



MicroCap Opportunities Fund (PRCGX)

Ultra MicroCap Fund (PREOX)

## PROSPECTUS

### The Perritt MicroCap Opportunities Fund

is a no load mutual fund that seeks long-term capital appreciation by investing mainly in common stocks of companies with market capitalizations that are below \$500 million at the time of initial purchase. In view of this, the Perritt MicroCap Opportunities Fund may be subject to above-average risk.

### The Perritt Ultra MicroCap Fund

is a no load mutual fund that seeks long-term capital appreciation by investing mainly in common stocks of companies with market capitalizations that are below \$300 million at the time of initial purchase. In view of this, the Perritt Ultra MicroCap Fund may be subject to above-average risk.

Please read this Prospectus, paying particular attention to the risks involved, and keep it for further reference. It contains important information about the Funds, their investments and the services they offer to shareholders.

THE SECURITIES AND EXCHANGE COMMISSION HAS NOT APPROVED OR DISAPPROVED THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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Website: [www.perrittcap.com](http://www.perrittcap.com)

Prospectus  
February 28, 2021

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## Summary Section

### Perritt MicroCap Opportunities Fund

**Investment Objective:** The Perritt MicroCap Opportunities Fund (the “Fund”) seeks long-term capital appreciation.

**Fees and Expenses of the Fund:** The table below describes the fees and expenses that you may pay if you buy, hold, and sell shares of the Fund. You may pay other fees, such as brokerage commissions and other fees to financial intermediaries, which are not reflected in the tables and examples below.

#### SHAREHOLDER FEES (fees paid directly from your investment)

Maximum Sales Charge (Load) Imposed on Purchases	None
Maximum Deferred Sales Charge (Load)	None
Maximum Sales Charge (Load) Imposed on Reinvested Dividends and Distributions	None
Redemption Fee (as a percentage of amount redeemed on shares held for 90 days or less)	2.00 %
Exchange Fee (as a percentage of amount exchanged on shares held for 90 days or less)	2.00 %

#### ANNUAL FUND OPERATING EXPENSES (expenses that you pay each year as a percentage of the value of your investment)

Management Fees	1.00 %
Distribution and/or Service (12b-1) Fees	None
Other Expenses	<u>0.64 %</u>
Total Annual Fund Operating Expenses	<u>1.64 %</u>

**Example:** This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund’s operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>
\$167	\$517	\$892	\$1,944

**Portfolio Turnover:** The Fund pays transaction costs, such as commissions when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in Annual Fund Operating Expenses or in the Example, affect the Fund’s performance. During the most recent fiscal year, the Fund’s portfolio turnover rate was 19.1% of the average value of its portfolio.

**Principal Investment Strategies:** The Fund normally invests at least 80% of its net assets (plus any borrowings for investment purposes) in the common stocks of United States companies with market capitalizations that are below \$500 million at the time of initial purchase, which the Fund’s investment adviser refers to as “micro-cap” companies. The Fund invests in both value-priced and aggressive growth stocks. Generally, the Fund’s investment adviser seeks to invest in companies with the following attributes:

- 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 invest in “special situations” such as companies that possess valuable patents, companies undergoing restructuring, and companies involved in large share repurchase programs.

Although the Fund seeks long-term capital appreciation, stocks may be sold in the short-term for several reasons. These include: (1) a company’s market capitalization grows beyond \$1.5 billion; (2) a company’s financial condition deteriorates to the point that the Fund’s investment adviser believes that the company’s long-term growth prospects may be impaired; (3) a company receives a purchase offer from another company; or (4) a company’s price-to-sales ratio or price-to-earnings ratio expands to the point that the Fund’s investment adviser believes the company’s stock is significantly overvalued.

The Fund is intended for investors who are willing to withstand the risk of short-term price fluctuations in exchange for potential long-term capital appreciation.

**Principal Risks:** There is a risk that you could lose all or a portion of your money on your investment in the Fund. This risk may increase during times of significant market volatility. The risks below could affect the value of your investment, and because of these risks the Fund is a suitable investment only for those investors who have long-term investment goals:

- **Common Stocks:** Common stocks occupy the most junior position in a company’s capital structure. Although common stocks have a history of long-term growth in value, their prices fluctuate based on changes in a company’s financial condition and on overall market and economic conditions. Therefore, the price of common stocks may decline for a number of reasons. The price declines may be steep, sudden and/or prolonged. A rise in protectionist trade policies, slowing global economic growth, risks associated with pandemic and epidemic diseases, risks associated with the United Kingdom’s departure from the European Union, the risk of trade disputes, and the possibility of changes to some international trade agreements, could affect the economies of many nations, including the United States, in ways that cannot necessarily be foreseen at the present time, and may negatively impact the markets in which the Fund invests. In addition, the novel coronavirus (COVID-19) pandemic and efforts to contain its spread are likely to negatively affect the value, volatility, and liquidity of the securities and other assets in which the Fund invests and exacerbate other risks that apply to the Fund.
- **Sector Risk:** From time to time, the Fund may concentrate its investments in one or more industry sectors. The Fund is currently substantially invested in the industrials sector, and the Fund’s performance is therefore affected by developments in this sector. The industrials sector consists of companies that may be particularly impacted by government regulation in the U.S. and elsewhere, as well as geopolitical events and economic conditions. In addition, companies in the industrials sector may be particularly impacted by litigation and threatened litigation, labor disputes and foreign exchange rates.
- **Micro-Cap & Small Capitalization Companies:** Micro-cap and small capitalization companies typically have relatively lower revenues, limited product lines, lack of management depth, higher risk of insolvency and a smaller share of the market for their products or services than larger capitalization companies. Generally, the share prices of stocks of micro-cap and small capitalization companies are more volatile than those of larger capitalization companies. Thus, the Fund’s share price may increase and decrease by a greater percentage than the share prices of funds that invest in the stocks of large capitalization companies. Also, the returns of micro-cap and small capitalization company stocks may vary, sometimes significantly, from the returns of the overall market. In addition, micro-cap and small capitalization company stocks tend to perform poorly during times of economic stress. Relative to large

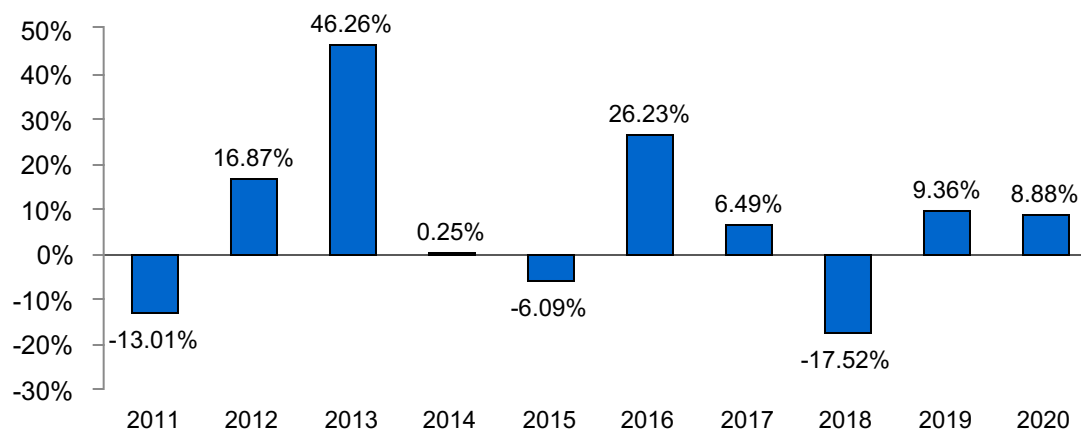
capitalization company stocks, the stocks of micro-cap and small capitalization companies are thinly traded, and purchases and sales may result in higher transactions costs. For these reasons, the Fund is a suitable investment for only that part of an investor's capital that can be exposed to above-average risk.

- **Market Risk:** The Fund may be exposed to "market risk." Market risk is the risk that stocks may decline significantly in price over short or extended periods of time. Price changes may occur in the market as a whole, or they may occur in only a particular company, industry or sector of the market. In the past decade, financial markets throughout the world have experienced increased volatility, depressed valuations, decreased liquidity and heightened uncertainty.
- **Manager Risk:** The Fund may lose money if the Fund's investment strategy does not achieve the Fund's objective or the Fund's investment adviser does not implement the strategy properly.
- **Liquidity Risk:** Liquidity risk is the risk, due to certain investments trading in lower volumes or to market and economic conditions that the Fund may be unable to find a buyer for its investments when it seeks to sell them or to receive the price it expects based on the Fund's valuation of the investments. Events that may lead to increased redemptions, such as market disruptions, may also negatively impact the liquidity of the Fund's investments when it needs to dispose of them. If the Fund is forced to sell its investments at an unfavorable time and/or under adverse conditions in order to meet redemption requests, such sales could negatively affect the Fund. Liquidity issues may also make it difficult to value the Fund's investments.
- **Value Investing Risk:** Value investing risk is the risk associated with the Fund's investment in companies it considers undervalued relative to their peers or the general stock market where these securities may decline or may not reach what the investment adviser believes are their full value.

**Performance:** The following bar chart and table provide some indication of the risks of investing in the Fund by showing changes in the Fund's performance from year to year and how the Fund's average annual returns for 1, 5 and 10 years compare with those of a broad measure of market performance, the Russell 2000<sup>®</sup> Index, as well as an additional index that reflects the market sector in which the Fund invests, the Russell Microcap<sup>®</sup> Index. The Fund is the successor to the investment performance of Perritt MicroCap Opportunities Fund, Inc. (the "Predecessor Fund"), as a result of the reorganization of the Predecessor Fund into the Fund after the close of business on February 28, 2013. Accordingly, the performance information shown below for periods on or prior to February 28, 2013 is that of the Predecessor Fund. The Predecessor Fund was also advised by Perritt Capital Management, Inc. and had the same investment objective and strategies as the Fund. Updated performance information is available on the Fund's website at [www.perrittcap.com](http://www.perrittcap.com) or by calling the Fund toll-free at 1-800-332-3133. The Fund's past performance (before and after taxes) is not necessarily an indication of how the Fund will perform in the future.

***Perritt MicroCap Opportunities Fund***

***Year-by-Year Total Returns as of December 31***



During the ten year period shown on the bar chart, the Fund’s best and worst quarters are shown below:

**Highest Quarterly Return**

28.39% (December 31, 2020)

**Lowest Quarterly Return**

-36.96% (March 31, 2020)

**Average Annual Total Returns For the Periods Ended December 31, 2020**

	1 Year	5 Years	10 Years
<b>Perritt MicroCap Opportunities Fund</b>			
Return Before Taxes	8.88%	5.71%	6.33%
Return After Taxes on Distributions	8.88%	3.21%	4.61%
Return After Taxes on Distributions and Sale of Fund Shares	5.26%	4.26%	4.92%
Russell Microcap <sup>®</sup> Index (reflects no deduction for fees, expenses, or taxes)	20.96%	11.89%	10.55%
Russell 2000 <sup>®</sup> Index (reflects no deduction for fees, expenses, or taxes)	19.96%	13.26%	11.20%

We use the Russell Microcap<sup>®</sup> Index as an additional index because it compares the Fund’s performance with the return of an index reflecting the performance of investments similar to those of the Fund.

After tax returns are calculated using the historical highest individual stated federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on your individual situation and may differ from those shown. In certain cases, the figure representing “Return After Taxes on Distributions and Sale of Fund Shares” may be higher than the other return figures for the same period. A higher after-tax return results when a capital loss occurs upon redemption and provides an assumed tax deduction that benefits the investor. Furthermore, the after-tax returns shown are not relevant to those who hold their shares through tax-deferred arrangements such as 401(k) plans or Individual Retirement Accounts.

**Management:**

**Investment Adviser:** Perritt Capital Management, Inc. is the investment adviser (“Adviser”) for the Fund.

**Portfolio Manager:** Michael Corbett is responsible for the day-to-day management of the Fund’s portfolio. Mr. Corbett is President of the Adviser and has served as Portfolio Manager of the Predecessor Fund since 1996.

