \$130,751)	\$ 130,751
1,300 Federal Signal Corp.	19,734		Total Investments	
2,600 Mueller Water Products, Inc.	23,712		(Cost \$1,839,079) –	
800 NN, Inc.	15,656		96.71%	\$1,786,388
1,900 Wabash National Corp.(a)	25,384		Other Assets in Excess of Liabilities –	
	<u>124,163</u>		3.29%	<u>60,838</u>
			TOTAL NET ASSETS –	
<i>Telecommunications – 2.82%</i>			100.00%	<u>\$1,847,226</u>
900 Harmonic, Inc.(a)	6,327			
1,600 Inteliquent, Inc.	21,824			
2,700 RRSat Global Communications Network Ltd.	23,949			
	<u>52,100</u>			
<i>Transportation – 1.40%</i>				
8,200 Radiant Logistics, Inc.(a) .	25,830			
	<u>25,830</u>			
TOTAL COMMON STOCKS				
(Cost \$1,658,160)	<u>\$1,605,693</u>			
REAL ESTATE INVESTMENT TRUST – 2.70%				
2,200 Diamondrock Hospitality Co.	\$ 26,994			
1,700 Medical Properties Trust, Inc.	<u>22,950</u>			
TOTAL REAL ESTATE INVESTMENT TRUST				
(Cost \$50,168)	<u>\$ 49,944</u>			

Percentages are stated as a percent of net assets.

ADR American Depository Receipt

(a) Non-income producing security.

(b) Variable rate security whose rate shown is the effective rate as of April 30, 2014.

The industry classifications listed above are in accordance with Global Industry Classification Standard (GICS®), which was developed by and/or is the exclusive property of MSCI, Inc. and Standard & Poor Financial Services LLC ("S&P").

The accompanying notes to financial statements are an integral part of this schedule.

Perritt Funds, Inc.

Statements of Assets and Liabilities

April 30, 2014 (Unaudited)

	Perritt MicroCap Opportunities Fund	Perritt Ultra MicroCap Fund	Perritt Low Priced Stock Fund
<i>Assets:</i>			
Investments at value			
Unaffiliated issuers	\$463,205,373	\$ 131,551,320	\$1,786,388
Affiliated issuers	1,972,004	5,240,005	—
Cash	—	—	36
Due from Advisor	—	—	6,681
Receivable for investments sold	9,368,301	307,064	—
Receivable for fund shares issued	667,358	174,802	45,000
Dividends and interest receivable	116,481	18,869	403
Prepaid expenses	42,868	29,578	19,030
Total Assets	475,372,385	137,321,638	1,857,538
<i>Liabilities:</i>			
Payable for investments purchased	646,618	128,400	—
Payable for fund shares purchased	326,018	104,114	—
Payable to Officers & Directors	18,503	18,503	—
Payable to Advisor	393,476	139,615	—
Accrued expenses & other liabilities	116,389	31,874	10,312
Total Liabilities	1,501,004	422,506	10,312
<i>Net Assets</i>	\$ 473,871,381	\$136,899,132	\$1,847,226
<i>Net Assets Consist of:</i>			
Capital Stock	\$346,628,216	\$ 115,383,129	\$ 1,917,219
Accumulated net investment loss	(2,910,130)	(1,434,265)	(1,543)
Accumulated undistributed net realized gain/(loss) on investments sold	23,384,395	1,886,932	(15,759)
Net unrealized appreciation/ (depreciation) on investments	106,768,900	21,063,336	(52,691)
Total Net Assets	\$ 473,871,381	\$136,899,132	\$1,847,226
Capital Stock, \$0.0001 par value			
Authorized	100,000,000	100,000,000	100,000,000
Outstanding	13,172,665	7,697,565	128,643
Net Assets	\$ 473,871,381	\$136,899,132	\$1,847,226
Net asset value and offering price per share	\$ 35.97	\$ 17.78	\$ 14.36
Cost of Investments			
Unaffiliated issuers	\$355,226,920	\$ 110,247,549	\$ 1,839,079
Affiliated issuers	3,181,557	5,480,440	—

The accompanying notes to financial statements are an integral part of these statements.

Perritt Funds, Inc.

Statements of Operations

For the Six Months Ended April 30, 2014 (Unaudited)

	Perritt MicroCap Opportunities Fund	Perritt Ultra MicroCap Fund	Perritt Low Priced Stock Fund
<i>Investment Income:</i>			
Dividend Income			
Unaffiliated issuers	\$ 2,026,412	\$ 274,024	\$ 2,308
Affiliated issuers	—	7,935	—
Less: Foreign taxes withheld and issuance fees	—	—	(140)
Interest income	3,178	3,038	14
Total investment income	2,029,590	284,997	2,182
<i>Expenses:</i>			
Investment advisory fee	2,360,822	724,446	2,483
Shareholder servicing	180,197	44,864	4,804
Administration fee	89,463	17,678	64
Fund accounting expenses	50,059	12,514	674
Officer & directors' fees & expenses	35,838	35,838	—
Federal & state registration fees	26,749	15,855	4,957
Printing & mailing fees	19,572	5,418	317
Professional fees	16,436	16,332	6,469
Custodian fees	15,079	6,716	439
Other expense	5,607	2,017	311
Total expenses	2,799,822	881,678	20,518
Less reimbursement/waiver	—	—	(16,793)
Total expenses net of reimbursement/waiver	2,799,822	881,678	3,725
Net investment loss	(770,232)	(596,681)	(1,543)
Realized and Unrealized Gain on Investments:			
Net realized gain/(loss) on investments from sales of:			
Unaffiliated issuers	23,386,593	1,920,999	(15,759)
Affiliated issuers	—	(15,384)	—
Change in unrealized appreciation/ (depreciation) on investments	4,667,931	8,695,913	(52,691)
Net realized and unrealized gain/(loss) on investments	28,054,524	10,601,528	(68,450)
Net increase/(decrease) in net assets resulting from operations	\$27,284,292	\$10,004,847	\$(69,993)

The accompanying notes to financial statements are an integral part of these statements.

Perritt Funds, Inc.

