



PERRITT MICROCAP OPPORTUNITIES FUND

Semi-Annual Financial Statements
April 30, 2025

TABLE OF CONTENTS

	Page
Schedule of Investments	1
Statement of Assets and Liabilities	4
Statement of Operations	5
Statements of Changes in Net Assets	6
Financial Highlights	7
Notes to Financial Statements	8
Advisory Agreement Renewal	13
Additional Information	16
Privacy Policy	17

PERRITT MICROCAP OPPORTUNITIES FUND
SCHEDULE OF INVESTMENTS
April 30, 2025 (Unaudited)

	Shares	Value		Shares	Value
COMMON STOCKS - 97.0%					
Aerospace & Defense - 0.6%			Distributors - 1.4%		
VirTra, Inc. ^(a)	58,264	\$ 272,675	Alliance Entertainment Holding Corp. ^(a) . . .	35,000	\$ 100,450
			A-Mark Precious Metals, Inc.	25,000	609,000
					709,450
Air Freight & Logistics - 3.6%			Diversified Consumer Services - 2.7%		
Radiant Logistics, Inc. ^(a)	300,000	1,755,000	Beachbody Co., Inc. ^(a)	41,000	153,750
Automobile Components - 1.6%			Carriage Services, Inc.	5,000	199,800
Motorcar Parts of America, Inc. ^(a)	57,000	507,870	Lincoln Educational Services Corp. ^(a)	25,000	422,500
Strattec Security Corp. ^(a)	8,000	266,560	Universal Technical Institute, Inc. ^(a)	20,000	561,200
		774,430			1,337,250
Banks - 1.1%			Diversified REITs - 0.8%		
First Internet Bancorp.	16,507	350,939	Modiv Industrial, Inc.	23,000	376,740
Flushing Financial Corp.	15,000	179,550			
		530,489	Electrical Equipment - 3.0%		
Capital Markets - 6.4%			Broadwind, Inc. ^(a)	90,000	140,400
Heritage Global, Inc. ^(a)	200,000	404,000	Espey Mfg. & Electronics Corp.	5,500	169,180
Silvercrest Asset Management Group, Inc. -			LSI Industries, Inc.	38,000	573,420
Class A	125,000	1,912,500	Power Solutions International, Inc. ^(a)	15,000	378,300
U.S. Global Investors, Inc. - Class A.	400,000	852,000	SKYX Platforms Corp. ^(a)	40,800	53,856
		3,168,500	Ultralife Corp. ^(a)	30,000	134,400
					1,449,556
Chemicals - 4.3%			Electronic Equipment, Instruments & Components - 4.9%		
American Vanguard Corp.	40,000	168,800	Bel Fuse, Inc. - Class B.	12,000	789,240
Arq, Inc. ^(a)	65,000	246,350	Coda Octopus Group, Inc. ^(a)	51,000	341,700
Flexible Solutions International, Inc.	110,000	414,700	Identiv, Inc. ^(a)	70,000	232,400
Greystone Logistics, Inc. ^(a)	80,000	99,200	Powerfleet, Inc. ^(a)	190,000	957,600
Northern Technologies International			Richardson Electronics Ltd.	9,996	86,565
Corp.	159,000	1,184,550			2,407,505
		2,113,600	Energy Equipment & Services - 2.7%		
Commercial Services & Supplies - 3.9%			Drilling Tools International Corp. ^(a)	45,000	90,900
CECO Environmental Corp. ^(a)	13,000	309,270	Forum Energy Technologies, Inc. ^(a)	10,000	146,500
Perma-Fix Environmental Services,			Gulf Island Fabrication, Inc. ^(a)	25,000	178,750
Inc. ^(a)	153,000	1,254,600	Natural Gas Services Group, Inc. ^(a)	13,000	233,610
Quest Resource Holding Corp. ^(a)	140,000	330,400	NPK International, Inc. ^(a)	120,000	693,600
		1,894,270			1,343,360
Communications Equipment - 3.3%			Entertainment - 0.4%		
Aviat Networks, Inc. ^(a)	30,000	526,800	WildBrain Ltd. ^(a)	145,000	174,000
BK Technologies Corp. ^(a)	14,000	624,680			
Ceragon Networks, Ltd. ^(a)	215,000	468,700	Financial Services - 2.2%		
		1,620,180	Cantaloupe, Inc. ^(a)	25,000	200,000
Construction & Engineering - 2.9%			Paysign, Inc. ^(a)	20,000	48,000
Bowman Consulting Group Ltd. ^(a)	15,000	331,800	SWK Holdings Corp.	18,408	259,369
Northwest Pipe Co. ^(a)	20,000	847,200	Usio, Inc. ^(a)	340,000	554,200
Orion Group Holdings, Inc. ^(a)	40,000	255,600			1,061,569
		1,434,600	Food Products - 1.2%		
Consumer Finance - 2.3%			Alico, Inc.	11,000	313,940
EZCORP, Inc. - Class A ^(a)	70,000	1,145,900	Mama's Creations, Inc. ^(a)	40,000	264,000
Consumer Staples Distribution & Retail - 0.1%			Sow Good Inc. ^(a)	25,000	15,625
HF Foods Group, Inc. ^(a)	10,000	37,500			593,565

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

PERRITT MICROCAP OPPORTUNITIES FUND
SCHEDULE OF INVESTMENTS
April 30, 2025 (Unaudited) (Continued)