**Purchase, Sale and Exchange of Fund Shares:** You may purchase, redeem, and exchange Fund shares on any business day by written request via mail (Perritt MicroCap Opportunities Fund, c/o U.S. Bank Global Fund Services, P.O. Box 701, Milwaukee, WI 53201-0701), by wire transfer, by telephone at 1-800-332-3133, or through a financial intermediary. You may also purchase, redeem and exchange additional Fund shares through the Internet at [www.perrittcap.com](http://www.perrittcap.com). Transactions will only occur on days the New York Stock Exchange is open. Investors who wish to purchase or redeem Fund shares through a financial intermediary should contact the financial intermediary directly for information relative to the purchase or sale of Fund shares. The following are the minimum investment requirements for investing in the Fund:

Initial Purchase:	\$ 1,000
Additional Purchase:	\$ 50
Automatic Investment Plan:	\$ 50
Individual Retirement Account:	\$ 250
Tax Deferred Retirement Account:	\$ 250
Uniform Gifts to Minors Act:	\$ 250
Dividend Reinvestment:	None

**Tax Information:** The Fund’s distributions generally will be taxable to you as ordinary income or capital gains, whether they are paid in cash or reinvested in Fund shares, unless you invest through a tax-deferred arrangement, such as a 401(k) plan or an Individual Retirement Account, in which case such distributions may be taxable at a later date.

**Payments to Broker-Dealers and Other Financial Intermediaries:** If you purchase Fund shares through a broker-dealer or other financial intermediary (such as a bank), the Fund and its related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create conflicts of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary’s website for more information.

## Perritt Ultra MicroCap Fund

**Investment Objective:** The Perritt Ultra MicroCap Fund (the “Fund”) seeks long-term capital appreciation.

**Fees and Expenses of the Fund:** The table below describes the fees and expenses that you may pay if you buy, hold, and sell shares of the Fund. You may pay other fees, such as brokerage commissions and other fees to financial intermediaries, which are not reflected in the tables and examples below.

### SHAREHOLDER FEES

#### (fees paid directly from your investment)

Maximum Sales Charge (Load) Imposed on Purchases	None
Maximum Deferred Sales Charge (Load)	None
Maximum Sales Charge (Load) Imposed on Reinvested Dividends and Distributions	None
Redemption Fee (as a percentage of amount redeemed on shares held for 90 days or less)	2.00 %
Exchange Fee (as a percentage of amount exchanged on shares held for 90 days or less)	2.00 %

### ANNUAL FUND OPERATING EXPENSES

#### (expenses that you pay each year as a percentage of the value of your investment)

Management Fees	1.25 %
Distribution and/or Service (12b-1) Fees	None
Other Expenses	<u>1.43 %</u>
Total Annual Fund Operating Expenses	<u>2.68 %</u>

### Example

This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund’s operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>
\$271	\$832	\$1,420	\$3,012

**Portfolio Turnover:** The Fund pays transaction costs, such as commissions when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in Annual Fund Operating Expenses or in the Example, affect the Fund’s performance. During the most recent fiscal year, the Fund’s portfolio turnover rate was 14.3% of the average value of its portfolio.

**Principal Investment Strategies:** The Fund normally invests at least 80% of its net assets (plus any borrowings for investment purposes) in the common stocks of United States companies with market capitalizations that are below \$300 million at the time of initial purchase, which the Fund’s investment adviser refers to as “micro-cap” companies. The micro-cap companies in which the Fund may invest include “early stage” micro-cap companies, which are companies that are in a relatively early stage of development with market capitalizations that are below \$50 million.



Micro-cap companies represent the smallest sector of public companies based on market capitalization. Normally, the micro-cap companies in which the Fund invests are in their earliest stages of public development and may offer unique products, services or technologies or may serve special or rapidly expanding niches.

The Fund's investment adviser uses a "bottom-up" approach of fundamental analysis to look for individual companies that the adviser believes offer significant potential for stock price appreciation. In addition, the adviser seeks to invest in companies with the following attributes:

- 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.

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.

Although the Fund seeks long-term capital appreciation, stocks may be sold in the short-term for several reasons. These include: (1) a company's size has expanded beyond the point where it can no longer be considered a small capitalization company; (2) a company's financial condition deteriorates to the point that, in the opinion of the Fund's investment adviser, the company's future growth prospects are impaired; (3) a company's valuation multiples such as price-to-sales ratio, price-to-earnings ratio, or price-to-book value ratio expand to the point that the Fund's investment adviser believes the company's stock is significantly overvalued; or (4) the Fund's investment adviser believes that another stock has better investment potential.

The Ultra MicroCap Fund is intended for investors who are willing to withstand the risk of short-term price fluctuations in exchange for potential long-term capital appreciation.

**Principal Risks:** There is a risk that you could lose all or a portion of your money on your investment in the Fund. This risk may increase during times of significant market volatility. The risks below could affect the value of your investment, and because of these risks the Fund is a suitable investment only for those investors who have long-term investment goals:

- **Common Stocks:** Common stocks occupy the most junior position in a company's capital structure. Although common stocks have a history of long-term growth in value, their prices fluctuate based on changes in a company's financial condition and on overall market and economic conditions. Therefore, the price of common stocks may decline for a number of reasons. The price declines may be steep, sudden and/or prolonged. A rise in protectionist trade policies, slowing global economic growth, risks associated with pandemic and epidemic diseases, risks associated with the United Kingdom's departure from the European Union, the risk of trade disputes, and the possibility of changes to some international trade agreements, could affect the economies of many nations, including the United States, in ways that cannot necessarily be foreseen at the present time, and may negatively impact the markets in which the Fund invests. In addition, the novel coronavirus (COVID-19) pandemic and efforts to contain its spread are likely to negatively affect the value, volatility, and liquidity of the securities and other assets in which the Fund invests and exacerbate other risks that apply to the Fund.
- **Micro-Cap & Small Capitalization Companies:** Micro-cap and small capitalization companies typically have relatively lower revenues, limited product lines, lack of management depth, higher risk of insolvency and a smaller share of the market for their products or services than larger capitalization

companies. Generally, the share prices of stocks of micro-cap and small capitalization companies are more volatile than those of larger capitalization companies. Thus, the Fund's share price may increase and decrease by a greater percentage than the share prices of funds that invest in the stocks of large capitalization companies. Also, the returns of micro-cap and small capitalization company stocks may vary, sometimes significantly, from the returns of the overall market. In addition, micro-cap and small capitalization company stocks tend to perform poorly during times of economic stress. Relative to large capitalization company stocks, the stocks of micro-cap and small capitalization companies are thinly traded, and purchases and sales may result in higher transactions costs. For these reasons, the Fund is a suitable investment for only that part of an investor's capital that can be exposed to above-average risk.

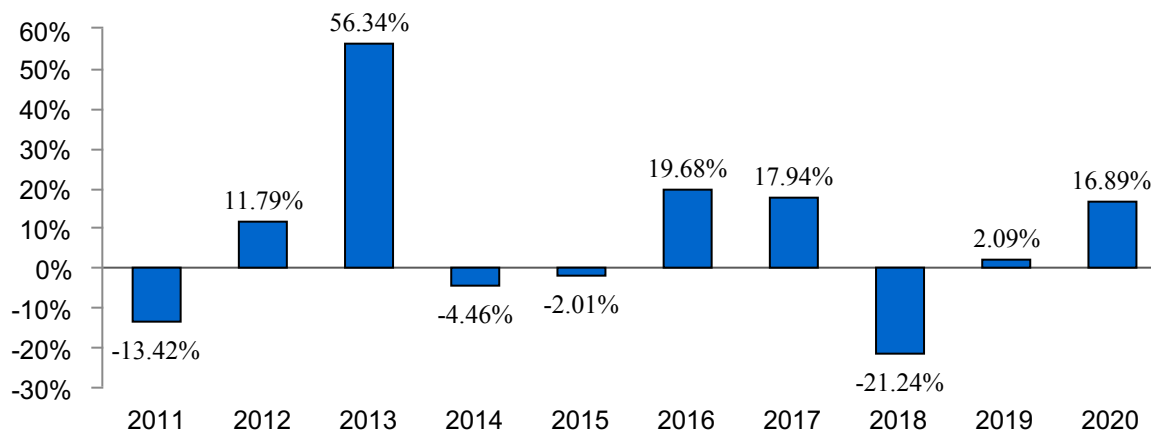
- **Early Stage Companies:** Early stage companies are subject to the same risks as micro-cap companies. In addition, they may not be profitable initially and there is no guarantee that they will become profitable or be able to obtain necessary financing. They may rely on untested business plans. Early stage companies may not be successful in developing markets for their products and services. They may remain an insignificant part of their industry. They may be illiquid or may not be publicly traded. Investments in early stage companies tend to be more volatile and somewhat more speculative than investments in more established companies.
- **Market Risk:** The Fund may be exposed to "market risk." Market risk is the risk that stocks may decline significantly in price over short or extended periods of time. Price changes may occur in the market as a whole, or they may occur in only a particular company, industry or sector of the market. In the past decade, financial markets throughout the world have experienced increased volatility, depressed valuations, decreased liquidity and heightened uncertainty.
- **Sector Risk:** From time to time, the Fund may concentrate its investments in one or more industry sectors. The Fund is currently substantially invested in the information technology sector, and the Fund's performance is therefore affected by developments in this sector. Information technology companies may be particularly impacted by rapid changes in technology product cycles, product obsolescence, government regulation, and competition from foreign competitors with lower production costs. Stocks of information technology companies and companies that rely heavily on technology may be more volatile than the overall market.
- **Manager Risk:** The Fund may lose money if the Fund's investment strategy does not achieve the Fund's objective or the Fund's investment adviser does not implement the strategy properly.
- **Liquidity Risk:** Liquidity risk is the risk, due to certain investments trading in lower volumes or to market and economic conditions that the Fund may be unable to find a buyer for its investments when it seeks to sell them or to receive the price it expects based on the Fund's valuation of the investments. Events that may lead to increased redemptions, such as market disruptions, may also negatively impact the liquidity of the Fund's investments when it needs to dispose of them. If the Fund is forced to sell its investments at an unfavorable time and/or under adverse conditions in order to meet redemption requests, such sales could negatively affect the Fund. Liquidity issues may also make it difficult to value the Fund's investments.
- **Value Investing Risk:** Value investing risk is the risk associated with the Fund's investment in companies it considers undervalued relative to their peers or the general stock market where these securities may decline or may not reach what the investment adviser believes are their full value.

**Performance:** The following bar chart and table provide some indication of the risks of investing in the Fund by showing changes in the Fund's performance from year to year and how the Fund's average annual

returns for 1, 5 and 10 years compare with those of a broad measure of market performance, the Russell 2000<sup>®</sup> Index, as well as an additional index that reflects the market sector in which the Fund invests, the Russell Microcap<sup>®</sup> Index. Updated performance information is available on the Fund’s website at [www.perrittcap.com](http://www.perrittcap.com) or by calling the Fund toll-free at 1-800-332-3133. The Fund’s past performance (before and after taxes) is not necessarily an indication of how the Fund will perform in the future.

***Perritt Ultra MicroCap Fund***

***Year-by-Year Total Returns as of December 31***



During the ten year period shown on the bar chart, the Fund’s best and worst quarters are shown below:

**Highest Quarterly Return**

29.93% (December 31, 2020)

**Lowest Quarterly Return**

-29.49% (March 31, 2020)

**Average Annual Total Returns for the Periods Ended December 31, 2020**

	1 Year	5 Years	10 Years
<b>Perritt Ultra MicroCap Fund</b>			
Return Before Taxes	16.89%	5.81%	6.51%
Return After Taxes on Distributions	16.89%	4.67%	5.49%
Return After Taxes on Distributions and Sale of Fund Shares	10.00%	4.50%	5.14%
Russell Microcap <sup>®</sup> Index (reflects no deductions for fees, expenses or taxes)	20.96%	11.89%	10.55%
Russell 2000 <sup>®</sup> Index (reflects no deductions for fees, expenses or taxes)	19.96%	13.26%	11.20%

We use the Russell Microcap<sup>®</sup> Index as an additional index because it compares the Fund’s performance with the return of an index reflecting the performance of investments similar to those of the Fund.