Statements of Changes in Net Assets

	Perritt MicroCap Opportunities Fund		Perritt Ultra MicroCap Fund		Perritt Low Priced Stock Fund
	For the Six Months Ended April 30, 2014 <i>(Unaudited)</i>	For the Year Ended October 31, 2013	For the Six Months Ended April 30, 2014 <i>(Unaudited)</i>	For the Year Ended October 31, 2013	For the Period February 28, 2014 through April 30, 2014 <i>(Unaudited)</i>
Operations:					
Net investment loss	\$ (770,232)	\$ (728,345)	\$ (596,681)	\$ (632,694)	\$ (1,543)
Net realized gain/(loss) on investments	23,386,593	44,768,270	1,905,615	3,093,467	(15,759)
Net change in unrealized appreciation/(depreciation) on investments	4,667,931	84,142,856	8,695,913	16,880,044	(52,691)
Net increase/(decrease) in net assets resulting from operations	27,284,292	128,182,781	10,004,847	19,340,817	(69,993)
Dividends and Distributions to Shareholders:					
Net investment income	—	(2,669,596)	—	—	—
Net realized gains	(43,420,318)	—	(2,070,525)	—	—
Total dividends and distributions	(43,420,318)	(2,669,596)	(2,070,525)	—	—
Capital Share Transactions:					
Proceeds from shares issued	53,113,858	107,694,894	72,535,034	41,811,416	1,917,219
Reinvestment of distributions	40,439,455	2,464,206	1,974,026	—	—
Cost of shares redeemed	(67,049,405)	(80,483,998)	(27,635,786)	(27,747,260)	—
Redemption fees	34,036	39,936	91,840	18,027	—
Net increase in net assets from capital share transactions	26,537,944	29,715,038	46,965,114	14,082,183	1,917,219
Total Increase in Net Assets	10,401,918	155,228,223	54,899,436	33,423,000	1,847,226
Net Assets					
<i>Beginning of the period</i>	463,469,463	308,241,240	81,999,696	48,576,696	—
<i>End of the period</i>	\$ 473,871,381	\$ 463,469,463	\$ 136,899,132	\$ 81,999,696	\$ 1,847,226
Accumulated undistributed net investment loss					
	\$ (2,910,130)	\$ (2,139,898)	\$ (1,434,265)	\$ (837,584)	\$ (1,543)
Capital Share Transactions:					
Shares sold	1,458,607	3,346,610	4,084,687	3,031,237	128,643
Shares issued on reinvestment of distributions	1,185,212	89,154	122,080	—	—
Shares redeemed	(1,870,506)	(2,683,208)	(1,561,905)	(2,202,381)	—
Net increase from capital share transactions	773,313	752,556	2,644,862	828,856	128,643

The accompanying notes to financial statements are an integral part of these statements.

Perritt MicroCap Opportunities Fund

Financial Highlights

For a Fund share outstanding throughout the period

	For the Period Ended April 30, 2014 <i>(Unaudited)</i>	For the Years Ended October 31,				
		2013	2012	2011	2010	2009
<i>Net asset value, beginning of period</i>	\$37.38	\$26.47	\$23.43	\$24.52	\$19.83	\$15.92
<i>Income/(loss) from investment operations:</i>						
Net investment income/(loss) ²	(0.06)	(0.06)	0.10	(0.11)	(0.15)	(0.03)
Net realized and unrealized gain/(loss) on investments	2.14	11.21	2.94	(0.98)	4.84	3.94
Total from investment operations	2.08	11.15	3.04	(1.09)	4.69	3.91
<i>Less dividends and distributions:</i>						
Distributions from net realized gains	(3.49)	(0.24)	—	—	—	—
Total dividends and distributions	(3.49)	(0.24)	—	—	—	—
<i>Redemption fees</i> ^{2,3}	—	—	—	—	—	—
<i>Net asset value, end of period</i>	\$35.97	\$37.38	\$26.47	\$23.43	\$24.52	\$19.83
<i>Total return</i> ¹	6.08% ⁵	42.46%	12.97%	(4.45%)	23.59%	24.56%
<i>Supplemental data and ratios:</i>						
Net assets, end of period (in thousands)	\$473,871	\$463,469	\$308,241	\$337,975	\$371,998	\$315,865
Ratio of net expenses to average net assets	1.19% ⁴	1.22%	1.26%	1.22%	1.27%	1.42%
Ratio of net investment loss to average net assets	(0.33%) ⁴	(0.20%)	0.38%	(0.42%)	(0.67%)	(0.18%)
Portfolio turnover rate	13.2% ⁵	41.4%	14.0%	25.4%	41.5%	25.4%

¹ Total return reflects reinvested dividends but does not reflect the impact of taxes.

² Net Investment income/(loss) and redemption fees per share has been calculated based on average shares outstanding during the period.

³ Amount is less than \$0.01 per share.

⁴ Annualized.

⁵ Not Annualized.

The accompanying notes to financial statements are an integral part of this schedule.

Perritt Ultra MicroCap Fund

Financial Highlights

For a Fund share outstanding throughout the period

	For the Period Ended April 30, 2014 <i>(Unaudited)</i>	For the Years Ended October 31,				
		2013	2012	2011	2010	2009
<i>Net asset value, beginning of period</i>	\$16.23	\$11.50	\$10.90	\$11.10	\$ 8.14	\$ 6.42
<i>Income/(loss) from investment operations:</i>						
Net investment loss ²	(0.09)	(0.15)	(0.06)	(0.15)	(0.06)	(0.03)
Net realized and unrealized gain/(loss) on investments	2.02	4.88	0.66	(0.06)	3.02	1.75
Total from investment operations	1.95	4.73	0.60	(0.21)	2.96	1.72
<i>Less dividends and distributions:</i>						
Distributions from net realized gains	(0.39)	—	—	—	—	—
Total dividends and distributions	(0.39)	—	—	—	—	—
<i>Redemption fees</i> ²	0.01	— ³	— ³	0.01	— ³	— ³
<i>Net asset value, end of period</i>	<u>\$17.78</u>	<u>\$16.23</u>	<u>\$11.50</u>	<u>\$10.90</u>	<u>\$11.10</u>	<u>\$ 8.14</u>
<i>Total return</i> ¹	12.21% ⁵	41.13%	5.50%	(1.80%)	36.36%	26.79%
<i>Supplemental data and ratios:</i>						
Net assets, end of period (in thousands)	\$136,899	\$82,000	\$48,577	\$63,290	\$96,532	\$64,002
Ratio of net expenses to average net assets	1.46% ⁴	1.75%	1.85%	1.65%	1.72%	2.12%
Ratio of net investment loss to average net assets	(0.99)% ⁴	(1.14%)	(0.56%)	(1.11%)	(0.57%)	(0.07%)
Portfolio turnover rate	18.3% ⁵	33.9%	14.6%	17.9%	29.0%	19.6%

¹ Total return reflects reinvested dividends but does not reflect the impact of taxes.