	Shares	Value		Shares	Value
COMMON STOCKS - (Continued)					
Health Care Equipment & Supplies - 1.7%					
Accuray, Inc. ^(a)	90,000	\$ 139,500	Endeavour Silver Corp. ^(a)	150,000	\$ 546,000
ElectroCore, Inc. ^(a)	10,000	73,550	McEwen Mining, Inc. ^(a)	68,000	530,400
Modular Medical, Inc. ^(a)	85,000	90,950	Vox Royalty Corp.	12,000	39,960
Sensus Healthcare, Inc. ^(a)	125,586	540,020			<u>2,845,804</u>
		<u>844,020</u>	Mortgage Real Estate Investment Trusts (REITs) - 1.0%		
Health Care Providers & Services - 2.4%			Chicago Atlantic Real Estate Finance, Inc. . . .	35,000	506,450
InfuSystem Holdings, Inc. ^(a)	60,000	283,200	Oil, Gas & Consumable Fuels - 3.3%		
Quipt Home Medical Corp. ^(a)	132,500	284,875	Evolution Petroleum Corp.	165,000	691,350
Viemed Healthcare, Inc. ^(a)	85,000	600,950	Greenfire Resources Ltd. ^(a)	55,000	256,300
		<u>1,169,025</u>	Vaalco Energy, Inc.	115,000	376,050
Hotels, Restaurants & Leisure - 1.5%			Vitesse Energy, Inc.	15,000	306,750
Bragg Gaming Group, Inc. ^(a)	45,000	175,950			<u>1,630,450</u>
Century Casinos, Inc. ^(a)	104,000	136,240	Pharmaceuticals - 2.0%		
Galaxy Gaming, Inc. ^(a)	156,621	444,804	Assertio Holdings, Inc. ^(a)	266,250	172,956
		<u>756,994</u>	Biote Corp. ^(a)	80,000	266,400
Household Durables - 3.9%			High Tide, Inc. ^(a)	100,000	241,000
Legacy Housing Corp. ^(a)	72,000	1,751,400	Medexus Pharmaceuticals, Inc. ^(a)	145,000	287,100
Lovesac Co. ^(a)	9,000	175,050			<u>967,456</u>
		<u>1,926,450</u>	Professional Services - 5.0%		
Interactive Media & Services - 0.6%			Asure Software, Inc. ^(a)	25,009	254,091
DHI Group, Inc. ^(a)	225,000	317,250	BGSF, Inc. ^(a)	35,000	115,500
IT Services - 2.9%			DLH Holdings Corp. ^(a)	168,434	663,630
Data Storage Corp. ^(a)	35,000	123,200	Hudson Global, Inc. ^(a)	50,650	510,046
Information Services Group, Inc.	123,883	480,666	IBEX Holdings Ltd. ^(a)	13,000	325,520
Research Solutions, Inc. ^(a)	305,518	837,119	Where Food Comes From, Inc. ^(a)	13,000	143,260
		<u>1,440,985</u>	Willdan Group, Inc. ^(a)	11,000	431,200
Life Sciences Tools & Services - 0.3%					<u>2,443,247</u>
Niagen Bioscience, Inc. ^(a)	20,000	157,000	Semiconductors & Semiconductor Equipment - 1.1%		
Machinery - 5.2%			Photonics, Inc. ^(a)	30,000	548,100
Commercial Vehicle Group, Inc. ^(a)	35,000	33,611	Software - 2.5%		
Gencor Industries, Inc. ^(a)	37,367	474,187	ACCESS Newswire, Inc. ^(a)	19,721	160,726
Mayville Engineering Co., Inc. ^(a)	30,000	383,400	Consensus Cloud Solutions, Inc. ^(a)	5,000	99,300
Miller Industries, Inc.	27,000	1,101,870	Mitek Systems, Inc. ^(a)	40,000	331,200
Shyft Group, Inc.	25,000	211,500	NetSol Technologies, Inc. ^(a)	60,000	148,800
Taylor Devices, Inc. ^(a)	6,000	191,400	Ooma, Inc. ^(a)	40,000	489,200
TechPrecision Corp. ^(a)	60,500	147,620			<u>1,229,226</u>
		<u>2,543,588</u>	Specialty Retail - 1.3%		
Marine Transportation - 0.5%			Build-A-Bear Workshop, Inc.	15,000	529,200
Euroseas Ltd.	8,000	249,040	Xcel Brands, Inc. ^(a)	42,500	101,150
Media - 0.9%					<u>630,350</u>
Creative Realities, Inc. ^(a)	151,517	275,761	Technology Hardware, Storage & Peripherals - 1.0%		
Perion Network Ltd. ^(a)	20,000	186,600	Immersion Corp.	70,000	506,100
		<u>462,361</u>	Textiles, Apparel & Luxury Goods - 2.1%		
Metals & Mining - 5.8%			Lakeland Industries, Inc.	44,000	718,520
Ascent Industries Co. ^(a)	20,920	276,144	Superior Group of Cos., Inc.	30,000	311,400
Atlas Lithium Corp. ^(a)	20,000	86,200			<u>1,029,920</u>
Avino Silver & Gold Mines Ltd. ^(a)	630,000	1,367,100			

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

PERRITT MICROCAP OPPORTUNITIES FUND
SCHEDULE OF INVESTMENTS
April 30, 2025 (Unaudited) (Continued)

	<u>Shares</u>	<u>Value</u>
COMMON STOCKS - (Continued)		
Trading Companies & Distributors - 1.2%		
BlueLinx Holdings, Inc. ^(a)	5,000	\$ 325,700
Karat Packaging, Inc.	10,000	263,800
		<u>589,500</u>
Water Utilities - 1.4%		
Global Water Resources, Inc.	35,000	365,050
Pure Cycle Corp. ^(a)	35,000	346,500
		<u>711,550</u>
TOTAL COMMON STOCKS		
(Cost \$36,327,144).		<u>47,705,005</u>
TOTAL INVESTMENTS - 97.0%		
(Cost \$36,327,144).		\$47,705,005
Money Market Deposit		
Account - 2.9% ^(b)		1,431,063
Other Assets in Excess of		
Liabilities - 0.1%		<u>39,439</u>
TOTAL NET ASSETS - 100.0%		<u>\$49,175,507</u>

Percentages are stated as a percent of net assets.