After tax returns are calculated using the historical highest individual stated federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on your individual situation and may differ from those shown. In certain cases, the figure representing “Return After Taxes on Distributions and Sale of Fund Shares” may be higher than the other return figures for the same period. A higher after-tax return results when a capital loss occurs upon redemption and provides an

assumed tax deduction that benefits the investor. Furthermore, the after-tax returns shown are not relevant to those who hold their shares through tax-deferred arrangements such as 401(k) plans or Individual Retirement Accounts.

**Management:**

**Investment Adviser:** Perritt Capital Management, Inc. is the investment adviser (“Adviser”) for the Fund.

**Portfolio Manager:** Michael Corbett and Matthew Brackmann are responsible for the day-to-day management of the Fund’s portfolio. Mr. Corbett is President of the Adviser and has served as Portfolio Manager of the Fund since the Fund’s inception in 2004. Mr. Brackmann is Director of Trading at the Adviser and joined Mr. Corbett as Co-Portfolio Manager of the Fund in 2014.

**Purchase, Sale and Exchange of Fund Shares:** You may purchase, redeem and exchange Fund shares on any business day by written request via mail (Perritt Ultra MicroCap Fund, c/o U.S. Bank Global Fund Services, P.O. Box 701, Milwaukee, WI 53201-0701), by wire transfer, by telephone at 1-800-332-3133, or through a financial intermediary. You may also purchase and redeem additional Fund shares through the Internet at [www.perrittcap.com](http://www.perrittcap.com). Transactions will only occur on days the New York Stock Exchange is open. Investors who wish to purchase or redeem Fund shares through a financial intermediary should contact the financial intermediary directly for information relative to the purchase or sale of Fund shares. The following are the minimum investment requirements for investing in the Fund:

Initial Purchase:	\$ 1,000
Additional Purchase:	\$ 50
Automatic Investment Plan:	\$ 50
Individual Retirement Account:	\$ 250
Tax Deferred Retirement Account:	\$ 250
Uniform Gifts to Minors Act:	\$ 250
Dividend Reinvestment:	None

**Tax Information:** The Fund’s distributions generally will be taxable to you as ordinary income or capital gains, whether they are paid in cash or reinvested in Fund shares, unless you invest through a tax-deferred arrangement, such as a 401(k) plan or an Individual Retirement Account, in which case such distributions may be taxable at a later date.

**Payments to Broker-Dealers and Other Financial Intermediaries:** If you purchase Fund shares through a broker-dealer or other financial intermediary (such as a bank), the Fund and its related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create conflicts of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary’s website for more information.

## **More Information about the Funds' Investment Strategies and Disclosure of Portfolio Holdings**

### **Investment Objective and Strategies**

The Funds' investment objective of long-term capital appreciation is a non-fundamental policy and may be changed without obtaining shareholder approval. Please remember that an investment objective is not a guarantee. An investment in the Funds might not appreciate and investors may lose money.

### **Perritt MicroCap Opportunities Fund**

Perritt MicroCap Opportunities Fund (the "MicroCap Fund") has a non-fundamental policy to normally invest at least 80% of its net assets, plus borrowings for investment purposes, in common stocks of United States companies with market capitalizations that are below \$500 million at the time of initial purchase. If the MicroCap Fund decides to change this policy, it will provide at least a sixty (60) day written notice of its decision to shareholders.

#### *Principal Investment Strategies*

The MicroCap Fund normally invests in common stocks of companies with market capitalizations (share price multiplied by number of shares outstanding) below \$500 million at the time of initial purchase. The current income return of the MicroCap Fund is expected to be low (or non-existent) because micro-cap and small capitalization companies frequently need to retain all or most of their profits to finance growth.

*Buying Stocks.* When selecting stocks for the MicroCap Fund's portfolio, the Adviser utilizes a computer database of approximately 10,000 nationally traded companies. This list is initially narrowed to the stocks of companies with market capitalizations less than \$500 million. This process reduces the investment universe to approximately 3,000 companies. Stocks meeting these general selection criteria are subjected to a proprietary nine-step scoring system based on an analysis of both the company's balance sheet and income statement. Stocks selected for purchase will generally possess above-average scores generated by this system.

The MicroCap Fund's portfolio generally contains both "growth" and "value" stocks. Growth stocks are those of companies with annual revenue and earnings growth rates that are more than twice that of the growth rate of the U.S. economy. These stocks generally are priced at relatively high multiples of revenues, earnings, and book values. Value stocks, on the other hand, are considered to be those that possess price-earnings multiples below their expected annual growth rates and/or a price-to-revenues ratio that is below 1.0.

Under normal circumstances the MicroCap Fund seeks to keep its annual portfolio turnover ratio under 50%. The annual portfolio turnover ratio indicates changes in the MicroCap Fund's portfolio. For instance, a rate of 100% would result if all the securities in the portfolio at the beginning of an annual period had been replaced by the end of the period. The MicroCap Fund's average security holding period can be approximated by taking the reciprocal of its turnover ratio. For example, a portfolio turnover ratio of 50% would indicate an approximate security holding period of two years. During the last five fiscal years, the MicroCap Fund's annual portfolio turnover rate has averaged 16.2%.

*Selling Stocks.* The MicroCap Fund diversifies its investments. At the time of purchase, an investment in the stock of a single company will rarely exceed 3% of the MicroCap Fund's assets. Stocks periodically will

be sold for several reasons. These include: (1) a company's market capitalization grows beyond \$1.5 billion; (2) a company's financial condition deteriorates to the point that the Adviser believes that the company's long-term growth prospects may be impaired; (3) a company receives a purchase offer from another company; or (4) a company's price-to-sales ratio or price-to-earnings ratio expands to the point that the Adviser believes the company's stock is significantly overvalued.

#### *Non-Principal Investment Strategies*

The MicroCap Fund may take temporary defensive positions in response to adverse market, economic, political or other conditions. This means the MicroCap Fund will invest in money market instruments (like U.S. Treasury Bills or commercial paper). The MicroCap Fund may not achieve its investment objective when it takes a temporary defensive position. When the MicroCap Fund is not taking a temporary defensive position, it may hold some cash and money market instruments so that it can pay its expenses, satisfy redemption requests or take advantage of investment opportunities.

The MicroCap Fund may purchase shares of exchange-traded funds ("ETFs"). ETFs are registered investment companies that are bought and sold on a securities exchange. Most ETFs represent a fixed portfolio of securities designed to track a particular market index. Typically, the MicroCap Fund would purchase ETF shares to increase its equity exposure to all or a portion of the stock market while maintaining flexibility to meet the liquidity needs of the Fund. The risks of owning shares of an ETF generally reflect the risks of owning the underlying securities in which they invest, although lack of liquidity in a particular ETF could result in it being more volatile than the underlying portfolio of securities and trading at a discount to its net asset value. ETFs also have management fees that are part of their costs, and the MicroCap Fund will indirectly bear its proportionate share of these costs. Subject to certain exceptions, the MicroCap Fund currently may not own in the aggregate (a) more than 3% of the total voting stock of any one ETF; (b) securities issued by an ETF having an aggregate value in excess of 5% of the Fund's total assets; or (c) securities issued by an ETF and any other investment company (whether or not registered) having an aggregate value in excess of 10% of the Fund's total assets.

#### *Principal Risks*

*Common Stocks:* Common stocks occupy the most junior position in a company's capital structure. Although common stocks have a history of long-term growth in value, their prices fluctuate based on changes in a company's financial condition and on overall market and economic conditions. Therefore, the price of common stocks may decline for a number of reasons. The price declines may be steep, sudden and/or prolonged. A rise in protectionist trade policies, slowing global economic growth, risks associated with pandemic and epidemic diseases, risks associated with the United Kingdom's departure from the European Union, the risk of trade disputes, and the possibility of changes to some international trade agreements, could affect the economies of many nations, including the United States, in ways that cannot necessarily be foreseen at the present time, and may negatively impact the markets in which the Fund invests.

*Sector Risk:* From time to time, the Fund may concentrate its investments in one or more industry sectors. The Fund is currently substantially invested in the industrials sector, and the Fund's performance is therefore affected by developments in this sector. The industrials sector consists of companies that may be particularly impacted by government regulation in the U.S. and elsewhere, as well as geopolitical events and economic conditions. In addition, companies in the industrials sector may be particularly impacted by litigation and threatened litigation, labor disputes and foreign exchange rates.

*Micro-Cap & Small Capitalization Companies:* Micro-cap and small capitalization companies typically have relatively lower revenues, limited product lines, lack of management depth, higher risk of insolvency and a smaller share of the market for their products or services than larger capitalization companies. Generally, the

share prices of stocks of micro-cap and small capitalization companies are more volatile than those of larger capitalization companies. Thus, the Fund's share price may increase and decrease by a greater percentage than the share prices of funds that invest in the stocks of large capitalization companies. Also, the returns of micro-cap and small capitalization company stocks may vary, sometimes significantly, from the returns of the overall market. In addition, micro-cap and small capitalization company stocks tend to perform poorly during times of economic stress. Relative to large capitalization company stocks, the stocks of micro-cap and small capitalization companies are thinly traded, and purchases and sales may result in higher transactions costs. For these reasons, the Fund is a suitable investment for only that part of an investor's capital that can be exposed to above-average risk.

*Market Risk:* The Fund may be exposed to "market risk." Market risk is the risk that stocks may decline significantly in price over short or extended periods of time. Price changes may occur in the market as a whole, or they may occur in only a particular company, industry or sector of the market. In the past decade, financial markets throughout the world have experienced increased volatility, depressed valuations, decreased liquidity and heightened uncertainty.

*Manager Risk:* The Fund may lose money if the Fund's investment strategy does not achieve the Fund's objective or the Fund's investment adviser does not implement the strategy properly.

*Liquidity Risk:* Liquidity risk is the risk, due to certain investments trading in lower volumes or to market and economic conditions that the Fund may be unable to find a buyer for its investments when it seeks to sell them or to receive the price it expects based on the Fund's valuation of the investments. Events that may lead to increased redemptions, such as market disruptions, may also negatively impact the liquidity of the Fund's investments when it needs to dispose of them. If the Fund is forced to sell its investments at an unfavorable time and/or under adverse conditions in order to meet redemption requests, such sales could negatively affect the Fund. Liquidity issues may also make it difficult to value the Fund's investments.

*Value Investing Risk:* Value investing risk is the risk associated with the Fund's investment in companies it considers undervalued relative to their peers or the general stock market where these securities may decline or may not reach what the investment adviser believes are their full value.

### *Non-Principal Risks*

*Investment Company Securities Risk:* When the Fund invests in another investment company (including an ETF), it will indirectly bear its proportionate share of any fees and expenses payable directly by the other investment company. Therefore, the Fund will incur higher expenses, many of which may be duplicative. In addition, the Fund may be affected by the other investment company's losses and the level of risk arising from its investment practices (such as the use of leverage). The Fund has no control over the risks taken by the other investment company.

*ETF Risk:* In addition to risks generally associated with investments in investment company securities, ETFs are subject to the following risks that do not apply to non-exchange traded funds: (i) an ETF's shares may trade at a market price that is above or below their net asset value (as discussed more fully below); (ii) an active trading market for an ETF's shares may not develop or be maintained (as discussed more fully below); (iii) the ETF may employ an investment strategy that utilizes high leverage ratios; or (iv) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are de-listed from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally (as discussed more fully below).

