

Perritt

CAPITAL MANAGEMENT



Our firm overview

illustrates our dedication to the micro-cap space.

Small is passionate.

OUR FIRM

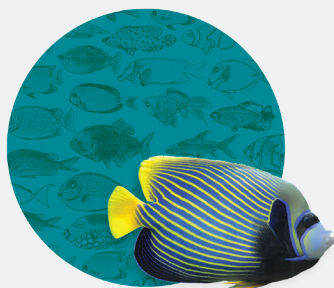
With over thirty years of experience in the micro-cap space, not only does Perritt have a commitment to small companies— we operate as a small company.

Sharing a boots-to-the-ground mentality with the micro-cap companies we invest in, our commitment and knowledge of the micro-cap space is consistent across all of our investment strategies.



Small is passionate.

Perritt is devoted to the micro-cap space and shares a boots-to-the-ground mentality with the small company management teams we invest in.



Small is progressive.

Perritt's leadership in investing in micro-cap is reinforced by an entrepreneurial nature and commitment to research and education.



Small is committed.

Perritt's longevity in the micro-cap space has helped us to develop a strong and wide network of trusted partners.



Small is specialized.

Perritt focuses only on uncovering and investing in micro-cap companies that are often overlooked by larger institutions.

HISTORY

Perritt Capital Management, Inc. has been investing in small companies since the firm's inception in 1987.

Our small/micro-cap company investment strategy was built on the research of Rolf Banz, a University of Chicago doctoral student who discovered the first crack in the foundation of the efficient market theory, dubbed "the small firm effect." The "small firm effect" is the tendency of common stocks of small companies to outperform the stocks of large companies at equivalent levels of risk.

After serving as the first executive director of the American Association of Individual Investors ("AII") and editor of the AII Journal, in 1983 Dr. Gerald W. Perritt began publishing investment newsletters including Investment Horizons, an investment advisory newsletter based on analysis of small company stocks. As readers wished to become investors, Perritt Capital Management was formed in 1987.

In many ways, we are one of the pioneers in microcap investing – only a handful of microcap managers launched in the 1980s still exist today.

OUR OFFERINGS

Perritt is devoted to the micro-cap space and focuses only on investing in micro-cap companies. Our two micro-cap investment strategies offer investors distinct exposure to the micro-cap asset class without risk of style drift.

HOLDINGS BY MEDIAN MARKET CAPITALIZATION AS OF September 30, 2019

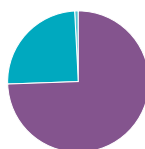
MicroCap Opportunities Fund: PRCGX



| | |
|-----------------|-------|
| Under \$150M... | 26.2% |
| \$150-500M... | 60.7% |
| \$500M+... | 13.2% |

PRCGX Median Market Cap... 213.1M

Ultra MicroCap Fund: PREOX



| | |
|-----------------|-------|
| Under \$150M... | 59.0% |
| \$150-500M... | 39.0% |
| \$500M+... | 2.0% |

PREOX Median Market Cap ... 83.7M

Mutual fund strategies are available as separately managed accounts.

Fund holdings are subject to change and are not recommendations to buy or sell any security.

THE PERRITT ADVANTAGE: BALANCING RISK AND REWARD

Uncover Opportunity

Micro-cap equity is the firm's only institutional strategy and we have a thirty year track record of micro-cap investing that has been **established over multiple market cycles**. We believe that this experience makes Perritt well positioned to benefit from the "Small Firm Effect."^{*}

RISK



Reduce Correlation

Low correlation to other asset classes should reduce overall portfolio beta

25-Yr Correlation of PRCGX

R-Squared vs. S&P 500.....0.47

R-Squared vs. Russell 20000.81

Limit Exposure

Diversified Portfolio seeks to minimize stock specific risk—100 to 200 holdings

Low Turnover helps to minimize liquidity risk—aim to keep portfolio turnover under 50% annually

REWARD



Reliable Management

Portfolio Manager Michael Corbett named to the *Barron's/Value Line* survey of the Top 100 Mutual Fund managers from 2003-2007

Long Term Returns

Flagship Perritt MicroCap Opportunities Fund has thirty year record



^{*}The Neglected and Small Firm Effects." Avner Arbel & Paul Strebler, The Financial Review, vol. 18, issue 4, 1982

STRATEGY

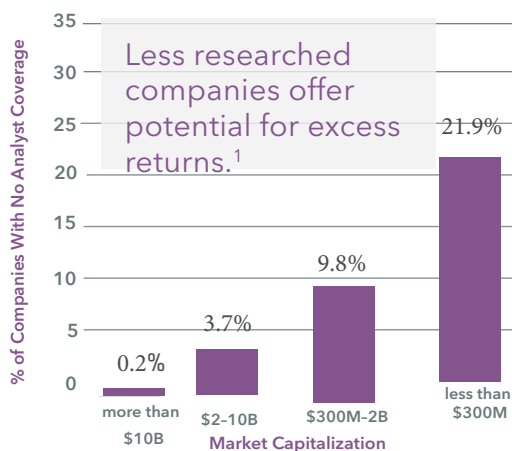
Perritt Capital Management invests in companies that are listed in the bottom two deciles of the major stock exchanges as ranked by market capitalization.