The Global Industry Classification Standard ("GICS[®]") was developed by and/or is the exclusive property of MSCI, Inc. ("MSCI") and Standard & Poor's Financial Services LLC ("S&P"). GICS[®] is a service mark of MSCI and S&P and has been licensed for use by U.S. Bank Global Fund Services.

REIT - Real Estate Investment Trust

^(a) Non-income producing security.

^(b) The U.S. Bank Money Market Deposit Account (the "MMDA") is a short-term vehicle in which the Fund holds cash balances. The MMDA will bear interest at a variable rate that is determined based on market conditions and is subject to change daily. The rate as of April 30, 2025 was 4.11%.

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

PERRITT MICROCAP OPPORTUNITIES FUND
STATEMENT OF ASSETS AND LIABILITIES
April 30, 2025 (Unaudited)

ASSETS:

Investments at value	\$ 47,705,005
Cash and cash equivalents	1,431,062
Receivable for investments sold	34,577
Receivable for fund shares issued	160
Dividends and interest receivable	91,253
Prepaid expenses	<u>29,207</u>
Total assets	<u><u>49,291,264</u></u>

LIABILITIES:

Payable for fund shares purchased	16,048
Payable to Advisor	40,547
Payable to Officer & Directors	10,247
Accrued accounting expense	12,131
Accrued administration expense	6,852
Accrued audit expense	13,045
Accrued insurance expense	2,192
Accrued printing & mailing expense	2,529
Accrued transfer agent expense	8,350
Other accrued expenses & liabilities	<u>3,816</u>
Total liabilities	<u><u>115,757</u></u>

NET ASSETS	<u><u>\$ 49,175,507</u></u>
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Net Assets Consist of:

Capital Stock	\$ 36,105,536
Total Distributable Earnings	<u>13,069,971</u>
Total net assets	<u><u>\$ 49,175,507</u></u>

Capital Stock, \$0.0001 par value

Authorized	100,000,000
Outstanding	2,426,907
Net Assets	\$ 49,175,507
Net asset value and offering price per share	\$ 20.26
Cost of Investments	\$ 36,327,144

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

PERRITT MICROCAP OPPORTUNITIES FUND**STATEMENT OF OPERATIONS**

For the Period Ended April 30, 2025 (Unaudited)

INVESTMENT INCOME:

Dividend Income	\$ 463,892
Interest income	<u>39,474</u>
Total investment income	<u>503,366</u>

EXPENSES:

Investment advisory fee	298,381
Shareholder servicing	59,622
Officer & directors' fees & expenses	38,650
Administration fee	36,171
Professional fees	32,972
Fund accounting expenses	27,000
Federal & state registration fees	14,043
Printing & mailing fees	8,040
Other expense	5,158
Custodian fees	<u>3,562</u>
Total expenses	<u>523,599</u>
Net investment loss	<u>(20,233)</u>

REALIZED AND UNREALIZED GAIN/(LOSS) ON INVESTMENTS:

Net realized gain on investments	2,160,303
Change in unrealized depreciation on investments	<u>(10,830,759)</u>
Net realized and unrealized loss on investments	<u>(8,670,456)</u>
NET DECREASE IN NET ASSETS RESULTING FROM OPERATIONS	<u><u>\$ (8,690,689)</u></u>

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

PERRITT MICROCAP OPPORTUNITIES FUND
STATEMENTS OF CHANGES IN NET ASSETS

	For the Period Ended April 30, 2025 (Unaudited)	For the Year Ended October 31, 2024
OPERATIONS:		
Net investment loss	\$ (20,233)	\$ (216,777)
Net realized gain on investments	2,160,303	4,229,023
Net change in unrealized appreciation/(depreciation) on investments.	<u>(10,830,759)</u>	<u>4,448,659</u>
Net increase/(decrease) in net assets resulting from operations.	<u>(8,690,689)</u>	<u>8,460,905</u>
DIVIDENDS AND DISTRIBUTIONS TO SHAREHOLDERS:		
Distributable Earnings	<u>—</u>	<u>(8,059,299)</u>
Total dividends and distributions	<u>—</u>	<u>(8,059,299)</u>
CAPITAL SHARE TRANSACTIONS:		
Proceeds from shares issued.	970,772	1,998,681
Proceeds from shares issued in connection with reorganization	—	9,217,519
Reinvestment of distributions.	—	7,851,878
Cost of shares redeemed.	(5,198,058)	(8,275,555)
Redemption fees.	<u>459</u>	<u>174</u>
Net increase/(decrease) in net assets from capital share transactions	<u>(4,226,827)</u>	<u>10,792,697</u>
Total increase/(decrease) in Net Assets	<u>(12,917,516)</u>	<u>11,194,303</u>
NET ASSETS		
Beginning of the year	<u>62,093,023</u>	<u>50,898,720</u>
End of the year	<u><u>\$ 49,175,507</u></u>	<u><u>\$62,093,023</u></u>
CAPITAL SHARE TRANSACTIONS:		
Shares sold	39,676	81,416
Shares issued on reinvestment of distributions	—	336,145
Shares redeemed.	(234,139)	(340,128)
Shares issued in connection with reorganization	<u>—</u>	<u>385,389</u>
Net increase/(decrease) from capital share transactions.	<u>(194,463)</u>	<u>462,822</u>