² Net Investment loss and redemption fees per share has been calculated based on average shares outstanding during the period.

³ Amount is less than \$0.01 per share.

⁴ Annualized.

⁵ Not Annualized.

The accompanying notes to financial statements are an integral part of this schedule.

Perritt Low Priced Stock Fund

Financial Highlights

For a Fund share outstanding throughout the period

	For the Period From February 28, 2014 ⁵ Through April 30, 2014 <hr style="border: 0.5px solid black;"/> (Unaudited)
<i>Net asset value, beginning of period</i>	\$15.00
<i>Loss from investment operations:</i>	
Net investment loss ²	(0.02)
Net realized and unrealized loss on investments	(0.62)
Total from investment operations	<u>(0.64)</u>
<i>Less dividends and distributions:</i>	
Total dividends and distributions	<u>—</u>
<i>Net asset value, end of period</i>	<u>\$14.36</u>
<i>Total return</i> ^{1,6}	(4.27%)
<i>Supplemental data and ratios:</i>	
Net assets, end of period (in thousands)	\$1,847
Ratio of net expenses to average net assets ³	1.50%
Ratio of net investment loss to average net assets ³	(0.62%)
Ratio of expenses (prior to reimbursements) to average net assets ³	8.26%
Ratio of net investment loss (prior to reimbursements) to average net assets ³	(7.38%)
Portfolio turnover rate ⁴	5.1%

¹ Total return reflects reinvested dividends but does not reflect the impact of taxes.

² Net Investment loss and redemption fees per share has been calculated based on average shares outstanding during the period.

³ Annualized.

⁴ Not Annualized.

⁵ Commencement of operations.

⁶ The total return figure is the since inception return for the Fund which commenced operations on February 28, 2014.

The accompanying notes to financial statements are an integral part of this schedule.

Notes to Financial Statements (Unaudited)

April 30, 2014

1. Organization

Perritt Funds, Inc. (the "Corporation") was organized on March 19, 2004 as a Maryland corporation and is registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as an open-end investment company, with each series below being a diversified fund. The Corporation currently consists of the following series: Perritt MicroCap Opportunities Fund ("MicroCap Fund"), Perritt Ultra MicroCap Fund ("Ultra MicroCap Fund") and Perritt Low Priced Stock Fund ("Low Priced Stock Fund") (each, a "Fund," and collectively, the "Funds"). Perritt MicroCap Opportunities Fund, Inc., the predecessor to the MicroCap Fund, commenced operations on April 11, 1988. As part of a plan of reorganization, on February 28, 2013, Perritt MicroCap Opportunities Fund, Inc. merged into the MicroCap Fund, a series within the Corporation.

2. Summary of Significant Accounting Policies

- a. Exchange-listed securities are generally valued at the last sales price reported by the principal security exchange on which the security is traded, or if no sale is reported, the mean between the latest bid and ask price unless the Funds' investment advisor believes that the mean does not represent a fair value, in which case the securities are fair valued as set forth below. Securities listed on NASDAQ are valued at the NASDAQ Official Closing Price. Demand notes, commercial paper, U.S. Treasury Bills and warrants are stated at fair value using market prices if available, or a pricing service when such prices are believed to reflect fair value. Securities for which market quotations are not readily available are valued at their fair value as determined in good faith by the Funds' advisor under procedures established by and under the supervision of the Board of Directors of the Funds. The Funds' fair value procedures allow for the use of certain methods performed by the Funds' advisor to value those securities for which market quotations are not readily available, at a price that a Fund might reasonably expect to receive upon a sale of such securities. For example, these methods may be based on a multiple of earnings, or a discount from market of a similar freely traded security, or a yield to maturity with respect to debt issues, or a combination of these and other methods.
- b. Net realized gains and losses on securities are computed using the first-in, first-out method.
- c. Dividend income is recognized on the ex-dividend date, and interest income is recognized on the accrual basis. Withholding taxes on foreign dividends and capital, which are included as a component of net investment income and realized gain (loss) on investments, respectively, have been provided for in accordance with the Funds' understanding of the applicable country's tax rules and rates. Discounts and premiums on securities purchased are amortized over the life of the respective securities. Investment and shareholder transactions are recorded on the trade date.
- d. Each Fund is charged for those expenses that are directly attributable to it. Expenses that are not readily identifiable to a specific Fund are generally allocated among the Funds in proportion to the relative net assets of the Funds.

Notes to Financial Statements (Unaudited) (Continued)

- e. Provision has not been made for federal income tax since the Funds have each elected to be taxed as a “regulated investment company” and intend to distribute substantially all income to their shareholders and otherwise comply with the provisions of the Internal Revenue Code applicable to regulated investment companies.
- f. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates. In preparing these financial statements, the Funds have evaluated events and transactions for potential recognition or disclosure through the date the financial statements were issued.
- g. Dividends from net investment income and net realized capital gains, if any, are declared and paid annually. Distributions to shareholders are recorded on the ex-dividend date. The Funds may periodically make reclassifications among certain of their capital accounts as a result of the timing and characterization of certain income and realized gain distributions determined annually in accordance with federal tax regulations which may differ from GAAP. For the year ended October 31, 2013, the MicroCap Fund did not reclassify any components of its capital accounts. The Ultra MicroCap Fund has reclassified the components of its capital accounts for the year ended October 31, 2013 by increasing accumulated net investment loss by \$45 and decreasing accumulated net realized loss by \$45.
- h. As of and during the six months ended April 30, 2014, the Funds did not have a liability for any unrecognized tax benefits. The Funds recognize interest and penalties, if any, related to unrecognized tax benefits as income tax expense on the Statements of Operations. During the six months ended April 30, 2014, the Funds did not incur any interest or penalties. The Funds are not subject to examination by U.S. federal tax authorities for any tax years before 2009.