Today, the MicroCap Opportunities Fund invests in companies that at the time of initial investment have a market capitalization between \$50 and \$500 million. The Ultra MicroCap Fund utilizes the same disciplined investment process and invests in companies that have a market capitalization below \$300 million.

Our repeatable investment process builds portfolios from the bottom up, focusing on niche businesses with innovative products and services and the potential to build franchises and brands. We favor companies with modest valuation multiples relative to long term growth prospects and place an emphasis on attributes which demonstrate if a company is acting in the best interest of its shareholders.

NO ANALYST COVERAGE: MICRO-CAPS REMAIN LAST INEFFICIENT MARKET CAP CLASS

Analysts that cover small/micro-cap stocks are typically from boutique research/brokerage firms. Some examples include Barrington, Dougherty, Feltl, Noble, Roth, and Sidoti.



| | PRCGX | PREOX |
|----------------------------|------------------|------------------|
| Number of Stocks | 98 | 79 |
| Zero Analyst Coverage | 12 | 23 |
| One Analyst Coverage | 19 | 19 |
| Average Number of Analysts | 3.0 ² | 2.0 ² |

¹ "The Neglected and Small Firm Effects." Avner Arbel & Paul Strebler, The Financial Review, vol. 18, issue 4, 1982

² Typically 0-1 at initial purchase

³ Source: Capital IQ

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 Ultra MicroCap Fund may invest in early stage companies which tend to be more volatile and somewhat more speculative than investments in more established companies.

Correlation is a statistical measure of the degree to which the movements of two variables (stock/option/convertible prices or returns) are related. They range in value from -1 to +1, indicating perfect negative correlation at -1, absence of correlation at zero, and perfect positive correlation at +1.

MANAGER BIOGRAPHY



Michael Corbett

Chief Investment Officer &
Portfolio Manager

- Lead Portfolio Manager of PRCGX since 1999, co-manager beginning in 1996
- Lead Portfolio Manager of PREOX since inception in 2004
- Named as Barron's/Value Line Top 100 Mutual Fund Manager from 2003–2007
- Joined Perritt Capital Management as a research analyst in 1990

Matthew Brackmann Portfolio Manager, PREOX

- Portfolio Manager since 2014
- Equity analyst for Perritt MicroCap Opportunities Fund
- Joined Perritt Capital Management as an equity analyst in 2004

Diversification does not assure a profit, nor does it protect against a loss in a declining market.

The Price to Book (P/B) Ratio compares a stock's market value to the value of total assets less total liabilities and is calculated by dividing the current price of the stock by the company's book value per share. Price to earnings ratio is a common tool for comparing the prices of different common stocks and is calculated by dividing the current market price of a stock by the earnings per share. Price to Cash Flow is calculated by dividing the current price of the stock by the company's cash flow per share.

Fund managers named to the Barron's list of the industry's Top 100 have consistently outperformed their peers. The Barron's/Value Line annual ranking system awards points to managers who generate more stable returns and subtracts points from funds deemed too volatile. Value Line first screens out those Funds with more than two lead managers and managers with less than three years' tenure. The remaining funds are then organized by investment objective, and then sector funds and those with less than \$200 million in assets are eliminated. The Barron's Value/Line Survey was discontinued after 2007.

The S&P 500 Index is a broad based unmanaged index of 500 stocks, which is widely recognized as representative of the equity market in general. The Russell 2000 Index consists of the smallest 2,000 companies in a group of 3,000 U.S. companies in the Russell 3000 Index, as ranked by market capitalization. Beta measures the sensitivity of rates of return on a fund to general market movements. R-Squared is a statistical measure that represents the percentage of a fund's or security's movements that are explained by movements in a benchmark index. One cannot invest directly in an index.

The fund's investment objectives, risks, charges, and expenses must be considered carefully before investing. The statutory and summary prospectuses contain this and other important information about the investment company and may be obtained by calling 800-331-8936. Read carefully before investing.

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