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

PERRITT MICROCAP OPPORTUNITIES FUND
FINANCIAL HIGHLIGHTS

For a Fund share outstanding throughout the period/year

	For the Period Ended April 30, 2025 (Unaudited)	For the Years Ended October 31,				
		2024	2023	2022	2021	2020
Net asset value, beginning of period/ year	\$ 23.69	\$ 23.58	\$ 23.68	\$ 32.02	\$ 19.51	\$ 23.12
INCOME/(LOSS) FROM						
INVESTMENT OPERATIONS:						
Net investment income (loss) ²	(0.01)	(0.10)	0.10	(0.11)	(0.15)	(0.15)
Net realized and unrealized gain (loss) on investments	(3.42)	4.01	0.56	(3.95)	12.66	(2.66)
Total from investment operations	(3.43)	3.91	0.66	(4.06)	12.51	(2.81)
LESS DIVIDENDS AND						
DISTRIBUTIONS:						
From net realized gains	—	(3.80)	(0.76)	(4.28)	—	(0.80)
Total dividends and distributions	—	(3.80)	(0.76)	(4.28)	—	(0.80)
Redemption fees ^{2,3}	0.00	0.00	0.00	0.00	0.00	0.00
Net asset value, end of period/year . . .	\$ 20.26	\$ 23.69	\$ 23.58	\$ 23.68	\$ 32.02	\$ 19.51
Total return ¹	(14.48)% ⁵	17.56%	2.76%	(14.95)%	64.12%	(12.46)%
SUPPLEMENTAL DATA AND RATIOS:						
Net assets, end of period/year (in thousands)	\$49,176	\$62,093	\$50,899	\$54,739	\$72,496	\$52,756
Ratio of net expenses to average net assets	1.76% ⁴	1.73%	1.65%	1.56%	1.56%	1.64%
Ratio of net investment income (loss) to average net assets	(0.07)% ⁴	(0.41)%	0.39%	(0.43)%	(0.53)%	(0.73)%
Portfolio turnover rate	7.7% ⁵	13.5%	20.5%	23.0%	23.5%	19.1%

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

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

³ Amount is less than \$0.01 per share.

⁴ Annualized for periods less than one year.

⁵ Not annualized for periods less than one year.

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

1. ORGANIZATION

Perritt Funds, Inc. (the “Corporation”) was organized on March 19, 2004 as a Maryland corporation and is registered under the Investment Company Act of 1940, as amended (the “1940 Act”), as an open-end investment company, with each the series below being a diversified fund. The Corporation currently consists of the Perritt MicroCap Opportunities Fund (“MicroCap Fund” or the “Fund”). Perritt MicroCap Opportunities Fund, Inc., the predecessor to the MicroCap Fund, commenced operations on April 11, 1988. As part of a plan of reorganization, on February 28, 2013, Perritt MicroCap Opportunities Fund, Inc. merged into the MicroCap Fund, a series within the Corporation. The MicroCap Fund’s investment objective is to invest in mainly common stocks of companies with market capitalizations that are below \$500 million at the time of the initial purchase. The Fund is an investment company and accordingly follow the investment company accounting and reporting guidance of the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification Topic 946 “Financial Services – Investment Companies.”

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. Cash and cash equivalents include cash and overnight investments in interest-bearing demand deposits with a financial institution with maturities of three months or less. The Fund maintains deposits with a high quality financial institution in an amount that is in excess of federally insured limits.
- B. Exchange-listed securities are generally valued at the last sales price reported by the principal security exchange on which the security is traded, or if no sale is reported, the mean between the latest bid and ask price unless the Fund’s investment advisor believes that the mean does not represent a fair value, in which case the securities are fair valued as set forth below. Securities listed on NASDAQ are valued at the NASDAQ Official Closing Price. Demand notes, commercial paper, U.S. Treasury Bills and warrants are stated at fair value using market prices if available, or a pricing service when such prices are believed to reflect fair value. The money market deposit account is valued at amortized cost. Securities for which market quotations are not readily available are valued at their fair value as determined in good faith by the Fund’s investment advisor. The Fund’s fair value procedures allow for the use of certain methods performed by the Fund’s investment advisor to value those securities for which market quotations are not readily available, at a price that a Fund might reasonably expect to receive upon a sale of such securities. For example, these methods may be based on a multiple of earnings, or a discount from market of a similar freely traded security, or a yield to maturity with respect to debt issues, or a combination of these and other methods.
- C. Net realized gains and losses on securities are computed using the first-in, first-out method.
- D. Dividend income is recognized on the ex-dividend date, and interest income is recognized on the accrual basis. Withholding taxes on foreign dividends and capital gains, which are included as a component of net investment income and realized gain (loss) on investments, respectively, have been provided for in accordance with the Fund’s understanding of the applicable country’s tax rules and rates. Discounts and premiums on securities purchased are amortized over the life of the respective securities using the interest method. Distributions received from real estate investment trusts (“REITs”) are classified as investment income or realized gains based on the U.S. income tax characteristics of the distribution. Return of capital distributions received from REIT securities and partnerships are recorded as an adjustment to the cost of the security and thus may impact unrealized or realized gains or losses on the security. Investment and shareholder transactions are recorded on the trade date.
- E. Provision has not been made for federal income tax since the Fund has elected to be taxed as a “regulated investment company” and intend to distribute substantially all income to their shareholders and otherwise comply with the provisions of the Internal Revenue Code applicable to regulated investment companies.
- F. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.

PERRITT FUNDS, INC.
NOTES TO FINANCIAL STATEMENTS
April 30, 2025 (Unaudited) (Continued)

In preparing these financial statements, the Fund has evaluated events and transactions for potential recognition or disclosure through the date the financial statements were issued.