The market prices of shares of ETFs fluctuate in response to changes in net asset value ("NAV") and supply and demand for such shares and include a bid-ask spread charged by the exchange specialists, market makers

or other participants and trade the particular security. There may be times when the market price and the NAV vary significantly. This means that shares of an ETF may trade at a discount to NAV. In particular, the following circumstances may impact the market price of the shares of ETFs: (1) in times of market stress, market makers may step away from their role of market making in the shares of ETFs and in executing trades, which can lead to differences between the market value of the shares and an ETF's NAV; (2) to the extent authorized participants ("APs") exit the business or are unable to process creations or redemptions and no other AP can step in to do so, there may be a significantly reduced trading market in the shares, which can lead to differences between the market price of the shares and an ETF's NAV; (3) the market price for the shares may deviate from an ETF's NAV, particularly during times of market stress, with the result that investors may pay significantly more or significantly less for the shares than an ETF's NAV, which is reflected in the bid and ask price for shares or in the closing price; (4) when all or a portion of an ETFs underlying securities trade in a market that is closed when the market for the shares is open, there may be changes from the last quote of the closed market and the quote from an ETF's domestic trading day, which could lead to differences between the market value of the shares and an ETF's NAV; and (5) in stressed market conditions, the market for the shares may become less liquid in response to the deteriorating liquidity of an ETF's portfolio.

An active trading market for the shares of ETFs may not be developed or maintained. Trading in shares of ETFs on the stock exchange where they are listed for trading (the "Exchange") may be halted due to market conditions or for reasons that in the view of the Exchange, make trading in shares inadvisable, such as extraordinary market volatility. There can be no assurance that shares will continue to meet the listing requirements of the Exchange. If the shares are traded outside a collateralized settlement system, the number of financial institutions that can act as APs that can post collateral on an agency basis is limited, which may limit the market for the shares.

*Cybersecurity Risk:* Cybersecurity incidents may allow an unauthorized party to gain access to Fund assets, customer data (including private shareholder information), or proprietary information, or cause a Fund, the investment adviser and/or its service providers (including, but not limited to, Fund accountants, custodians, sub-custodians, transfer agents and financial intermediaries) to suffer data breaches, data corruption or lose operational functionality.

## **Perritt Ultra MicroCap Fund**

Perritt Ultra MicroCap Fund (the "Ultra MicroCap Fund") has a non-fundamental policy to normally invest at least 80% of its net assets, plus borrowings for investment purposes, in common stocks of United States companies with market capitalizations that are below \$300 million at the time of initial purchase. If the Ultra MicroCap Fund decides to change this policy, it will provide at least a sixty (60) day written notice of its decision to shareholders.

### *Principal Investment Strategies*

Micro-cap companies represent the smallest sector of public companies based on market capitalization. Normally, the micro-cap companies in which the Ultra MicroCap Fund invests are in their earliest stages of public development and may offer unique products, services or technologies or may serve special or rapidly expanding niches.

The Adviser uses fundamental analysis to look for stocks of micro-cap companies that appear to have the potential for more rapid price appreciation than other micro-cap stocks and the overall stock market in general. The Adviser uses a "bottom-up" approach of fundamental analysis when selecting investments for the Ultra MicroCap Fund. This means the Adviser bases investment decisions on company specific factors, not general economic conditions.



*Buying Stocks.* The research process includes prescreening potential investments, using databases and industry contacts, analyzing annual reports and financial statements, making onsite visits and meeting with top management. Stocks meeting the Ultra MicroCap Fund's general selection criteria are subjected to a proprietary nine-step scoring system based on analysis of both the company's balance sheet and income statement. Stocks selected for purchase will generally possess above-average scores generated by this system. In general, the Adviser focuses on very small companies based on their market capitalizations. Investors should expect the Ultra MicroCap Fund's portfolio to be diversified among a large number of stocks drawn from several industries.

Although it seeks to invest for the long term, the Ultra MicroCap Fund retains the right to sell securities irrespective of how long they have been held. It is expected, though not assured, that the annual portfolio turnover rate of the Ultra MicroCap Fund will not typically exceed 100%. A turnover rate of 100% would occur, for example, if all of the Ultra MicroCap Fund's securities were replaced within one year. A turnover rate of 100% or more would result in the Ultra MicroCap Fund incurring more transaction costs such as mark-ups or mark-downs. Payment of these transaction costs could reduce the Ultra MicroCap Fund's total return. High portfolio turnover could also result in the payment by Ultra MicroCap Fund shareholders of increased taxes on realized gains. During the last five fiscal years, the Ultra MicroCap Fund's annual portfolio turnover rate has averaged 26.6%.

*Selling Stocks.* Although the Ultra MicroCap Fund seeks long-term capital appreciation, stocks may be sold in the short-term for several reasons. These include: (1) a company's size has expanded beyond the point where it can no longer be considered to be a small capitalization company; (2) a company's financial condition deteriorates to the point that, in the opinion of the Adviser, the company's future growth prospects are impaired; (3) a company's valuation multiples such as price-to-sales ratio, price-to-earnings ratio, or price-to-book value ratio expand to the point that the Adviser believes the company's stock is significantly overvalued; or (4) the Adviser believes that another stock has better investment potential.

#### *Non-Principal Investment Strategies*

Ordinarily, the Adviser intends to keep the portfolio fully invested in micro-cap stocks. However, the Ultra MicroCap Fund may, in response to adverse market, economic, political or other conditions, take temporary defensive positions. In such circumstances the Ultra MicroCap Fund may invest in money market instruments (like U.S. Treasury Bills, commercial paper or repurchase agreements). The Ultra MicroCap Fund will not be able to achieve its investment objective of long-term capital appreciation to the extent that it invests in money market instruments since these securities do not appreciate in value. When the Ultra MicroCap Fund is not taking a temporary defensive position, it may hold some cash and money market instruments so that it can pay its expenses, satisfy redemption requests or take advantage of investment opportunities. The Ultra MicroCap Fund may not invest more than 20% of its assets in cash and money market instruments when it is not taking a temporary defensive position.

The Ultra MicroCap Fund may purchase shares of exchange-traded funds ("ETFs"). All ETFs are registered investment companies that are bought and sold on a securities exchange. Most ETFs represent a fixed portfolio of securities designed to track a particular market index. Typically, the Ultra MicroCap Fund would purchase ETF shares to increase its equity exposure to all or a portion of the stock market while maintaining flexibility to meet the liquidity needs of the Ultra MicroCap Fund. The risks of owning shares of an ETF generally reflect the risks of owning the underlying securities in which they invest, although lack of liquidity in a particular ETF could result in it being more volatile than the underlying portfolio of securities and trading at a discount to its net asset value. ETFs also have management fees that are part of their costs, and the Ultra MicroCap Fund will indirectly bear its proportionate share of these costs. Generally, the Ultra MicroCap Fund will purchase shares of ETFs having the characteristics of the types of common stocks in which the Ultra MicroCap Fund typically invests. If greater liquidity is desired, then the

Ultra MicroCap Fund may purchase shares of ETFs designed to track the price performance and dividend yield of the Standard & Poor's 500<sup>®</sup> Index (S&P 500<sup>®</sup>) and the Standard & Poor's 400<sup>®</sup> MidCap Index. Subject to certain exceptions, the Ultra MicroCap Fund currently may not own in the aggregate (a) more than 3% of the total voting stock of any one ETF; (b) securities issued by an ETF having an aggregate value in excess of 5% of the Ultra MicroCap Fund's total assets; or (c) securities issued by an ETF and any other investment company (whether or not registered) having an aggregate value in excess of 10% of the Ultra MicroCap Fund's total assets.

### *Principal Risks*

*Common Stocks:* Common stocks occupy the most junior position in a company's capital structure. Although common stocks have a history of long-term growth in value, their prices fluctuate based on changes in a company's financial condition and on overall market and economic conditions. Therefore, the price of common stocks may decline for a number of reasons. The price declines may be steep, sudden and/or prolonged. A rise in protectionist trade policies, slowing global economic growth, risks associated with pandemic and epidemic diseases, risks associated with the United Kingdom's departure from the European Union, the risk of trade disputes, and the possibility of changes to some international trade agreements, could affect the economies of many nations, including the United States, in ways that cannot necessarily be foreseen at the present time, and may negatively impact the markets in which the Fund invests.

*Micro-Cap & Small Capitalization Companies:* Micro-cap and small capitalization companies typically have relatively lower revenues, limited product lines, lack of management depth, higher risk of insolvency and a smaller share of the market for their products or services than larger capitalization companies. Generally, the share prices of stocks of micro-cap and small capitalization companies are more volatile than those of larger capitalization companies. Thus, the Fund's share price may increase and decrease by a greater percentage than the share prices of funds that invest in the stocks of large capitalization companies. Also, the returns of micro-cap and small capitalization company stocks may vary, sometimes significantly, from the returns of the overall market. In addition, micro-cap and small capitalization company stocks tend to perform poorly during times of economic stress. Relative to large capitalization company stocks, the stocks of micro-cap and small capitalization companies are thinly traded, and purchases and sales may result in higher transactions costs. For these reasons, the Fund is a suitable investment for only that part of an investor's capital that can be exposed to above-average risk.

*Early Stage Companies:* Early stage companies are subject to the same risks as micro-cap companies. In addition, they may not be profitable initially and there is no guarantee that they will become profitable or be able to obtain necessary financing. They may rely on untested business plans. Early stage companies may not be successful in developing markets for their products and services. They may remain an insignificant part of their industry. They may be illiquid or may not be publicly traded. Investments in early stage companies tend to be more volatile and somewhat more speculative than investments in more established companies.

*Market Risk:* The Fund may be exposed to "market risk." Market risk is the risk that stocks may decline significantly in price over short or extended periods of time. Price changes may occur in the market as a whole, or they may occur in only a particular company, industry or sector of the market. In the past decade, financial markets throughout the world have experienced increased volatility, depressed valuations, decreased liquidity and heightened uncertainty.

*Sector Risk:* From time to time, the Fund may concentrate its investments in one or more industry sectors. The Fund is currently substantially invested in the information technology sector, and the Fund's performance is therefore affected by developments in this sector. Information technology companies may be particularly impacted by rapid changes in technology product cycles, product obsolescence, government

regulation, and competition from foreign competitors with lower production costs. Stocks of information technology companies and companies that rely heavily on technology may be more volatile than the overall market.

*Manager Risk:* The Fund may lose money if the Fund's investment strategy does not achieve the Fund's objective or the Fund's investment adviser does not implement the strategy properly.

*Liquidity Risk:* Liquidity risk is the risk, due to certain investments trading in lower volumes or to market and economic conditions that the Fund may be unable to find a buyer for its investments when it seeks to sell them or to receive the price it expects based on the Fund's valuation of the investments. Events that may lead to increased redemptions, such as market disruptions, may also negatively impact the liquidity of the Fund's investments when it needs to dispose of them. If the Fund is forced to sell its investments at an unfavorable time and/or under adverse conditions in order to meet redemption requests, such sales could negatively affect the Fund. Liquidity issues may also make it difficult to value the Fund's investments.

*Value Investing Risk:* Value investing risk is the risk associated with the Fund's investment in companies it considers undervalued relative to their peers or the general stock market where these securities may decline or may not reach what the investment adviser believes are their full value.

#### *Non-Principal Risks*

*Investment Company Securities Risk:* When the Fund invests in another investment company (including an ETF), it will indirectly bear its proportionate share of any fees and expenses payable directly by the other investment company. Therefore, the Fund will incur higher expenses, many of which may be duplicative. In addition, the Fund may be affected by the other investment company's losses and the level of risk arising from its investment practices (such as the use of leverage). The Fund has no control over the risks taken by the other investment company.

*ETF Risk:* In addition to risks generally associated with investments in investment company securities, ETFs are subject to the following risks that do not apply to non-exchange traded funds: (i) an ETF's shares may trade at a market price that is above or below their net asset value (as discussed more fully below); (ii) an active trading market for an ETF's shares may not develop or be maintained (as discussed more fully below); (iii) the ETF may employ an investment strategy that utilizes high leverage ratios; or (iv) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are de-listed from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally (as discussed more fully below).