3. Security Valuation

GAAP establishes an authoritative definition of fair value and sets out a hierarchy for measuring fair value. GAAP also requires additional disclosures about the various inputs used to develop the measurements of fair value. These inputs are summarized in the three broad levels listed below:

- Level 1 – Quoted prices in active markets for identical securities.
- Level 2 – Other significant observable inputs (including quoted prices for similar securities or the identical security on an inactive market, interest rates, prepayment speeds, credit risk, etc.).
- Level 3 – Significant unobservable inputs (including the Funds’ own assumptions in determining the fair value of investments).

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The following is a summary of the inputs used to value the Funds’ net assets as of April 30, 2014:

Notes to Financial Statements (Unaudited) (Continued)

Perritt MicroCap Opportunities Fund

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments in Securities				
<i>Common Stocks</i>				
Consumer Discretionary	\$ 61,517,516	\$ —	\$ —	\$ 61,517,516
Consumer Staples	26,788,842	—	—	26,788,842
Energy	61,553,737	—	—	61,553,737
Financial	35,375,282	—	—	35,375,282
Health Care	34,897,771	—	—	34,897,771
Industrials	89,511,605	—	—	89,511,605
Information Technology	80,670,219	—	—	80,670,219
Materials	20,538,757	—	—	20,538,757
Total Common Stocks	410,853,729	—	—	410,853,729
<i>Real Estate</i>				
<i>Investment Trusts</i>	15,709,164	—	—	15,709,164
Short Term Investments	38,614,484	—	—	38,614,484
Total Investments in Securities	\$465,177,377	\$ —	\$ —	\$465,177,377

Perritt Ultra MicroCap Fund

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments in Securities				
<i>Common Stocks</i>				
Consumer Discretionary	\$ 16,838,707	\$ —	\$ —	\$ 16,838,707
Consumer Staples	7,639,420	—	—	7,639,420
Energy	10,877,122	—	—	10,877,122
Financial	13,953,309	—	—	13,953,309
Health Care	7,727,942	—	—	7,727,942
Industrials	25,620,854	846,971	—	26,467,825
Information Technology	30,968,160	950,400	—	31,918,560
Materials	4,668,398	—	—	4,668,398
Total Common Stocks	118,293,912	1,797,371	—	120,091,283
<i>Real Estate</i>				
<i>Investment Trusts</i>	2,021,300	—	—	2,021,300
<i>Warrants</i>				
Information Technology	14,940	39,600	—	54,540
Total Warrants	14,940	39,600	—	54,540
Short Term Investments	14,624,202	—	—	14,624,202
Total Investments in Securities	\$134,954,354	\$1,836,971	\$ —	\$136,791,325

Notes to Financial Statements (Unaudited) (Continued)

Perritt Low Priced Stock Fund

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments in Securities				
<i>Common Stocks</i>				
Consumer Discretionary	\$ 156,812	\$ —	\$ —	\$ 156,812
Energy	238,942	—	—	238,942
Financial	115,921	—	—	115,921
Health Care	202,083	—	—	202,083
Industrials	270,038	—	—	270,038
Information Technology	443,369	—	—	443,369
Materials	123,245	—	—	123,245
Telecommunications	21,824	—	—	21,824
Utilities	33,459	—	—	33,459
Total Common Stocks	1,605,693	—	—	1,605,693
<i>Real Estate</i>				
<i>Investment Trusts</i>	49,944	—	—	49,944
Short Term Investments	130,751	—	—	130,751
Total Investments in Securities	\$ 1,786,388	\$ —	\$ —	\$ 1,786,388

Below are the transfers into or out of Levels 1 and 2 for the Funds using market values measured at the end of the reporting period:

	<u>MicroCap Fund</u>	<u>Ultra MicroCap Fund</u>	<u>Low Priced Stock Fund</u>
Transfers into Level 1	\$ —	\$ 4,111,842	\$ —
Transfers out of Level 1	—	846,971	—
Net Transfers in/out of Level 1	<u>\$ —</u>	<u>\$ 3,264,871</u>	<u>\$ —</u>
Transfers into Level 2	\$ —	\$ 846,971	\$ —
Transfers out of Level 2	—	4,111,842	—
Net Transfers in/out of Level 2	<u>\$ —</u>	<u>\$(3,264,871)</u>	<u>\$ —</u>

The securities transferred from Level 1 to Level 2 were transferred due to those securities not trading on the last day of the reporting period. The securities transferred from Level 2 to Level 1 were transferred due to an increase of observable market data for those securities, which resulted from an increase in market activity.

On November 1, 2013, the combined market values of the MicroCap and Ultra MicroCap Funds Level 3 securities were zero. The Funds had no transfers into or out of Level 3 during the six months ended April 30, 2014. As of April 30, 2014, the MicroCap Fund and the Low Priced Stock Fund did not hold any Level 3 securities. As of April 30, 2014, the market values of the Ultra MicroCap Fund's Level 3 securities were zero. As there is no active market for these level 3 securities, the value is being derived from qualitative information. Specifically, the fair value of the warrants is derived by calculating the difference between the underlying equity security's price and the strike price of the

Notes to Financial Statements (Unaudited) (Continued)

warrant. An increase in the underlying equity security's price will increase the fair value of the warrant security. Alternatively, a decrease in the underlying equity security's price will decrease the fair value of the warrant security.

The following table presents information about unobservable inputs related to the Ultra MicroCap Fund's categories of Level 3 investments as of April 30, 2014.

	Fair Value at 4/30/14	Valuation Techniques	Unobservable Inputs	Ranges
Equity Securities	\$ —	Intrinsic Value	No active market	\$0.00 – \$0.00
Warrants	—	Intrinsic Value	Warrant strike price and underlying stock price	N/A

4. Investment Advisory Agreement

For each Fund, the Corporation entered into an investment advisory agreement (collectively, the "Agreements") with Perritt Capital Management, Inc. (the "Advisor"), with whom certain officers and directors of the Corporation are affiliated, to furnish investment advisory services to that Fund. Under the terms of the Agreements, the MicroCap Fund and the Low Priced Stock Fund pay the Advisor a monthly fee at the annual rate of 1% of the Fund's daily average net assets, and the Ultra MicroCap Fund pays the Advisor a monthly fee equal to 1.25% of its average net assets less than or equal to \$100 million; 1.00% with respect to average net assets in excess of \$100 million and less than or equal to \$200 million; and 0.50% with respect to average net assets in excess of \$200 million. At April 30, 2014, the MicroCap Fund, Ultra MicroCap Fund and Low Priced Stock Fund had fees due to the Advisor of \$393,476, \$139,615 and \$0, respectively. For the six months ended April 30, 2014, the MicroCap Fund, Ultra MicroCap Fund and Low Priced Stock Fund had incurred advisory fees of \$2,360,822, \$724,446 and \$2,483, respectively.