- G. Dividends from net investment income and net realized capital gains, if any, are declared and paid annually. Distributions to shareholders are recorded on the ex-dividend date. The Fund may utilize earnings and profit distributed to shareholders on redemption of shares as part of the dividends paid deduction. The Fund may periodically make reclassifications among certain of their capital accounts as a result of the timing and characterization of certain income and realized gain distributions, including reclassifying net operating loss, as determined annually in accordance with federal tax regulations which may differ from GAAP. The MicroCap Fund has reclassified the components of its capital accounts for the year ended October 31, 2024 by increasing paid-in capital by \$240,383 and decreasing distributable earnings/(losses) by \$240,383. These adjustments were primarily due to the utilization of earnings and profits distributed to shareholders on redemptions of shares and the write off of net operating losses.
- H. As of and during the period ended April 30, 2025, the Fund did not have a liability for any unrecognized tax benefits. The Fund recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense on the Statement of Operations. During the period ended April 30, 2025, the Fund did not incur any interest or penalties. The Fund is not subject to examination by U.S. federal tax authorities for any tax years before 2021.

3. SECURITY VALUATION

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

Level 1 – Quoted prices in active markets for identical securities that the Fund has the ability to access.

Level 2 – Other significant observable inputs (including quoted prices for similar securities or the identical security on an inactive market, interest rates, prepayment speeds, credit risk, etc.).

Level 3 – Significant unobservable inputs (including the Fund’s own assumptions in determining the fair value of investments).

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The following is a summary of the inputs used to value the Fund’s net assets as of April 30, 2025:

Perritt MicroCap Opportunities Fund

Description	Level 1	Level 2	Level 3	Total
Investments in Securities				
Common Stocks				
Communication Services	\$ 953,611	\$ —	\$ —	\$ 953,611
Consumer Discretionary	7,164,844	—	—	7,164,844
Consumer Staples	631,065	—	—	631,065
Energy	2,973,810	—	—	2,973,810
Financial	6,412,907	—	—	6,412,907
Health Care	3,137,501	—	—	3,137,501
Industrials	12,631,476	—	—	12,631,476
Information Technology	7,752,097	—	—	7,752,097
Materials	4,959,404	—	—	4,959,404
Real Estate	376,740	—	—	376,740
Utilities	711,550	—	—	711,550
Total Common Stocks	47,705,005	—	—	47,705,005
Total Investments in Securities	\$47,705,005	\$ —	\$ —	\$47,705,005

PERRITT FUNDS, INC.
NOTES TO FINANCIAL STATEMENTS
April 30, 2025 (Unaudited) (Continued)

Please refer to the Schedule of Investments for additional information regarding the composition of the amounts listed above.

Rule 2a-5 under the 1940 Act permits fund boards to designate a fund's investment advisor to perform fair value determinations, subject to board oversight and certain other conditions. The rule also defines when market quotations are "readily available" for purposes of the 1940 Act and requires a fund to fair value a portfolio investment when a market quotation is not readily available. The Board of Directors has designated the Fund's investment advisor as its valuation designee to perform fair value determinations.

4. INVESTMENT ADVISORY AGREEMENT

For the Fund, the Corporation entered into an investment advisory agreement (collectively, the "Agreements") with Perritt Capital Management, Inc. (the "Advisor"), with whom certain officers and directors of the Corporation are affiliated, to furnish investment advisory services to the Fund. Under the terms of the Agreements, the MicroCap Fund pays the Advisor a monthly fee at the annual rate of 1.00% of the Fund's daily average net assets. At April 30, 2025, the MicroCap Fund had fees due to the Advisor of \$40,547. For the period ended April 30, 2025, the MicroCap Fund had incurred advisory fees of \$298,381.

The Advisor manages the Fund's investments subject to the supervision of the Fund's Board of Directors. The Advisor is responsible for investment decisions and supplies investment research and portfolio management. Under the Agreements, the Advisor, at its own expense and without reimbursement from the Fund, will furnish office space and all necessary office facilities, equipment and personnel for making the investment decisions necessary for managing the Fund and maintaining their organization, will pay the salaries and fees of all officers and directors of the Fund (except the Chief Compliance Officer's salary and the fees paid to disinterested directors) and will bear all sales and promotional expenses of the Fund.

The officers of the Fund are affiliated with the Advisor. Such officers, with the exception of the Chief Compliance Officer, receive no compensation from the Fund or the Advisor for serving their respective roles. The Fund pay the salary associated with the office of the Chief Compliance Officer. Such fees are included on the Statement of Operations within officer & directors' fees & expenses.

The Fund reimbursed the Advisor for fees paid to financial intermediaries such as banks, broker-dealers, financial advisors or other financial institutions for sub-transfer agency, sub-administration and other services that the financial intermediaries provided to their clients, who are beneficial owners of shares of the Fund. The financial intermediaries are the record owners of the Fund on the Fund's records through omnibus accounts, other group accounts, retirement plans or accounts traded through registered securities clearing agents. These fees are fees that the Fund are obligated to pay to such intermediaries, and the fees may vary based on, for example, the nature of services provided. The fees paid to such intermediaries by the Fund are only a portion of the full fee that is paid to the intermediaries, and the Advisor is obligated to pay the remaining amount. In determining the portion of the fees paid to the intermediaries that the Fund are obligated to pay, the Fund has used the "avoided cost" method, which is one of several permissible methods to determine the fees are reasonable. Based on this method, the Fund's Board of Directors determines a fee per sub-account that it believes approximates the transfer agency fee that would otherwise have been payable by the Fund if such intermediaries did not maintain the sub-account. These amounts are included within shareholder servicing fees on the Statement of Operations.