The market prices of shares of ETFs fluctuate in response to changes in net asset value ("NAV") and supply and demand for such shares and include a bid-ask spread charged by the exchange specialists, market makers or other participants and trade the particular security. There may be times when the market price and the NAV vary significantly. This means that shares of an ETF may trade at a discount to NAV. In particular, the following circumstances may impact the market price of the shares of ETFs: (1) in times of market stress, market makers may step away from their role of market making in the shares of ETFs and in executing trades, which can lead to differences between the market value of the shares and an ETF's NAV; (2) to the extent authorized participants ("APs") exit the business or are unable to process creations or redemptions and no other AP can step in to do so, there may be a significantly reduced trading market in the shares, which can lead to differences between the market price of the shares and an ETF's NAV; (3) the market price for the shares may deviate from an ETF's NAV, particularly during times of market stress, with the result that investors may pay significantly more or significantly less for the shares than an ETF's NAV, which is reflected in the bid and ask price for shares or in the closing price; (4) when all or a portion of an ETFs underlying securities trade in a market that is closed when the market for the shares is open, there may be

changes from the last quote of the closed market and the quote from an ETF's domestic trading day, which could lead to differences between the market value of the shares and an ETF's NAV; and (5) in stressed market conditions, the market for the shares may become less liquid in response to the deteriorating liquidity of an ETF's portfolio.

An active trading market for the shares of ETFs may not be developed or maintained. Trading in shares of ETFs on the stock exchange where they are listed for trading (the "Exchange") may be halted due to market conditions or for reasons that in the view of the Exchange, make trading in shares inadvisable, such as extraordinary market volatility. There can be no assurance that shares will continue to meet the listing requirements of the Exchange. If the shares are traded outside a collateralized settlement system, the number of financial institutions that can act as APs that can post collateral on an agency basis is limited, which may limit the market for the shares.

*Cybersecurity Risk:* Cybersecurity incidents may allow an unauthorized party to gain access to Fund assets, customer data (including private shareholder information), or proprietary information, or cause a Fund, the investment adviser and/or its service providers (including, but not limited to, Fund accountants, custodians, sub-custodians, transfer agents and financial intermediaries) to suffer data breaches, data corruption or lose operational functionality.

## Redemption/Exchange Fee

The Funds are designed for investors with a long-term investment perspective and are not suitable for investors who attempt to profit from short-term market swings. In fact, the Funds assess a 2% redemption/exchange fee for shares held ninety (90) days or less in an attempt to deter "market timing" investors from investing in the Funds. See the disclosure under the heading "Redeeming and Exchanging Shares - Frequent Purchases and Redemptions of Fund Shares" for a more detailed discussion of the redemption fee. The Funds are also not a suitable investment for investors who cannot accept the relatively high portfolio volatility and other risks associated with investing in stocks of micro-cap and small capitalization companies. Furthermore, there is no assurance that the objectives of the Funds will be realized or that any income will be earned. Since the Funds' share price may fall below the initial purchase price, investors in the Funds may lose a portion of their investment capital.

## Disclosure of Portfolio Holdings of the Funds

The Statement of Additional Information ("SAI"), which is incorporated by reference into this Prospectus, contains a description of each Fund's policies and procedures regarding disclosure of its portfolio holdings. The Funds may, from time to time, make available portfolio holdings information on the Funds' website at [www.perrittcap.com](http://www.perrittcap.com).

## Management of the Funds

Perritt Capital Management, Inc. serves as each Fund's investment adviser. The Adviser is located at 300 South Wacker Drive, Suite 600, Chicago, Illinois 60606, and currently serves as investment adviser to the MicroCap Fund pursuant to an investment advisory agreement dated February 28, 2013, and as investment adviser to the Ultra MicroCap Fund pursuant to an investment advisory agreement dated October 10, 2010. The Adviser was incorporated as an Illinois corporation on July 8, 1987 and has been serving as an investment adviser to registered investment companies since the formation of the predecessor MicroCap Fund in 1987. The Adviser is a wholly owned subsidiary of Investment Information Services, Inc. ("IIS"). IIS was organized in 1983. Michael J. Corbett, President of the Adviser, owns a majority of the outstanding

common stock of IIS and controls both IIS and the Adviser. As of December 31, 2020, the Adviser had approximately \$256 million in assets under management.

As the investment adviser to the Funds, the Adviser manages the investment portfolio for each Fund. It makes the decisions as to which securities to buy and which to sell. Under an investment advisory agreement for the MicroCap Fund, the MicroCap Fund pays the Adviser a monthly investment advisory fee at the annual rate of 1.00% of its average daily net assets. For the fiscal year ended October 31, 2020, the Adviser received an advisory fee at an annual rate of the MicroCap Fund's average annual daily net assets of 1.00%.

Under an investment advisory agreement for the Ultra MicroCap Fund, the Ultra MicroCap Fund pays the Adviser an annual investment advisory fee equal to 1.25% of its average daily net assets less than or equal to \$100 million; 1.00% with respect to average daily net assets in excess of \$100 million and less than or equal to \$200 million; and 0.50% with respect to average daily net assets in excess of \$200 million. For the fiscal year ended October 31, 2020, the Adviser received an advisory fee at an annual rate of the Ultra MicroCap Fund's average annual daily net assets of 1.25%.

A discussion regarding the basis for the Board of Directors approval of the investment advisory agreement for each of the Funds is available in the Funds' Semi-Annual Report to shareholders for the most recent period ended April 30.

Michael Corbett is responsible for the day-to-day management of the Funds. Mr. Corbett joined the Adviser in 1990 as a research analyst and is currently President of the Adviser. Mr. Corbett obtained a B.S. degree from DePaul University. Mr. Corbett has been a Portfolio Manager for the MicroCap Fund since 1996, the Ultra MicroCap Fund since its inception in 2004, and the Predecessor since 2012.

Matthew Brackmann is jointly responsible for the day-to-day management of the Ultra MicroCap Fund's portfolio with Mr. Corbett. Mr. Brackmann joined the Adviser as a research analyst in 2004, and was named Director of Trading in 2012. Mr. Brackmann received his B.A. in Finance from the University of Iowa in 2004 and is a Level 3 CFA Charter candidate. In 2014, Mr. Brackmann joined Mr. Corbett as Co-Portfolio Manager to the Ultra MicroCap Fund.

The SAI provides additional information about the compensation of the Funds' portfolio managers, other accounts managed by the portfolio managers, and the portfolio managers' ownership of shares of the Funds that they manage.

## **Share Prices of the Funds**

The price at which investors purchase shares of the Funds and at which shareholders redeem or exchange shares of the Funds is called the net asset value ("NAV"). The Funds normally calculate their NAV as of the close of regular trading on the New York Stock Exchange ("NYSE") (normally 4:00 p.m. Eastern time) on each day the NYSE is open for trading. If the NYSE is not open, then the Funds do not determine their net asset value, and investors may not purchase or redeem shares of the Funds. The NYSE is closed on national holidays, Good Friday and weekends. The NYSE also may be closed on national days of mourning or due to natural disaster or other extraordinary events or emergencies. If the NYSE closes early on a valuation day, the Funds shall determine their net asset value as of that time. The Funds calculate their NAVs based on the market prices of the securities (other than money market instruments) they hold unless market quotations are not readily available, or are deemed unreliable, or other circumstances require fair valuing the securities (as discussed below).

Securities and other assets for which market quotations are not readily available or are deemed unreliable are valued by appraisal at their fair value as determined in good faith by the Adviser under procedures established by and under the general supervision and responsibility of the Funds' Board of Directors. The Funds value money market instruments that they hold with remaining maturities of less than sixty (60) days at their amortized cost, as long as the Adviser determines that amortized cost approximates the fair value of the instruments under valuation procedures described above. Other types of securities that the Funds may hold for which fair value pricing might be required include, but are not limited to: (a) illiquid securities (only the Ultra MicroCap Fund may invest in illiquid securities), including "restricted" securities and private placements for which there is no public market; (b) securities of an issuer that has entered into a restructuring; and (c) securities whose trading has been halted or suspended. Valuing securities at fair value involves greater reliance on judgment than securities that have readily available market quotations. There can be no assurance that each Fund could obtain the fair value assigned to a security if it were to sell such security at approximately the same time at which each Fund determines its NAV per share.

Equity securities of relatively small companies frequently will be traded only in the over-the-counter market or on regional stock exchanges and often will be closely held with only a small proportion of the outstanding securities held by the general public. In view of such factors, the Funds may assume positions in securities with limited trading markets that are subject to wide price fluctuations. Therefore, the current NAV of the Funds may fluctuate significantly. In addition, the Funds may invest in securities that are traded on foreign exchanges or markets, which may be open when the NYSE is closed. As a result, the value of your investment in the Fund may change on days when you are unable to purchase or redeem shares.

The Funds will process purchase orders, redemption orders and exchange orders that they receive in good order (*i.e.*, the request includes the name of the Fund; the dollar amount of shares to be purchased; your account application or investment stub; and a check payable to the Fund) **prior to the close of regular trading** on a day that the NYSE is open at the NAV determined **later that day**. The Funds will process purchase orders, redemption orders and exchange orders that they receive in good order **after the close of regular trading** at the NAV calculated on the next day the NYSE is open. A purchase, redemption or exchange order is in "good order" when a Fund or your servicing agent receives properly completed and signed documents.

## Purchasing Shares

### How to Open an Account and Make Purchases by Mail and Wire

1. Read this Prospectus very carefully before you invest.
2. Share purchase applications can be obtained by calling 1-800-332-3133, or by visiting the Funds' website at [www.perrittcap.com](http://www.perrittcap.com).
3. Determine how much you want to invest keeping in mind the following minimums:

### Minimum Investment Requirements

Initial Purchase:	\$ 1,000
Additional Purchase:	\$ 50
Automatic Investment Plan:	\$ 50
Individual Retirement Account:	\$ 250
Tax Deferred Retirement Account:	\$ 250
Uniform Gifts to Minors Act:	\$ 250
Dividend Reinvestment:	None

The Funds may change minimum investment requirements at any time.

- The Funds will not accept payment in cash or money orders. Also, to prevent check fraud, the Funds will not accept third party checks, U. S. Treasury checks, credit card checks, traveler's checks or starter checks for the purchase of shares. As applicable, make your check payable to "Perritt MicroCap Opportunities Fund," "Perritt Ultra MicroCap Fund", or U.S. Bancorp Fund Services, LLC, doing business as "U.S. Bank Global Fund Services" as the Funds' transfer agent (the "Transfer Agent"). All checks must be in U.S. Dollars drawn on a domestic financial institution and must be payable in U.S. dollars. **The Funds are unable to accept post-dated checks or any conditional order or payment. The Transfer Agent will charge a \$25 service fee when a check is returned. The shareholder will also be responsible for any losses suffered by the Funds as a result. The Funds may redeem shares you own as reimbursement for any such losses. The Funds reserve the right to reject any purchase order for Fund shares.**
- Mail the application and check to:

***By First Class Mail***

Perritt Funds, Inc.  
c/o U.S. Bank Global Fund Services  
P.O. Box 701  
Milwaukee, WI 53201-0701

***By Overnight or Express Mail***

Perritt Funds, Inc.  
c/o U.S. Bank Global Fund Services  
615 East Michigan Street  
Milwaukee, WI 53202-5207

**Please do not mail letters by overnight delivery service to the Post Office Box address.**

The Funds do not consider the U.S. Postal Service or other independent delivery services to be their agents. Therefore, deposit in the mail or with such services, or receipt at the Transfer Agent's post office box of purchase orders or redemption requests does not constitute receipt by the Transfer Agent of the Funds. Receipt of purchase orders or redemption requests is based on when the order is received at the Transfer Agent's offices.

***By Wire***

- If you are making your first investment in the Funds by wire, please call 1-800-332-3133 before you wire funds in order to make arrangements with a telephone service representative to submit your completed application via mail, overnight delivery or facsimile. You can mail or overnight deliver your completed application to the Transfer Agent. Upon receipt of your completed application, an account will be established for you. The account number assigned will be required as part of the instruction that should be given to your bank to send the wire. Your bank must include the name of the Fund, your name, and your account number so that monies can be correctly applied. Your bank should transmit funds by wire to:

U.S. Bank, N.A.  
777 East Wisconsin Avenue  
Milwaukee, WI 53202  
ABA #075000022  
Credit: U.S. Bancorp Fund Services, LLC  
Account #112-952-137  
Further Credit: Perritt Funds, Inc. [Insert Fund Name]  
(Shareholder name, Shareholder Account #)

### ***Subsequent Investments by Wire***

7. Please call 1-800-332-3133 before you wire funds in order to advise the Transfer Agent of your intent to wire funds. This will ensure prompt and accurate credit upon receipt of your wire.