The Funds are responsible for their own operating expenses. The Advisor has contractually agreed to limit the Low Priced Stock Fund's annual operating expenses, including repayment of previous waivers, to 1.50% of the Low Priced Stock Fund's average daily net assets (the "Expense Cap Agreement").

Any reimbursements or fee waivers made by the Advisor to the Low Priced Stock Fund are subject to repayment by the Low Priced Stock Fund, to the extent that the Low Priced Stock Fund is able to make the repayment within its Expense Cap Agreement. Under the Expense Cap Agreement, any such repayment must be made before the end of the third full fiscal year after the fiscal year in which the related reimbursement or waiver occurred. For the period ended April 30, 2014, the Advisor waived expenses and/or reimbursed the Low Priced Stock Fund \$16,793.

For the period ended April 30, 2014, the Advisor did not recoup any fees previously waived or reimbursed.

The Advisor manages the Funds' investments subject to the supervision of the Funds' Board of Directors. The Advisor is responsible for investment decisions and supplies investment research and portfolio management. Under the investment advisory agreement, the Advisor, at its own expense and without reimbursement from the Funds, will furnish office space and all necessary office facilities, equipment and personnel for

Notes to Financial Statements (Unaudited) (Continued)

making the investment decisions necessary for managing the Funds and maintaining their organization, will pay the salaries and fees of all officers and directors of the Funds (except the Chief Compliance Officer's salary and the fees paid to disinterested directors) and will bear all sales and promotional expenses of the Funds.

5. Investment Transactions

Purchases and sales of securities, excluding short-term investments, for the six months ended April 30, 2014 were as follows:

	Purchases		Sales	
	U.S. Government	Other	U.S. Government	Other
MicroCap Fund	\$—	\$57,204,299	\$—	\$72,975,945
Ultra MicroCap Fund	\$—	\$56,961,060	\$—	\$18,412,119
Low Priced Stock Fund	\$—	\$1,646,506	\$—	\$76,685

6. Federal Income Tax Matters

The Low Priced Stock Fund commenced operations on February 28, 2014 and therefore, the following October 31, 2013 tax information is not applicable for this Fund.

As of October 31, 2013, the components of distributable earnings on a tax basis were as follows:

	MicroCap Fund	Ultra MicroCap Fund
Cost of investments for tax purposes	\$362,566,507	\$70,232,512
Gross tax unrealized appreciation	\$135,069,352	\$22,351,902
Gross tax unrealized depreciation	(32,970,514)	(10,003,158)
Net tax unrealized depreciation on investments	102,098,838	12,348,744
Distributable ordinary income	1,411,874	—
Distributable long-term capital gains	42,008,377	2,070,521
Total distributable earnings	43,420,251	2,070,521
Other accumulated losses	(2,139,898)	(837,584)
Total accumulated earnings	\$143,379,191	\$13,581,681

The difference between book and tax basis distributable earnings is primarily related to the deferral of losses on wash sales.

At October 31, 2013, the MicroCap Fund and Ultra MicroCap Fund deferred, on a tax basis, late year ordinary losses of \$2,139,898 and \$837,584, respectively.

Notes to Financial Statements (Unaudited) (Continued)

The tax composition of distributions paid during the years ended October 31, 2013 and 2012 were as follows:

	<u>Ordinary Income</u>		<u>Long-term Capital Gains</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
MicroCap Fund	\$2,669,596	\$—	\$—	\$—
Ultra MicroCap Fund	—	—	—	—

On November 20, 2013, the MicroCap Fund paid ordinary income and long-term capital gains distributions of \$0.11363 and \$3.3809 per share, respectively, and the Ultra MicroCap Fund paid long-term capital gains distributions of \$0.39278 per share.

7. Restricted Securities

The Funds may own investment securities which are unregistered and thus restricted as to resale. These securities are valued by each Fund after giving due consideration to pertinent factors including recent private sales, market conditions and the issuer's financial performance. Where future disposition of these securities requires registration under the Securities Act of 1933, each Fund has the right to include these securities in such registration, generally without cost to the Fund. The Funds have no right to require registration of the unregistered securities they hold. At April 30, 2014, the MicroCap Fund and Ultra MicroCap Fund held restricted securities with an aggregate value of \$3,430,000 and \$1,836,552, which accounted for 0.72% and 1.34%, respectively, of each Fund's net assets. During the period ended April 30, 2014, the Low Priced Stock Fund did not hold any restricted securities.

8. Guarantees and Indemnifications

Under the Funds' organizational documents, their officers and directors are indemnified by the Funds against certain liabilities arising out of the performance of their duties to the Funds. Additionally, in the normal course of business, the Funds enter into contracts with service providers that contain general indemnification clauses. The Funds' maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Funds that have not yet occurred. Currently, the Funds expect the risk of loss to be remote.

9. Line of Credit Arrangement

The MicroCap Fund and Ultra MicroCap Fund are each party to an uncommitted line of credit arrangement with U.S. Bank, N.A. expiring December 15, 2014, and renewed annually thereafter, under which the MicroCap Fund may borrow up to \$23,000,000 and the Ultra MicroCap Fund may borrow up to the lesser of \$11,500,000 or 33.33% of the sum of the fair value of certain assets of the Fund. Interest is charged on borrowings at the prevailing Prime Rate. The Funds have borrowed under these arrangements from time to time to increase the efficiency of cash flow management. For the period from November 1, 2013 to April 30, 2014, the MicroCap Fund and Ultra MicroCap Fund did not have any borrowings. At April 30, 2014, the MicroCap Fund and Ultra MicroCap Fund had no outstanding borrowings on the line of credit. As of April 30, 2014, the Low Priced Stock Fund does not have a line of credit arrangement.

Notes to Financial Statements (Unaudited) (Continued)

10. Redemption Fee

The Funds charge a 2% redemption fee to those who buy and sell shares within 90 calendar days or less. The redemption fee is retained for the benefit of long-term shareholders, and recorded as additional capital in the Statements of Changes in Net Assets.