5. INVESTMENT TRANSACTIONS

Purchases and sales of securities, excluding short-term investments, for the period ended April 30, 2025, were as follows:

	Purchases		Sales	
	U.S. Government	Other	U.S. Government	Other
MicroCap Fund	\$ —	\$4,429,502	\$ —	\$8,812,958

PERRITT FUNDS, INC.
NOTES TO FINANCIAL STATEMENTS
April 30, 2025 (Unaudited) (Continued)

6. FEDERAL INCOME TAX MATTERS

As of October 31, 2024, the components of distributable earnings on a tax basis were as follows:

	MicroCap Fund
Cost of investments for tax purposes	<u>\$38,576,076</u>
Gross tax unrealized appreciation	24,986,875
Gross tax unrealized depreciation	<u>(2,799,720)</u>
Net unrealized appreciation on investments	<u>22,187,155</u>
Distributable ordinary income	—
Distributable long-term capital gains	—
Other accumulated losses	<u>(426,495)</u>
Total Distributable Earnings	<u>\$21,760,660</u>

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

A regulated investment company may elect for any taxable year to treat any portion of any qualified late year loss as arising on the first day of the next taxable year. Qualified late year losses are ordinary losses which occur during the portion of the Fund's taxable year subsequent to December 31.

At October 31, 2024, the MicroCap Fund deferred, on a tax basis, late year ordinary losses of \$426,495. During the year ended October 31, 2024, the MicroCap Fund did not utilize capital loss carryforwards. The Funds had no capital loss carryforward for the year ended October 31, 2024.

The tax composition of distributions paid during the years ended October 31, 2024 and 2023 were as follows:

	Ordinary Income		Long-term Capital Gains	
	2024	2023	2024	2023
MicroCap Fund	\$539,629	\$ —	\$7,519,670	\$1,722,564

7. RESTRICTED SECURITIES

The Fund may own investment securities which are unregistered and thus restricted as to resale. These securities are valued by the Fund after giving due consideration to pertinent factors including recent private sales, market conditions and the issuer's financial performance. Where future disposition of these securities requires registration under the Securities Act of 1933, the Fund has the right to include these securities in such registration, generally without cost to the Fund. The Fund has no right to require registration of the unregistered securities they hold. As of April 30, 2025, the Fund did not hold any restricted securities.

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

8. LINE OF CREDIT ARRANGEMENT

The MicroCap Fund is a party to uncommitted line of credit arrangement with U.S. Bank, N.A. with an expiration date of December 1, 2025, under which the MicroCap Fund may borrow up to \$2,500,000, subject to certain restrictions and covenants. Interest is charged on borrowings at the prevailing Prime Rate which was 7.50% as of April 30, 2025. The Fund has borrowed under these arrangements from time to time to increase the efficiency of cash flow management.

PERRITT FUNDS, INC.
NOTES TO FINANCIAL STATEMENTS
April 30, 2025 (Unaudited) (Continued)

For the period ended April 30, 2025, the MicroCap Fund did not borrow on the line of credit. As of April 30, 2025, the MicroCap Fund had no outstanding borrowings on the line of credit. Interest charged on the borrowings is recorded as other expense in the Statement of Operations.

9. REDEMPTION FEE

The Fund charges a 2.00% redemption fee to those who buy and sell shares within 90 calendar days or less. The redemption fee is retained for the benefit of long-term shareholders, and recorded as additional capital in the Statement of Changes in Net Assets.

10. TRANSACTIONS WITH AFFILIATES

During the period ended April 30, 2025, MicroCap Fund did not hold any securities that were considered affiliated.

The Fund is permitted to purchase or sell securities to another Fund under specified conditions outlined in procedures adopted by the Board of Directors. The procedures have been designed to ensure that any purchase or sale of securities by the Fund from or to another Fund complies with Rule 17a-7 of the 1940 Act. For the period ended April 30, 2025, the MicroCap Fund did not engage in securities transactions pursuant to Rule 17a-7 of the 1940 Act.

11. QUALIFIED DIVIDEND INCOME/DIVIDENDS RECEIVED DEDUCTIONS (UNAUDITED)

For the fiscal year ended October 31, 2024, certain dividends paid by the Fund may be subject to a maximum tax rate of 23.8%, as provided for by the Jobs and Growth Tax Reconciliation Act of 2003. The percentage of dividends declared from ordinary income designated as qualified dividend income was as follows:

<u>Fund Name</u>	<u>Qualified Dividend Income</u>
Perritt MicroCap Opportunities Fund	100.00%

For corporate shareholders, the percent of ordinary income distributions qualifying for the corporate dividends received deduction for the fiscal year ended October 31, 2024 was as follows:

<u>Fund Name</u>	<u>Dividends Received Deductions</u>
Perritt MicroCap Opportunities Fund	100.00%

The percentage of taxable ordinary income distributions that are designated as short-term capital gain distributions under Internal Revenue Section 871(k)(2)(C) for each Fund were as follows:

<u>Fund Name</u>	<u>Short-Term Capital Gains</u>
Perritt MicroCap Opportunities Fund	100.00%

PERRITT FUNDS, INC.

ADVISORY AGREEMENT RENEWAL (Unaudited)

On December 6, 2024, the Board of Directors of Perritt Funds, Inc. (the “Directors”) approved the continuation of the investment advisory agreement for the Perritt MicroCap Opportunities Fund (the “Fund”) with the investment advisor to the Fund, Perritt Capital Management, Inc. (the “Advisor”). As part of the process of approving the continuation of the advisory agreement, the Directors reviewed the fiduciary duties of the Directors with respect to approving the advisory agreement and the relevant factors for the Directors to consider, and the members of the Board of Directors who are not deemed “interested persons” (as that term is defined by the Investment Company Act of 1940) of the Fund (the “Independent Directors”) met in executive session to discuss the approval of the advisory agreement.