**Please remember that U.S. Bank N.A. must receive your wired funds prior to the close of regular trading on the NYSE for you to receive same day pricing. The Funds and U.S. Bank N.A. are not responsible for the consequences of delays resulting from the banking or Federal Reserve wire system, or from incomplete wiring instructions.**

### **Purchases through Financial Service Agents**

Some broker-dealers may sell shares of the Funds. These broker-dealers may charge investors a fee either at the time of purchase or redemption. The fee, if charged, is retained by the broker-dealer and not remitted to the Funds or the Adviser.

The Funds and/or the Adviser may enter into agreements with broker-dealers, financial institutions or other service providers (collectively, "Servicing Agents" and each a "Servicing Agent"), such as Charles Schwab & Co., Inc. and TD Ameritrade, that may include the Funds as investment alternatives in the programs they offer or administer. Servicing Agents may:

- Become shareholders of record of the Funds. This means all requests to purchase additional shares and all redemption requests must be sent through the Servicing Agent. This also means that purchases made through Servicing Agents are not subject to the Funds' minimum investment requirements.
- Use procedures and impose restrictions that may be in addition to, or different from, those applicable to investors purchasing shares directly from the Funds.
- Charge their customers fees for the services they provide. Also, the Funds and/or the Adviser may pay fees to Servicing Agents to compensate the Servicing Agent for the services provided to their customers. Such payments may provide incentives for Servicing Agents to make shares of the Funds available to their customers, and may allow the Funds greater access to such Servicing Agents and their customers than would be the case if no payments were made.
- Be allowed to purchase shares by telephone with payment to follow the next day. If the telephone purchase is made prior to the close of regular trading on the NYSE, it will receive the same day pricing.
- Be authorized to accept purchase orders on behalf of the Funds (and designate other Servicing Agents to accept purchase orders on the Funds' behalf). If a Fund has entered into an agreement with a Servicing Agent pursuant to which the Servicing Agent (or its designee) has been authorized



to accept purchase orders on the Fund's behalf, then all purchase orders received in good order by the Servicing Agent (or its designee) before 4:00 p.m. Eastern time will receive that day's NAV, and all purchase orders received in good order by the Servicing Agent (or its designee) after 4:00 p.m. Eastern time will receive the next day's NAV.

If you decide to purchase shares through a Servicing Agent, please carefully review the program materials provided to you by the Servicing Agent because particular Servicing Agents may adopt policies or procedures that are separate from those described in this Prospectus. Investors purchasing or redeeming through a Servicing Agent need to check with the Servicing Agent to determine whether the Servicing Agent has entered into an agreement with the Funds. When you purchase shares of a Fund through a Servicing Agent, it is the responsibility of the Servicing Agent to place your order with that Fund on a timely basis. If the Servicing Agent does not place your order on a timely basis, or if it does not pay the purchase price to the Fund within the period specified in its agreement with the Fund, the Servicing Agent may be held liable for any resulting fees or losses.

### **How to make Subsequent Investments in the Funds**

#### ***Mail or Wire***

To make a subsequent investment in a Fund, see the instructions above under "How to Open an Account and Make Purchases by Mail and Wire."

#### ***Automatic Investment Plan***

Once your account has been opened with the initial minimum investment you may make additional purchases at regular intervals through the Automatic Investment Plan ("AIP"). The AIP provides a convenient method to have monies deducted from your bank account, for investment into a Fund, on a monthly or quarterly basis. In order to participate in the AIP, each purchase must be in the amount of \$50 or more, and your financial institution must be a member of the Automated Clearing House ("ACH") network. If your bank rejects your payment, the Transfer Agent will charge a \$25 fee to your account. To begin participating in the AIP, please complete the Automatic Investment Plan section on your application or call the Transfer Agent at 1-800-332-3133 for additional information. Any request to change or terminate your AIP should be submitted to the Transfer Agent five (5) days prior to the effective date.

#### ***Telephone Purchases***

The telephone purchase option may not be used for initial purchases of the Funds' shares, but may be used for subsequent purchases. The telephone purchase option allows you to make subsequent investments directly from a bank checking or savings account. The telephone purchase option will be established on your account unless you declined telephone options on the Purchase Application. Only bank accounts held at domestic financial institutions that are Automated Clearing House ("ACH") members may be used for telephone transactions. This first telephone purchase can occur no earlier than seven (7) business days after the account is open. To have Fund shares purchased at the NAV determined at the close of regular trading on a given date, the Transfer Agent must receive your purchase order prior to the close of regular trading on such date. Most transfers are completed within one (1) business day. Telephone purchases may be made by calling 1-800-332-3133. Once a telephone transaction has been placed, it cannot be canceled or modified after the close of regular trading on the NYSE (generally, 4:00 p.m., Eastern time).

If you have already opened an account, you may request this option by sending the Transfer Agent the "Telephone Option" form available on the Funds' website ([www.perritcap.com](http://www.perritcap.com)). If an account has more

than one owner or authorized person, the Funds will accept telephone instructions from any one owner or authorized person.

### ***Internet Purchases***

After your account is established, you may set up a password by logging onto the Funds' website ([www.perrittcap.com](http://www.perrittcap.com)). This will enable you to purchase shares by having the purchase amount deducted from your bank account by electronic funds transfer via the ACH network. Please make sure that your Fund account is set up with bank account instructions and that your bank is an ACH member. You must have indicated on your application that telephone transactions are authorized and also have provided a voided check or savings deposit slip with which to establish your bank account instructions in order to complete Internet transactions.

For transactions conducted over the Internet, we recommend the use of a secure Internet browser. In addition, you should verify the accuracy of your confirmation statements immediately after you receive them. If an account has more than one owner or authorized person, the Funds will accept Internet instructions from any one owner or authorized person.

### ***Telephone and Electronic Transactions***

During periods of high market activity, shareholders may encounter higher than usual call waits. Further, it may be difficult to reach the Funds by telephone or via the Internet during periods of unusual market activity. Please allow sufficient time to place your telephone transaction. If you are unable to reach a representative by telephone, you may have to send written instructions.

Neither the Funds nor the Transfer Agent will be liable for following instructions for telephone or Internet transactions that they reasonably believe to be genuine, provided reasonable procedures are used to confirm the genuineness of the instructions, but may be liable for unauthorized transactions if they fail to follow such procedures. These procedures include requiring some form of personal identification or personalized security codes or other information prior to acting upon the telephone or Internet instructions and recording all telephone calls.

Once a telephone or Internet transaction has been placed, it cannot be canceled or modified after the close of regular trading on the NYSE (generally, 4:00 p.m., Eastern time). If an account has more than one owner or authorized person, the Funds will accept telephone and Internet instructions from any one owner or authorized person.

### **Other Information about Purchasing Shares of the Funds**

Each Fund may reject any share purchase application or any purchase for any reason. Each Fund will not accept purchase orders made by telephone, unless they are from a Servicing Agent that has an agreement with the Fund.

The Funds will not issue certificates evidencing shares purchased. Each Fund will send investors a written confirmation for all purchases of shares.

Each Fund offers the following retirement plans:

- Traditional IRA
- Roth IRA
- Coverdell Education Savings Account

- SEP-IRA
- SIMPLE IRA

Fees for these accounts consist of an annual maintenance fee of \$15 and \$25 per withdrawal. Please refer to the IRA disclosure booklet for fees unique to IRAs and Qualified Plan accounts.

Investors can obtain further information about the retirement plans by calling the Funds at 1-800-332-3133. The Funds recommend that investors consult with a competent financial and tax adviser regarding the retirement plans before investing through these plans.

Shares of the Funds may be offered to only United States citizens and United States resident aliens having a social security number or individual tax identification number. This Prospectus should not be considered a solicitation or offering of Fund shares to non-U.S. citizens or non-resident aliens. As noted, investors generally must reside in the U.S. or its territories (which includes U.S. military APO or FPO addresses) and have a U.S. tax identification number.

## **Redeeming and Exchanging Shares**

Shareholders may redeem (sell) their shares at any time. The redemption price you receive will be equal to the NAV next determined after the Transfer Agent receives a request for redemption in good order. The value of your shares on redemption may be more or less than their original cost. *A redemption fee of 2% of the amount of the redemption is generally applicable for shares held ninety (90) days or less.* Requests for redemption by telegram will not be honored. Questions regarding the proper form of redemption requests should be directed to the Transfer Agent at 1-800-332-3133.

### **How to Redeem Fund Shares**

#### ***Redeeming Shares In Writing:***

1. Prepare a letter of instruction containing:
  - The name of the Fund or Funds;
  - Account number(s);
  - The amount of money or number of shares being redeemed;
  - The names on the account;
  - Daytime telephone number; and
  - Additional information the Funds may require for redemptions by corporations, executors, administrators, trustees, guardians, or others who hold shares in a fiduciary or representative capacity. Please contact the Transfer Agent in advance at 1-800-332-3133, if you have any questions.
2. Sign the letter of instruction exactly as the shares are registered. Joint ownership accounts must be signed by all owners.
3. A signature guarantee, from either a Medallion program member or a non-Medallion program member, is required in the following situations:
  - The redemption request exceeds \$50,000;
  - The redemption proceeds are payable or sent to any person, address or bank account not on record;

- The redemption request is received within fifteen (15) calendar days of an address change; or
- You are changing ownership on an account.

In addition to the situations described above, the Funds and/or the Transfer Agent may require a signature guarantee in other instances based on the facts and circumstances relative to a particular situation. The Funds reserve the right to waive any signature requirement at their discretion.

**Signature guarantees will generally be accepted from domestic banks, brokers, dealers, credit unions, national securities exchanges, registered securities associations, clearing agencies and savings associations, as well as from participants in the New York Stock Exchange Medallion Program and the Securities Transfer Agent Medallion Program (STAMP). A notarized signature is not an acceptable signature guarantor. The Funds reserve the right to waive any signature requirement at their discretion.**

Non-financial transactions including establishing or modifying certain services on an account may require a signature guarantee, a signature verification from a Signature Validation Program (“SVP”) member, or other acceptable form of authentication from a financial institution source. You can get a signature guarantee or SVP stamp from most banks, credit unions, federal savings and loan associations, or securities dealers, **but not from a notary public.**

4. Written redemption requests from shareholders in an IRA or defined contribution retirement plan must include instructions regarding federal income tax withholding. Written redemption requests will be subject to withholding unless the shareholder makes an election not to have federal income tax withheld.
5. Send the letter containing redemption instructions to:

***By First Class Mail***

Perritt Funds, Inc.  
c/o U.S. Bank Global Fund Services  
P.O. Box 701  
Milwaukee, WI 53201-0701

***By Overnight or Express Mail***

Perritt Funds, Inc.  
c/o U.S. Bank Global Fund Services  
615 East Michigan Street  
Milwaukee, WI 53202-5207

**Please do not mail letters by overnight delivery service to the Post Office Box address.**

**How to Redeem Fund Shares Through Telephone/Online Privileges**

Unless you declined the telephone redemption option or have not set up the Internet redemption option on your account, you may redeem up to \$50,000 per day by calling 1-800-332-3133 or visiting the Funds’ website at [www.perritcap.com](http://www.perritcap.com). Shares held by retirement plans may not be redeemed by telephone or online. You may elect to have telephone redemption proceeds sent by check to your address of record, by wire to your bank account of record, or funds may be sent via electronic funds transfer through the ACH network to your pre-determined bank account. Proceeds may be wired and are subject to a \$15 fee paid by the investor. You do not incur any charge for proceeds sent via the ACH system and credit is usually available within 2-3 days.