11. Transactions with Affiliates

The following issuers were affiliated with the Funds, as the Funds held 5% or more of the outstanding voting securities of the issuer during the period from November 1, 2013 through April 30, 2014. See Section (2)(a)(3) of the Investment Company Act of 1940.

Perritt MicroCap Opportunities Fund

<i>Issuer Name</i>	<i>Share Balance At November 1, 2013</i>	<i>Additions</i>	<i>Reductions</i>	<i>Share Balance At April 30, 2014</i>	<i>Dividend Income</i>	<i>Value At April 30, 2014</i>
Atlas Financial Holdings, Inc. ¹	452,800	—	—	452,800	\$ —	\$6,321,088
Full House Resorts, Inc.	988,173	300	—	988,473	—	1,972,004
					<u>\$ —</u>	<u>\$8,293,092</u>

Perritt Ultra MicroCap Fund

<i>Issuer Name</i>	<i>Share Balance At November 1, 2013</i>	<i>Additions</i>	<i>Reductions</i>	<i>Share Balance At April 30, 2014</i>	<i>Dividend Income</i>	<i>Value At April 30, 2014</i>
Allied Healthcare Products, Inc.	166,982	283,018	—	450,000	\$ —	\$ 972,000
CTI Industries corp.	150,300	27,800	—	178,100	—	869,128
1347 Property Insurance Holdings, Inc.	—	200,000	—	200,000	—	1,810,000
Orbit International Corp.	145,000	130,764	—	275,764	—	783,170
SmartPros LTD	260,000	—	25,100	234,900	7,935	805,707
					<u>\$7,935</u>	<u>\$5,240,005</u>

¹ Issuer was not an affiliate as of April 30, 2014.

As a shareholder of the Funds, you incur two types of costs: (1) transaction costs, including sales charges (loads) on purchase payments, reinvested dividends, or other distributions; redemption fees (the Funds impose a 2.00% redemption fee on shares held for 90 calendar days or less after purchase); and exchange fees; and (2) ongoing costs, including management fees; distribution and/or service fees; and other Fund expenses. This Example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds. The Example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period (November 1, 2013 – April 30, 2014).

Actual Expenses

The first line of the table below provides information about actual account values and actual expenses. Although the Funds charge no sales load or transaction fees (other than a 2.00% redemption fee for shares held for 90 calendar days or less after purchase), you will be assessed fees for outgoing wire transfers, returned checks and stop payment orders at prevailing rates charged by U.S. Bancorp Fund Services, LLC, the Funds transfer agent. If you request that a redemption be made by wire transfer, currently a \$15.00 fee is charged by the Funds transfer agent. You will be charged a transaction fee equal to 2.00% of the net amount of the redemption if you redeem your shares within 90 calendar days of purchase. IRA accounts will be charged a \$15.00 annual maintenance fee. To the extent the Fund invests in shares of other investment companies as part of its investment strategy, you will indirectly bear your proportionate share of any fees and expenses charged by the underlying funds in which the Fund invests in addition to the

expenses of the Fund. Actual expenses of the underlying funds are expected to vary among the various underlying funds. These expenses are not included in the example below. The example below includes, but is not limited to, management fees, shareholder servicing fees, fund accounting, custody and transfer agent fees. However, the example below does not include portfolio trading commissions and related expenses, interest expense and other extraordinary expenses as determined under accounting principles generally accepted in the United States of America. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled “Expenses Paid During Period” to estimate the expenses you paid on your account during this period.

Hypothetical Example for Comparison Purposes

The second line of the table below provides information about hypothetical account values and hypothetical expenses based on the Fund’s actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund’s actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

Expense Example (Unaudited) (Continued)

April 30, 2014

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as sales charges (loads), redemption fees, or exchange fees. Therefore, the second line of the

table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

	Beginning Account Value 11/1/13	Ending Account Value 4/30/14	Expenses Paid During Period 11/1/13 – 4/30/14 ¹
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Actual

Perritt Micro Cap Opportunities	\$1,000.00	\$1,061.40	\$6.08
Perritt Ultra MicroCap Fund	\$1,000.00	\$1,122.10	\$7.68

Hypothetical

Perritt Micro Cap Opportunities	\$1,000.00	\$1,018.89	\$5.96
Perritt Ultra MicroCap Fund	\$1,000.00	\$1,017.55	\$7.30

	Beginning Account Value 2/28/14	Ending Account Value 4/30/14	Expenses Paid During Period 2/28/14 – 4/30/14 ²
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Actual

Perritt Low Priced Stock Fund	\$1,000.00	\$957.30	\$2.49
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Hypothetical

Perritt Low Priced Stock Fund	\$1,000.00	\$1,005.95	\$2.56
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¹ Expenses are equal to the Fund's annualized expense ratio of 1.19% for the MicroCap Fund and 1.46% for the Ultra MicroCap Fund for the six-month period, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period).

² Expenses are equal to the Fund's annualized expense ratio of 1.50% for the Low Priced Stock Fund for the period February 28, 2014 through April 30, 2014, multiplied by the average account value over the period, multiplied by 62/365 (to reflect the 62 day period since commencement of operations of the Fund through the end of the reporting period).

Advisory Agreements

On December 6, 2013, the directors, including the directors who are not interested persons (as defined in the Investment Company Act of 1940) of the Perritt MicroCap Opportunities Fund, the Perritt Ultra MicroCap Fund and the Perritt Low Priced Stock Fund (collectively, the “Funds”) or the Funds’ investment adviser (the “Independent Directors”), approved the continuation of the investment advisory agreements for the Perritt MicroCap Opportunities Fund and the Perritt Ultra MicroCap Fund and the new investment advisory agreement for the Perritt Low Priced Stock Fund (collectively, the “Advisory Agreements”).

The Independent Directors requested and evaluated materials from the Funds’ investment adviser (the “Adviser”). In addition, the Funds’ administrator provided the Independent Directors with a detailed report pursuant to Section 15(c) of the Investment Company Act of 1940, with respect to the Perritt MicroCap Opportunities Fund and the Perritt Ultra MicroCap Fund. The report includes an in-depth analysis of these Funds’ performance, fees and expenses as compared to other funds in the Funds’ peer group. Data is compiled by Lipper and identifies a group of similar funds as to investment classification, asset size and load types. Additional information provided to the board included a discussion of the Adviser’s personnel committed to investment management, administration and compliance.