In advance of the meeting, the Advisor sent detailed information to the Directors to assist them in their evaluation of the investment advisory agreement. This information included, but was not limited to, a memorandum from Fund counsel that summarized the legal standards applicable to the Directors’ consideration of the advisory agreement; comparative information relating to the Fund’s management fees and other expenses of the Fund; information regarding fees paid and other payments; information on the Advisor’s profitability; information about brokerage commissions; comparative information relating to the Fund’s performance; information about sales and redemptions of the Fund; information about the Fund’s compliance program; and other information the Directors believed was useful in evaluating the approval of advisory agreement.

All of the factors discussed by the Directors were considered as a whole, and were considered separately by the Independent Directors, meeting in executive session. The factors were viewed in their totality by the Directors, with no single factor being the principal or determinative factor in the Directors’ determination of whether to approve the continuation of the investment advisory agreement. The Directors recognized that the management and fee arrangements for the Fund are the result of years of review and discussion between the Independent Directors and the Advisor, that certain aspects of such arrangements may receive greater scrutiny in some years than in others and that the Directors’ conclusions may be based, in part, on their consideration of these same arrangements and information received during the course of the year and in prior years.

Prior to approving the continuation of the investment advisory agreement, the Directors and the Independent Directors in executive session considered, among other items:

- The nature and quality of the investment advisory services provided by the Advisor.
- A comparison of the fees and expenses of the Fund to other similar funds.
- A comparison of the fee structures of other accounts managed by the Advisor.
- Whether economies of scale are recognized by the Fund, and how to address any such economies of scale.
- The costs and profitability of the Fund to the Advisor.
- The performance of the Fund.
- The other benefits to the Advisor from serving as investment advisor to the Fund (in addition to the advisory fee).

The material considerations and determinations of the Board of Directors, including all of the Independent Directors, are as follows:

Nature and Quality of Investment Advisory Services

The Directors noted that the Advisor supervises the investment portfolios of the Fund, directing the day-to-day management of the Fund’s portfolio, including the purchase and sale of investment securities. The Directors then discussed with management the nature of the investment process employed by the portfolio managers of the Fund, which is research intensive.

Management noted that in employing its strategy, the Advisor conducts research on target companies. The Directors then discussed staffing at the Advisor and concluded that the Advisor is sufficiently staffed to conduct the research needed to meet the investment objectives of the Fund.

The Directors also considered the background and experience of the Advisor’s senior management and expertise of, and the amount of attention given to, the Fund by investment personnel of the Advisor. In addition, the Directors considered the quality of the material service providers to the Fund, who provide administrative and distribution

PERRITT FUNDS, INC.**ADVISORY AGREEMENT RENEWAL (Unaudited) (Continued)**

services on behalf of the Fund and are overseen by the Advisor, and the overall reputation and capabilities of the Advisor. Based on this review, the Directors believe that the Advisor provides high quality services to the Fund. The Directors also concluded that they were satisfied with the nature, extent and quality of the investment advisory services provided to the Fund by the Advisor, and that the nature and extent of the services provided by the Advisor are appropriate to assure that the Fund's operations are conducted in compliance with applicable laws, rules and regulations.

Comparative Fees and Expenses

The Directors then discussed with management the variables, in addition to the management fees, such as administrative and transaction fees, that impact costs to the shareholders of the Fund. Management reviewed with the Directors the comparison of the Fund's expense ratio to other similar funds. As part of the discussion with management, the Directors ensured that they understood and were comfortable with the criteria used by the Advisor to determine the mutual funds that make up the peer group for purposes of the materials.

The Directors concluded that the Fund's fees are reasonable given the asset size of the Fund.

Comparison of Fee Structures of Other Accounts

The Directors then inquired of management regarding the distinction between the services performed by the Advisor for separate accounts and those performed by the Advisor for the Fund. The Advisor noted that the management of the Fund involves more comprehensive and substantive duties than the management of separate accounts. Specifically, the Advisor noted the following:

- The Advisor provides tailored investment advisory services to the Fund in order to accommodate the cash flow volatility presented by the purchases and redemptions of shareholders.
- With regard to the Fund, the Advisor attempts to serve the needs of thousands of accounts, ranging from direct accounts holding a few thousand dollars to the large omnibus accounts of intermediaries who in turn service thousands of large and small accounts.
- The Advisor maintains a robust shareholder communication effort for the Fund to reach shareholders through direct contact, through intermediaries, or via the financial press.
- The Advisor coordinates with the Fund's Chief Compliance Officer and other service providers to insure compliance with regulatory regimens imposed by Federal law and the Internal Revenue Code.

The Directors concluded that the services performed by the Advisor for the Fund require a higher level of service and oversight than the services performed by the Advisor for separate accounts, and that the services performed by the Advisor for the Fund present a higher level of compliance and resources. Based on this determination, the Directors believe that the differential in advisory fees between the Fund and the separate accounts is reasonable, and concluded that the fee rates charged to the Fund in comparison to those charged to the Advisor's other clients are reasonable.

Increasingly investors in the Fund invest through brokerage platforms (intermediaries), with fewer investors going directly to the Fund's transfer agent. As result, the cost of obtaining, retaining and servicing shareholders for the Fund is significantly higher than the costs for separately managed accounts. The Directors noted that in connection with the intermediaries, the Advisor absorbs all costs in excess of the fees paid by the Fund.