## **How to Redeem Fund Shares Through Servicing Agents**

If your shares are held by a Servicing Agent (such as Charles Schwab & Co. Inc. or TD Ameritrade), you must redeem your shares through the Servicing Agent. Contact your Servicing Agent for instructions on how to do so.

### **Redemption Price**

- The redemption price per share you receive for redemption requests is the next determined NAV after the Transfer Agent receives your written request in good order with all required information; or
- If a Fund has entered into an agreement with a Servicing Agent pursuant to which the Servicing Agent (or its designee) has been authorized to accept redemption requests on behalf of the Fund, then all redemption requests received in good order by the Servicing Agent (or its designee) before 4:00 p.m. Eastern time will receive that day's NAV, and all redemption requests received in good order by the Servicing Agent (or its designee) after 4:00 p.m. Eastern time will receive the next day's NAV.

### **Payment of Redemption Proceeds**

- If you redeem shares by mail, the Transfer Agent will normally mail a check in the amount of the redemption proceeds no later than the seventh (7<sup>th</sup>) day after it receives the written request in good order with all required information, or transfer the redemption proceeds to your designated bank account within seven (7) days, if you have elected to receive redemption proceeds by either Electronic Funds Transfer or wire. If any portion of the shares to be redeemed represents an investment made by check or an electronic funds transfer through the ACH network, a Fund may delay the payment of the redemption proceeds until the Transfer Agent is reasonably satisfied that the purchase has been collected. This may take up to twelve (12) calendar days from the purchase date. Shareholders can avoid this delay by utilizing the wire purchase option.
- If you redeem shares through a Servicing Agent, you will receive the redemption proceeds in accordance with the procedures established by the Servicing Agent.
- Under normal circumstances, the Funds expect to meet redemption requests through the sale of investments held in cash or cash equivalents. In situations in which investment holdings in cash or cash equivalents are insufficient to meet redemption requests, a Fund may choose to borrow money through the Funds' bank line of credit. A Fund may also choose to sell portfolio securities to meet redemption requests, if consistent with the management of such Fund. These methods will be used regularly and may also be used in stressed market conditions.

### **Other Redemption Considerations**

The Funds offer a Systematic Withdrawal Plan ("SWP") whereby shareholders may request that a particular amount be sent to them each month, calendar quarter, or annually. Payment can be made by sending a check to your address of record, or funds may be sent directly to your pre-determined bank account via the ACH network. To establish a SWP, your account must have a value of at least \$10,000, and the minimum withdrawal amount is \$250. You may elect to modify or terminate your participation in this SWP at any time by contacting the Transfer Agent at least five (5) days prior to the next scheduled withdrawal. For more information on a SWP please see the Funds' SAI or contact the Transfer Agent.

When redeeming shares of the Funds, shareholders should consider the following:

- The redemption may result in a taxable gain or loss.
- As permitted by the 1940 Act, a Fund may delay the payment of redemption proceeds for up to seven (7) days in all cases. In addition, the Funds can suspend redemptions and/or postpone payments of redemption proceeds beyond seven (7) days at times when the NYSE is closed or during emergency circumstances, as determined by the Securities and Exchange Commission.
- If any portion of the shares to be redeemed represents an investment made by check or electronic funds transfer through the ACH network, a Fund may delay the payment of the redemption proceeds until the Transfer Agent is reasonably satisfied that the purchase has been collected. This may take up to twelve (12) calendar days from the purchase date. Shareholders can avoid this delay by utilizing the wire purchase option.
- The Transfer Agent currently charges \$15 for each wire redemption but does not charge a fee for Electronic Funds Transfers.
- A Fund may pay redemption requests “in kind.” This means that a Fund may pay redemption requests entirely or partially with liquid securities rather than cash. The Funds may do so in the form of pro-rata slices of a Fund’s portfolio, individual securities, or a representative basket of securities. It is not expected that the Funds would do so except in unusual circumstances. If a Fund pays your redemption proceeds by a distribution of securities, you could incur brokerage or other charges in converting the securities to cash. Also, a shareholder who receives a redemption in kind bears the market risk of the securities until they are converted into cash.

### **How to Exchange Shares**

You may exchange shares of identically registered accounts between the MicroCap Fund and the Ultra MicroCap Fund, provided that you meet each Fund’s minimum initial investment requirement. Before exchanging your shares, you should first carefully read the appropriate sections of this Prospectus for the new Fund and consider the tax consequences if yours is a taxable account. When you exchange shares, you are redeeming your shares in one Fund and buying shares of the other Fund. Shares redeemed in an exchange transaction will be treated as a sale of the Fund’s shares and any gain (or loss) on the transaction may be reportable as a gain (or loss) on your federal income tax return. This concern does not apply to IRA or other tax exempt accounts.

After the exchange, the account from which the exchange is made must have a remaining balance of at least \$500 for the MicroCap Fund, or \$1,000 for the Ultra MicroCap Fund, in order to remain open. The Funds reserve the right to terminate or materially modify the exchange privilege upon 60 days’ advance notice to shareholders.

You may exchange Fund shares by calling Shareholder Services at 800-332-3133 prior to the close of trading on the NYSE, generally 3:00 p.m. Central Time on any day the NYSE is open for regular trading. The Transfer Agent will charge a \$5 fee for each telephone exchange. To exchange shares via mail, you may submit a signed letter of instruction. There is no \$5 charge to exchange shares if your request is in writing. All registered account holders must sign the request.

If you exchange Fund shares ninety (90) days or less from the date of purchase, you will generally be charged a redemption fee of 2% of the amount exchanged.

## **Small Accounts and Involuntary Redemption**

The Funds' account owners share the high cost of maintaining accounts with low balances. To reduce this cost, the Funds reserve the right to close your account when a redemption leaves your account with a balance below \$500 for the MicroCap Fund or \$1,000 for the Ultra MicroCap Fund. The Funds will notify you in writing before your account is closed and you will have thirty (30) calendar days for the MicroCap Fund or sixty (60) calendar days for the Ultra MicroCap Fund to bring the balance up to the required level.

In addition to the ability to redeem shares in connection with the closing of small accounts, as discussed above, the Funds may involuntarily redeem a shareholder's shares upon certain conditions as may be determined by the Board of Directors, including, for example and not limited to, (1) if the shareholder fails to provide the Funds with identification required by law; (2) if the Funds are unable to verify the information received from the shareholder; and (3) to reimburse a Fund for any loss sustained by reason of the failure of the shareholder to make full payment for shares purchased by the shareholder.

## **Lost Shareholders, Inactive Accounts and Unclaimed Property**

It is important that the Funds maintain a correct address for each shareholder. An incorrect address may cause a shareholder's account statements and other mailings to be returned to the Funds. Based upon statutory requirements for returned mail, a Fund will attempt to locate the shareholder or rightful owner of the account. If the Fund is unable to locate the shareholder, then it will determine whether the shareholder's account can legally be considered abandoned. Your mutual fund account may be transferred to the state government of your state of residence if no activity occurs within your account during the "inactivity period" specified in your state's abandoned property laws. The Funds are legally obligated to escheat (or transfer) abandoned property to the appropriate state's unclaimed property administrator in accordance with statutory requirements. The shareholder's last known address of record determines which state has jurisdiction. Please proactively contact the Transfer Agent at 1-800-332-3133 (toll free) at least annually to ensure your account remains in active status.

If you are a resident of the state of Texas, you may designate a representative to receive notifications that, due to inactivity, your mutual fund account assets may be delivered to the Texas Comptroller. Please contact the Transfer Agent if you wish to complete a Texas Designation of Representative form.

## **Frequent Purchases and Redemptions of Fund Shares**

Frequent purchases and redemptions/exchanges of shares of the Funds may harm other shareholders by interfering with the efficient management of a Fund's portfolio, increasing brokerage and administrative costs, and potentially diluting the value of its shares. The Funds' Board of Directors has adopted policies and procedures with respect to frequent purchases and redemptions of Fund shares by shareholders of the Fund (collectively, the "market timing policy"). The market timing policy does not apply to each Fund's SWP.

In order to deter market timers and excessive trading, each Fund imposes a 2% redemption/exchange fee on the value of shares redeemed ninety (90) days or less after the date of purchase (any proceeds of the fee are paid to the Fund). The redemption/exchange fee does not apply to shares acquired through the reinvestment of dividends and capital gains, nor to shares redeemed through a SWP. The Funds reserve the right to waive the redemption/exchange fee, subject to their sole discretion, in instances deemed by the Adviser not to be disadvantageous to a Fund or its shareholders and which do not indicate market timing strategies. In addition to the redemption fee, each Fund may temporarily or permanently bar future purchases into that Fund by such investor or, alternatively, may limit the amount, number or frequency of any future purchases and/or the method by which such investor may request future purchases and redemptions.

In calculating whether redemption of a Fund's shares is subject to the redemption/exchange fee, a shareholder's holdings will be viewed on a "first in/first out" basis. This means that, in determining whether any fee is due, the shareholder will be deemed to have redeemed the shares he or she acquired earliest. The fee will be calculated based on the current price of the shares as of the redemption date.

Investors are subject to these policies whether they are a direct shareholder of a Fund or they invest in a Fund indirectly through a financial intermediary such as a broker-dealer, a bank, an investment adviser or an administrator or trustee of a tax-deferred retirement plan that maintains an "Omnibus Account" with a Fund for trading on behalf of its customers.

The ability of the Funds to apply their market timing policy to investors investing through financial intermediaries is dependent on the receipt of information necessary to identify transactions by the underlying investors and the financial intermediary's cooperation in implementing the policy. Investors seeking to engage in excessive short-term trading practices may deploy a variety of strategies to avoid detection, and despite the efforts of the Funds to prevent excessive short-term trading, there is no assurance that the Funds or their agents will be able to identify those shareholders or curtail their trading practices.

If suspicious trading patterns are detected in an Omnibus Account, the relevant Fund will request information from the financial intermediary concerning trades placed in the Omnibus Account. The Fund will use this information to monitor trading in the Fund and to attempt to identify shareholders in the Omnibus Account engaged in trading that is inconsistent with the market timing policy or otherwise not in the best interests of the Fund. In considering an investor's trading activity, the relevant Fund may consider, among other factors, the investor's trading history, both directly and, if known, through intermediaries, in the Funds. If a Fund detects such activity, then the Fund may request that the financial intermediary take action to prevent the particular investor or investors from engaging in frequent or short-term trading. If inappropriate trading recurs, a Fund may refuse all future purchases from the Omnibus Account, including those of plan participants not involved in the inappropriate activity.

### **Household Delivery of Shareholder Documents**

Only one Prospectus, [Annual Report](#) and Semi-Annual Report will be sent to shareholders who have the same address on record for their Fund accounts, unless you request multiple copies. If you would like to receive separate copies, please call the Funds at 1-800-332-3133. The Funds will begin sending your additional copies free of charge within thirty (30) days. If your shares are held through a financial institution, please contact them directly.

## **Distributions and Taxes**

Each Fund distributes substantially all of its net investment income and capital gains annually. Distributions are generally made in December. Each Fund will automatically reinvest on your behalf all dividends and distributions in additional shares of the Fund unless you have elected to receive dividends and/or distributions in cash. You may make this election on the share purchase application or by writing to the Transfer Agent. If you wish to change your distribution option, notify the Transfer Agent in writing or by telephone at least five days prior to the record date of the next distribution. If an investor elects to receive distributions and/or dividends by check and the post office cannot deliver such check, or if such check remains uncashed for six months, the Funds reserve the right to reinvest the distribution check in the shareholder's account at the applicable Fund's then current NAV per share and to reinvest all subsequent distributions in shares of a Fund until an updated address is received.

The following discussion regarding federal income taxes is based on laws that were in effect as of the date of this Prospectus and summarizes only some of the important federal income tax considerations affecting the



Fund and you as a shareholder. It does not apply to foreign or tax-exempt shareholders or those holding Fund shares through a tax-advantaged account, such as a 401(k) plan or Individual Retirement Account. This discussion is not intended as a substitute for careful tax planning. You should consult your tax advisor about your specific tax situation. Please see the SAI for additional federal income tax information.