In evaluating the materials and the Advisory Agreements, the Independent Directors consulted with counsel to the Funds. The Independent Directors also discussed the Advisory Agreements in executive session with Fund counsel, at which no representatives of the Adviser were present.

The Independent Directors did not consider any single factor as determinative. The Independent Directors determined that the

overall arrangement between the Funds and the Adviser, as provided in the Advisory Agreements, was fair and reasonable and that the approval of the Advisory Agreements was in the best interests of the Funds and their shareholders.

Nature, Extent and Quality of Services Provided by the Adviser

The Independent Directors received and considered information regarding the nature, extent and quality of the services provided, or to be provided, to the Funds under the Advisory Agreements. The Independent Directors considered the background and experience of the Adviser’s management and the expertise of, and the amount of attention given, or to be given, to the Funds by, investment personnel of the Adviser. In addition, the Independent Directors reviewed the qualifications, backgrounds and responsibilities of the portfolio management teams for the Funds and the infrastructure supporting the teams. The Independent Directors also considered the quality of the material service providers to the Funds, who provide administrative and distribution services on behalf of the Funds. In addition, they considered the overall reputation and capabilities of the Adviser and its affiliates, the commitment of the Adviser to provide high quality service to the Funds, their overall confidence in the Adviser and its responsiveness to questions and concerns raised by the Independent Directors.

Based on these considerations and other factors, the Independent Directors concluded that they were satisfied with the nature, extent and quality of the investment advisory services provided, or to be provided, to the Funds by the Adviser.

Costs of Services Provided and Profitability to the Adviser

At the request of the Independent Directors, the Adviser provided information regarding

Advisory Agreements (Continued)

the profitability to the Adviser in providing services to the Funds. The Independent Directors reviewed and discussed this information. The Independent Directors recognized that this information was not audited.

The Independent Directors believe that the level of profit is reasonable. The expense ratios will be monitored and periodic reports will be made to the Board of Directors regarding the expenses. The Independent Directors determined that the level of profit to the Adviser was fair and reasonable.

Advisory Fee and Economies of Scale

The Independent Directors also reviewed reports comparing the Funds' expense ratios (estimated ratios in the case of the Perritt Low Priced Stock Fund) and the advisory fee paid, or to be paid, by the Funds to those of other comparable mutual funds and concluded that the advisory fee paid, or to be paid, by the Funds and the Funds' expense ratios were within the range of comparable mutual funds.

The Independent Directors noted that the investment advisory fees are not adjusted if economies of scale are realized as the Funds grow. With regard to economies of scale, the Directors noted that certain fixed costs are spread over a broader base of assets as the Funds' total assets increase. On the other hand, certain expenses incurred to manage the Funds are asset-based fees and thus do not result in material economies of scale being realized as the net assets of the Funds increase. With respect to the Funds, the Trustees concluded that the fee structure of the Funds, which include expense limitation arrangements, reflects an appropriate sharing of economies of scale between the Funds and the Adviser, at this time.

Fees Relative to the Adviser's Other Clients

The Independent Directors received and considered information about the fee rates charged to the Adviser's other clients, and

concluded that the fee rates charged, or to be charged, to the Funds in comparison to those charged to the Adviser's other clients were reasonable.

Investment Performance

The Perritt MicroCap Opportunities Fund and the Perritt Ultra MicroCap Fund have continued to operate within their stated investment philosophy and objectives and have been compliant with their investment restrictions. The portfolio managers report was reviewed and the performance of these Funds was discussed. The Directors noted that both of these Funds had outperformed their benchmarks, and that they had confidence in the investment personnel of the Adviser managing the Funds. Based on its evaluation of the performance of these Funds, the Independent Directors determined that it is in the best interests of the Funds and their shareholders that the Adviser continue to manage the Funds.

The Directors noted that the Perritt Low Priced Stock Fund had not yet commenced operations and did not have any performance. However, the Directors believe that the Adviser will be able to manage this Fund in a manner that is materially consistent with its stated objective and style, with the expectation that the Fund may perform well on a relative basis.

Conclusions

The Independent Directors concluded that based on performance, nature, and extent and quality of services provided, that the costs of those services were fair and reasonable. The Independent Directors further determined that the Funds and their shareholders had received reasonable value from the Adviser's services. The Independent Directors, after considering all of the matters above, unanimously approved the Advisory Agreements.

Directors and Officers (Unaudited)

The Funds are governed by a Board of Directors that meets regularly to review investments, performance, expenses, and other business matters, and is responsible for protecting the interests of shareholders. The majority of the Funds' directors are independent of Perritt Capital Management, Inc. The Board of Directors elects the Funds' officers. The name, address, age and principal occupations for the past five years of the directors and officers are listed below, along with the number of portfolios in the Fund complex overseen by each director. During the past five years none of the directors has served as a director of a public company or a mutual fund other than Perritt MicroCap Opportunities, Inc. and Perritt Funds, Inc. The business address of each director and officer is 300 South Wacker Drive, Suite 2880, Chicago, IL 60606. For additional information about the directors, please call 1-800-331-8936 and request a Statement of Additional Information (SAI). One will be mailed to you free of charge.

<u>Name, Address, and Age</u>	<u>Position(s) Held with Fund and Number of Portfolios in Fund Complex Overseen by Director</u>	<u>Term of Office and Length of Time Served</u>	<u>Principal Occupation(s) during Past 5 Years</u>	<u>Other Directorships Held by Director during the Past 5 Years</u>
Independent Directors of the Fund				
Dianne C. Click Age: 51	Director Portfolios in Fund Complex Overseen: 3	Indefinite, until successor elected; 18 years, Perritt MicroCap Opportunities Fund; 10 years, Perritt Ultra MicroCap Fund; and since inception, Perritt Low Priced Stock Fund	Ms. Click is a licensed Real Estate Broker in the State of Montana. She has been a partner and a principal owner of a real estate sales company, Bozeman Broker Group, since April 2004. She has been licensed in the state of Montana since 1995.	None
David S. Maglich Age: 57	Director Portfolios in Fund Complex Overseen: 3	Indefinite, until successor elected; 25 years, Perritt MicroCap Opportunities Fund; 10 years, Perritt Ultra MicroCap Fund; and since inception, Perritt Low Priced Stock Fund	Mr. Maglich is a Shareholder with the law firm of Ferguson, Skipper, et. al. in Sarasota, Florida and has been employed with such firm since April 1989.	None