Performance

The Board reviewed the Advisor's quality of investment management, management history and ability to successfully market the Fund. The Directors then discussed the performance of the Fund versus its indices and its peer group median. They discussed the factors impacting performance of the Fund, and steps being taken to improve performance. The Directors concluded that the performance of the Fund, adjusting for risk, has been satisfactory, and that the Advisor is actively working to improve performance.

The Directors noted that at each quarterly meeting, the Directors review reports regarding the investment performance of the Fund. Based on the information provided at this meeting and the information and quarterly discussions regarding the Fund's investment performance, the Directors believe that the Advisor manages the Fund in a manner that is materially consistent with its stated investment objective and style.

Costs and Profitability

The Board considered the cost of services provided and the profits realized by the Advisor, by reviewing reports provided by the Fund's administrator that compared the Fund's investment advisory fee to those of other comparable mutual funds. The Board also considered the Fund's total expenses compared to peer group funds. The Directors noted that the total expenses of the Fund are higher than the peer group median, and discussed with the Advisor the reasons for the higher expenses. The Directors concluded that the Fund's low average assets under management contribute significantly to the Fund's higher total expenses, and that the Advisor is taking appropriate steps to improve the performance of the Fund and attract new investors.

The Board discussed in detail the profitability of the Advisor as it relates to the Fund, and they discussed the impact of the intermediary service fees on the profitability. The Directors also considered the resources and revenues that the Advisor has put into managing and distributing the Fund, and concluded that the level of profitability realized by the Advisor from its provision of services to the Fund is reasonable, and that the overall expense ratio and investment advisory fee were fair and within the range of industry averages.

Economies of Scale

The Directors discussed with management whether economies of scale are recognized by the Fund. They noted that as Fund assets grow, certain fixed costs are spread over the larger asset base, which may lead to some economies of scale. On the other hand, the Directors noted that many of the Fund's expenses are subject to diseconomies of scale. For example, the intermediary service fees increase as the Fund's assets grow. Given the size of the Fund, the Directors determined that the Fund is not realizing economies of scale, and that the proposed fees are acceptable.

Fall-Out Benefits

The Directors then considered other benefits to the Advisor from serving as Advisor to the Fund (in addition to the advisory fee). The Directors noted that the Advisor derives ancillary benefits from its association with the Fund in the form of proprietary and third-party research products and services received from broker-dealers that execute portfolio trades for the Fund. The Directors determined such products and services have been used for legitimate purposes relating to the Fund by providing assistance in the investment decision-making process. The Directors concluded that the other benefits realized by the Advisor from its relationship with the Fund were reasonable.

Conclusion

After reviewing the materials and management's presentation, as well as other information regularly provided at the Board's quarterly meetings throughout the year regarding the quality of services provided by the Advisor, the performance of the Fund, expense information, regulatory compliance issues, trading information and related matters and other factors deemed relevant by the Board, the Directors, including all of the Independent Directors, approved the continuation of the Advisory Agreement.

PERRITT FUNDS, INC.
ADDITIONAL INFORMATION

The Statement of Additional Information (SAI) includes additional information about the Fund's directors and is available, without charge, upon request, by calling 1-800-331-8936.

The Fund files its complete schedule of portfolio holdings with the Commission for the first and third quarters of each fiscal year as an exhibit to its reports on Form N-PORT. The Funds' Form N-PORT reports are available on the Commission's website at <http://www.sec.gov>

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

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

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

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

PERRITT FUNDS, INC.
PRIVACY POLICY

We collect the following nonpublic personal information about you:

- Information we 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 us, our affiliates or others, including but not limited to, your account number and balance, parties to transactions, cost basis information and other financial information.

We do not disclose any nonpublic personal information about our current or former shareholders to nonaffiliated third parties, except as permitted by law. For example, we are permitted by law to disclose all the information we collect to our transfer agent to process your transactions. Furthermore, we restrict access to your nonpublic personal information to those persons who require such information to provide products or services to you. We maintain physical, electronic, and procedural safeguards through our 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 Fund 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.

Perritt Funds

Investment Advisor

Perritt Capital Management, Inc.
300 South Wacker Drive, Suite 600
Chicago, IL 60606-6703
800-331-8936

**Independent Registered
Public Accounting Firm**

Cohen & Company, Ltd.
342 North Water Street, Suite 830
Milwaukee, WI 53202

Legal Counsel

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

Custodian

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

**Transfer Agent
and Dividend Disbursing Agent**

U.S. Bancorp Fund Services, LLC,
doing business as U.S. Bank Global Fund Services
P.O. Box 701
Milwaukee, WI 53201-0701

Distributor

Quasar Distributors, LLC
111 East Kilbourn Avenue, Suite 2200
Milwaukee, WI 53202

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

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

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Perritt Funds

MicroCap Opportunities Fund – PRCGX

Minimum Initial Investment \$1,000

IRA Minimum Initial Investment \$250

Dividend Reinvestment Plan

Systematic Withdrawal Plan

Automatic Investment Plan

Retirement Plans Including:

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

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

This report is authorized for distribution only to shareholders and others who have received a copy of the prospectus of the Perritt MicroCap Opportunities Fund.

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Item 8. Changes in and Disagreements with Accountants for Open-End Investment Companies.

There were no changes in or disagreements with accountants during the period covered by this report.

Item 9. Proxy Disclosure for Open-End Investment Companies.

There were no matters submitted to a vote of shareholders during the period covered by this report.

Item 10. Remuneration Paid to Directors, Officers, and Others of Open-End Investment Companies.

For the period ended April 30, 2025, the aggregate remuneration the Registrant paid the directors, all members of any advisory board and any officers are disclosed in the Financial Statements.

Item 11. Statement Regarding Basis for Approval of Investment Advisory Contract.

Not applicable.