Each Fund has elected to be treated, and intends to qualify each year as, a regulated investment company (a "RIC"). A RIC is not subject to tax at the corporate level on income and gains from investments that are distributed in a timely manner to shareholders. However, a Fund's failure to qualify as a RIC would result in corporate level taxation, and consequently, a reduction in income available for distribution to you as a shareholder.

Each Fund's distributions, whether received in cash or additional shares of the Fund, may be subject to federal, state, and local income tax. These distributions may be taxed as ordinary income, dividend income, or long-term capital gain.

Corporate shareholders may be able to deduct a portion of their distributions when determining their taxable income.

If you purchase shares of a Fund shortly before it makes a taxable distribution, your distribution will, in effect, be a taxable return of capital. Similarly, if you purchase shares of a Fund that has appreciated securities, you will receive a taxable return of part of your investment if and when the Fund sells the appreciated securities and distributes the gain. The Funds have built up, or have the potential to build up, high levels of unrealized appreciation.

The Funds will notify you of the tax status of ordinary income distributions and capital gain distributions after the end of each calendar year.

You will generally recognize taxable gain or loss on a redemption of shares in an amount equal to the difference between the amount received and your tax basis in such shares. This gain or loss will generally be capital and will be long-term capital gain or loss if the shares were held for more than one year.

In general, when a shareholder sells shares of a Fund, the Fund must report to the shareholder and the IRS the shareholder's cost basis, gain or loss and holding period in the sold shares using a specified method for determining which shares were sold. You are not bound by this method and, if timely, can choose a different, permissible method. Please consult with your tax advisor.

If you hold shares in a Fund through a broker (or another nominee), please contact that broker (or nominee) with respect to the reporting of cost basis and available elections for your account.

When you receive a distribution from a Fund or redeem shares, you may be subject to backup withholding.

## **Anti-Money Laundering Program**

In compliance with the USA PATRIOT Act of 2001, please note that the Transfer Agent will verify certain information on your account application as part of the Funds' Anti-Money Laundering Program. As requested on the account application, you must supply your full name, date of birth, social security number and permanent street address. Mailing addresses containing only a P.O. Box will not be accepted. If you are opening the account in the name of a legal entity (*e.g.*, partnership, limited liability company, business trust, corporation, etc.), you must also supply the identity of the beneficial owners. Please contact the Transfer Agent at 1-800-332-3133, if you need additional assistance when completing your account application.

If the Transfer Agent does not have a reasonable belief of the identity of an investor, the account application will be rejected or the investor will not be allowed to perform a transaction on the account until such information is received. In the event that the Transfer Agent is unable to verify your identity, the Fund reserves the right to redeem your account at the current day's net asset value.

The Funds might request additional information about you (which may include certain documents, such as articles of incorporation for companies) to help the Transfer Agent verify your identity. Please note that your application will be returned if any information is missing. If you require additional assistance when completing your application, please contact the Transfer Agent at 1-800-332-3133.

## **Index Descriptions**

The Russell 2000<sup>®</sup> Index is a popular measure of the stock performance of small companies. It is comprised of the stocks of the 2,000 smallest companies in the Russell 3000<sup>®</sup> Index. The Russell 3000<sup>®</sup> Index is comprised of the 3,000 largest U.S. companies based on market capitalization. The index reflects no deductions for expenses or taxes. A direct investment in an index is not possible. The Russell 2000<sup>®</sup> Index and the Russell 3000<sup>®</sup> Index are each a trademark of the Frank Russell Company. The Russell 2000<sup>®</sup> Index is used herein for comparative purposes in accordance with SEC regulations.

The Russell Microcap<sup>®</sup> Index measures the performance of the microcap segment of the U.S. equity market. It makes up less than 3% of the U.S. equity market. It includes 1,000 of the smallest securities in the small-cap Russell 2000<sup>®</sup> Index based on a combination of their market cap and current index membership plus the next 1,000 smallest eligible securities by market cap. The index reflects no deductions for expenses or taxes. A direct investment in an index is not possible. The Russell Microcap<sup>®</sup> Index and the Russell 2000<sup>®</sup> Index are each a trademark of the Frank Russell Company. The Russell Microcap<sup>®</sup> Index is used herein for comparative purposes in accordance with SEC regulations.

## **Financial Highlights**

The financial highlights tables are intended to help you understand the Funds' financial performance for the past 5 years. The financial information presented for the MicroCap Opportunities Fund is that of the Predecessor Fund. The MicroCap Opportunities Fund is the accounting successor to the Predecessor Fund as a result of the reorganization of the Predecessor Fund into the MicroCap Opportunities Fund after the close of business on February 28, 2013. The MicroCap Opportunities Fund has adopted the Financial Statements of the Predecessor Fund. Certain information reflects financial results for a single Fund share. The total returns in the tables represent the rate that an investor would have earned, or lost, on an investment in the Funds (assuming reinvestment of all dividends and distributions). This information was audited by Cohen & Company, Ltd., the Funds' independent registered public accounting firm, whose report, along with the Funds' financial statements, are included in the [Annual Report](#), which is available on request.

## Perritt MicroCap Opportunities Fund

For a Fund share outstanding throughout the year

	<i>For the Years Ended October 31,</i>				
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
<i>Net asset value, beginning of year</i>	\$23.12	\$28.17	\$38.59	\$34.18	\$32.52
<i>Income/(loss) from investment operations:</i>					
Net investment income (loss) <sup>2</sup>	(0.15)	(0.11)	(0.20)	(0.15)	0.13
Net realized and unrealized gain (loss) on investments	(2.66)	(1.74)	(1.83)	7.94	2.06
Total from investment operations	(2.81)	(1.85)	(2.03)	7.79	2.19
<i>Less dividends and distributions:</i>					
From net investment income	—	—	—	(0.09)	—
From net realized gains	(0.80)	(3.20)	(8.39)	(3.29)	(0.53)
Total dividends and distributions	(0.80)	(3.20)	(8.39)	(3.38)	(0.53)
<i>Redemption fees</i> <sup>2,3</sup>	0.00	0.00	0.00	0.00	0.00
<i>Net asset value, end of year</i>	\$19.51	\$23.12	\$28.17	\$38.59	\$34.18
<i>Total return</i> <sup>1</sup>	(12.46%)	(6.80%)	(5.89%)	24.20%	6.85%
<i>Supplemental data and ratios:</i>					
Net assets, end of year (in thousands)	\$52,756	\$107,875	\$160,698	\$225,445	\$262,268
Ratio of net expenses to average net assets	1.64%	1.38%	1.28%	1.23%	1.23%
Ratio of net investment income (loss) to average net assets	(0.73%)	(0.48%)	(0.63%)	(0.41%)	0.41%
Portfolio turnover rate	19.1%	22.1%	14.0%	18.0%	6.2%

<sup>1</sup> Total return reflects reinvested dividends but does not reflect the impact of taxes.

<sup>2</sup> Net investment income (loss) and redemption fees per share has been calculated based on average shares outstanding during the year.

<sup>3</sup> Amount is less than \$0.01 per share.

## Perritt Ultra MicroCap Fund

For a Fund share outstanding throughout the year

	<i>For the Years Ended October 31,</i>				
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
<b><i>Net asset value, beginning of year</i></b>	\$12.81	\$15.62	\$18.49	\$15.46	\$14.39
<b><i>Income/(loss) from investment operations:</i></b>					
Net investment income (loss) <sup>2</sup>	(0.11)	(0.12)	(0.17)	(0.18)	0.07
Net realized and unrealized gain (loss) on investments	(1.14)	(1.60)	(0.77)	3.94	1.22
Total from investment operations	(1.25)	(1.72)	(0.94)	3.76	1.29
<b><i>Less dividends and distributions:</i></b>					
From net realized gains	(0.01)	(1.09)	(1.93)	(0.73)	(0.22)
From return of capital	(0.01)	—	—	—	—
Total dividends and distributions	(0.02)	(1.09)	(1.93)	(0.73)	(0.22)
<b><i>Redemption fees</i></b> <sup>2,3</sup>	0.00	0.00	0.00	0.00	0.00
<b><i>Net asset value, end of year</i></b>	<u>\$11.54</u>	<u>\$12.81</u>	<u>\$15.62</u>	<u>\$18.49</u>	<u>\$15.46</u>
<b><i>Total return</i></b> <sup>1</sup>	(9.75%)	(11.54%)	(5.73%)	25.27%	9.11%
<b><i>Supplemental data and ratios:</i></b>					
Net assets, end of year (in thousands)	\$11,582	\$34,154	\$61,042	\$69,636	\$54,336
Ratio of net expenses to average net assets	2.68%	1.83%	1.71%	1.70%	1.77%
Ratio of net investment income (loss) to average net assets	(0.92%)	(0.85%)	(0.99%)	(1.07%)	0.48%
Portfolio turnover rate	14.3%	13.3%	28.4%	43.0%	18.1%

<sup>1</sup> Total return reflects reinvested dividends but does not reflect the impact of taxes.

<sup>2</sup> Net investment income (loss) and redemption fees per share has been calculated based on average shares outstanding during the year.

<sup>3</sup> Amount is less than \$0.01 per share.

# Privacy Policy

The Funds collect the following nonpublic personal information about you:

- Information the Funds receive from you on or in applications or other forms, including but not limited to, your name, address, phone number, and social security number; and
- Information about your transactions with the Funds, their affiliates or others, including but not limited to, your account number and balance, parties to transactions, cost basis information and other financial information.

The Funds do not disclose any nonpublic personal information about their current or former shareholders to nonaffiliated third parties, except as permitted by law. For example, the Funds are permitted by law to disclose all the information the Funds collect to their transfer agent to process your transactions. Furthermore, the Funds restrict access to your nonpublic personal information to those persons who require such information to provide products or services to you. As a result, we do not provide a means for opting out of our limited sharing of your information. The Funds maintain physical, electronic, and procedural safeguards through their transfer agent, U.S. Bank Global Fund Services, that comply with federal standards to guard your nonpublic personal information.

In the event that you hold shares of the Funds through a financial intermediary, including, but not limited to, a broker-dealer, bank or trust company, the privacy policy of your financial intermediary would govern how your nonpublic personal information would be shared with nonaffiliated third parties.

## For More Information

You can learn more about the Funds in the following documents:

### Statement of Additional Information

The Funds' SAI contains more detailed information about the Funds, and the SAI is filed with the Securities and Exchange Commission ("SEC"). The SAI is incorporated by reference into this Prospectus. This means that you should consider the contents of the SAI to be part of the Prospectus.

### Annual and Semi-Annual Reports to Shareholders

Additional information about the Funds' investments is available in the Funds' annual and semi-annual reports to shareholders.

The annual report includes a discussion of the market conditions and investment strategies that significantly affected the performance of the Funds during the last fiscal year.

To request a free copy of the current SAI or annual and semi-annual reports, call the Funds, toll-free, at 1-800-332-3133 or 1-312-669-1650, or write to the Funds at 300 South Wacker Drive, Suite 600, Chicago, Illinois 60606. You may also obtain a copy of these documents free of charge from the Funds' website at [www.perrittcap.com](http://www.perrittcap.com).

Prospective investors and shareholders with questions about the Funds also may call the above number or write to the above address.

You can review and copy information about the Funds (including the SAI) on the EDGAR Database on the SEC's Internet website at [www.sec.gov](http://www.sec.gov), and copies of this information may be obtained (duplicating fee required) by electronic request at [publicinfo@sec.gov](mailto:publicinfo@sec.gov).

### Fund Symbols and CUSIPS

The shares of the Perritt Funds have the following fund symbols and CUSIPs:

<u>Fund</u>	<u>Symbol</u>	<u>CUSIP</u>
Perritt MicroCap Opportunities Fund	PRCGX	714402203
Perritt Ultra MicroCap Fund	PREOX	714402104

Investment Company Act File No. 811-21556

# Perritt

MicroCap Opportunities Fund (PRCGX)

Ultra MicroCap Fund (PREOX)