Directors and Officers (Unaudited) (Continued)

<u>Name, Address, and Age</u>	<u>Position(s) Held with Fund and Number of Portfolios in Fund Complex Overseen by Director</u>	<u>Term of Office and Length of Time Served</u>	<u>Principal Occupation(s) during Past 5 Years</u>	<u>Other Directorships Held by Director during the Past 5 Years</u>
Inside Director of the Fund				
Michael J. Corbett ⁽¹⁾ Age: 48	President Portfolios in Fund Complex Overseen: 3	One-year term as President; As Director, indefinite until successor elected; Director since October 5, 2010; 14 years as President of Perritt MicroCap Opportunities Fund; 10 years as President of Perritt Ultra MicroCap Fund; and since inception, Perritt Low Priced Stock Fund	Mr. Corbett has been President of the Perritt MicroCap Opportunities Fund since November 1999 and President of the Perritt Ultra MicroCap Fund since August 2004. He has served as President of the Advisor since October 5, 2010, and previously served as Vice President of the Advisor from February 1997 until October 5, 2010. Mr. Corbett began his tenure with Perritt Capital Management in 1990 as a research analyst. He assumed portfolio management responsibilities in 1996 and now serves as portfolio manager for both funds.	None

Directors and Officers (Unaudited) (Continued)

Name, Address, and Age	Position(s) Held with Fund and Number of Portfolios in Fund Complex Overseen by Director	Term of Office and Length of Time Served	Principal Occupation(s) during Past 5 Years	Other Directorships Held by Director during the Past 5 Years
Officers of the Fund other than Mr. Corbett				
Mark Buh Age: 52	Vice President and Treasurer	One-year term 2 year	Mr. Buh has been Vice President and Treasurer of the Funds and Chief Financial Officer of the Adviser since February 2012. He has over 25 years of experience in corporate accounting, administration, tax analysis and strategic planning for growth and development. He has a BS in accounting, an MBA from DePaul University, and is a CPA and CFA.	N/A
Allison B. Hearst Age: 51	Secretary	One-year term 4 years	Mrs. Hearst has 17 years of experience in the mutual fund industry, including a previous tenure at the Advisor beginning in 1990. Mrs. Hearst returned to the Advisor in 2007.	N/A
Lynn E. Burmeister Age: 55	Vice President and Chief Compliance Officer	One-year term 4 years	Mrs. Burmeister has been the Chief Compliance Officer since May 1, 2010, and oversees all compliance matters for the funds and the advisor. She also coordinates the administration of the Funds and is a liaison with the firm's corporate counsel. Mrs. Burmeister has worked in the financial industry since 1980. Her previous experience includes work at Harris Associates, Gofen & Glossberg and Optimum Investments.	N/A

⁽¹⁾ Mr. Corbett is an interested person of the Funds based upon his position with the Advisor.

Perritt Funds

The Funds file their complete schedule of portfolio holdings with the Securities and Exchange Commission for the first and third quarters of each fiscal year on Form N-Q. The Funds' Forms N-Q are available on the Securities and Exchange Commission's website at <http://www.sec.gov> and may be reviewed and copied at the Commission's Public Reference Room in Washington, D.C. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330. The Funds' latest Forms N-Q are also available without charge upon request by calling 1-800-331-8936.

A description of the policies and procedures that the Funds use to determine how to vote proxies relating to portfolio securities is available without charge, upon request, by calling the Advisor at 1-800-331-8936 and on the Securities and Exchange Commission's website at <http://www.sec.gov>.

Information regarding how the Funds voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is available without charge, upon request, by calling 1-800-331-8936 and on the Securities and Exchange Commission's website at <http://www.sec.gov>.

Household Delivery of Shareholder Documents: To reduce expenses, the Funds may mail only one copy of the Funds' prospectus, SAI and each annual and semi-annual report to those addresses shared by two or more accounts. If you wish to receive individual copies of these documents, please call the Funds at 1-800-331-8936 or contact your financial institution. You will begin receiving individual copies thirty days after receiving your request.

Electronic Delivery of Shareholder Documents: You may choose to receive the Funds' prospectus and annual and semi-annual reports electronically. To sign up for electronic delivery, visit www.icsdelivery.com and select the first letter of your brokerage firm's name. Then, select your brokerage institution from the list that follows, fill out the appropriate information and provide an e-mail address where you would like your information sent. If your brokerage firm is not listed, electronic delivery may not be available. Please contact your brokerage firm or financial advisor.

Perritt Funds

Investment Advisor

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Chicago, IL 60606-6703
800-331-8936

Independent Registered Public Accounting Firm

Cohen Fund Audit Services, Ltd.
1350 Euclid Avenue, Suite 800
Cleveland, OH 44115

Legal Counsel

Foley & Lardner LLP
777 East Wisconsin Avenue
Milwaukee, WI 53202

Custodian

U.S. Bank, NA
1555 North River Center Drive, Suite 302
Milwaukee, WI 53212

Transfer Agent and Dividend Disbursing Agent

U.S. Bancorp Fund Services, LLC
P.O. Box 701
Milwaukee, WI 53201-0701

Distributor

Quasar Distributors, LLC
615 East Michigan Street
Milwaukee, WI 53202

*For assistance with your existing account, call our
Shareholder Service Center at 1-800-332-3133.*

The Funds' Statements of Additional Information contain information about the Funds' directors and are available without charge upon request by calling 1-800-332-3133.

Perritt Funds

MicroCap Opportunities Fund

Ultra MicroCap Fund

Low Priced Stock Fund

Minimum Initial Investment \$1,000

IRA Minimum Initial Investment \$250

Dividend Reinvestment Plan

Systematic Withdrawal Plan

Automatic Investment Plan

Retirement Plans Including:

- IRA
- SEP-IRA
- Simple IRA
- Roth IRA
- Coverdell Education Savings Account

2% redemption fee imposed for shares held ninety (90) calendar days or less.

This report is authorized for distribution only to shareholders and others who have received a copy of the prospectus of the Perritt MicroCap Opportunities Fund, the Perritt Ultra MicroCap Fund and/or the Perritt Low Priced Stock Fund.

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