



This annual shareholder report contains important information about the Jacob Discovery Fund for the period of September 1, 2023, to August 31, 2024. You can find additional information about the Fund at <https://jacobam.com/resources/reports/index.html>. You can also request this information by contacting us at 1-424-237-2164.

WHAT WERE THE FUND COSTS FOR THE PAST YEAR? (based on a hypothetical \$10,000 investment)

Class Name	Costs of a \$10,000 investment	Costs paid as a percentage of a \$10,000 investment
Investor Class	\$237	2.30%

HOW DID THE FUND PERFORM LAST YEAR AND WHAT AFFECTED ITS PERFORMANCE?

For the 12-month period ended August 31, 2024, the Fund underperformed its benchmark, the S&P 500 TR and Russell Microcap Growth Total Return.

WHAT FACTORS INFLUENCED PERFORMANCE

At the start of the fiscal year, we experienced a steep decline in equities as investors became increasingly concerned about the economy, while an inflation-vigilant Federal Reserve (the “Fed”) maintained its restrictive rate posture. By the end of October, however, the Fed acknowledged publicly that its next move on interest rates would likely be a reduction, with a lowering of the Fed funds rate sometime in 2024. This acknowledgement sparked a strong relief rally in markets to end 2023, and after a brief pause in January, they have resumed their climb at an uneven pace. This resilience – in the markets and in the broader economy – has been especially impressive given the restrictive nature of the current interest rate policy and the hesitation for quicker action. Most of the strength in the equity markets remains with the largest companies in the major indices, with smaller cap companies continuing to lag. With interest rate cuts now imminent, we believe we may be finally reaching a point where there is more sustained interest in small cap stocks as investors are willing to increase their risk profiles now that the Fed is on their side. As for the Funds, this leads us to continue our more aggressive posture towards a smaller cap bias across all our portfolios.

Top Contributors

↑ CareDx, Inc., Harrow Health, Inc., ReposiTrak, Inc.

Top Detractors

↓ Tela Bio, Inc., Identiv, Inc., Alphatec Holdings, Inc.

PERFORMANCE

The Jacob Discovery Fund – Investor Class was up 6.07% for the fiscal period ended August 31, 2024, while the Russell Microcap Growth Index was up 16.30%. The reasons for our underperformance aren’t entirely clear, although the fund was positioned a bit more cautiously, with the market’s smallest names having difficulty garnering investor interest.

The biggest outperformers in the fiscal period also mimicked the Small Cap Growth Fund, CareDx, Inc. and Harrow Health, Inc., up 230% and 166% respectively. CareDx, Inc., the organ transplant company, did an excellent job navigating a difficult reimbursement environment and significantly outperformed analyst estimates. To top it off, Medicare later in the year backed away from some of the more stringent restrictions surrounding the company’s core testing business and gave CareDx, Inc. a much clearer path for the resumption of growth in this market. Harrow Health, Inc., a longtime holding for the Fund, started to reap some rewards from some of its previous ophthalmology drug acquisitions. Its evolution from a drug compounder to purveyor of FDA approved products is showing some meaningful success and investors are starting to take notice. There were a couple other positive standouts in the fiscal period unique to the Discovery Fund.

ReposiTrak, Inc., up over 115% in the fiscal period, continues to take advantage of an upcoming federal regulation that will require grocers and supermarkets to keep close track of the perishable items they sell, forcing them to use software and services such as the ones the company offers. BM Technologies, Inc., up over 89% in the period, has been making progress growing its student banking offerings while successfully completing the transition to a more profitable banking

relationship, allowing it to generate much higher margins on deposits. Exiting its outsourced white label product will also lead to greater cash flow as well.

Tela Bio, Inc., Identiv, Inc. and Alphatec Holdings, Inc., were the worst performers in the period, down 70%, 59% and 58% respectively. Tela Bio, Inc. had a strong track record prior to this year in becoming a player in the market for natural tissue repair, competing successfully against larger companies with synthetic products that surgeons are becoming more wary to use. A salesforce restructuring to assist the company with future growth led to a few bumps, however, and the company needs to show they are back on a sustainable growth trajectory to reach sustained cash flow profitability.

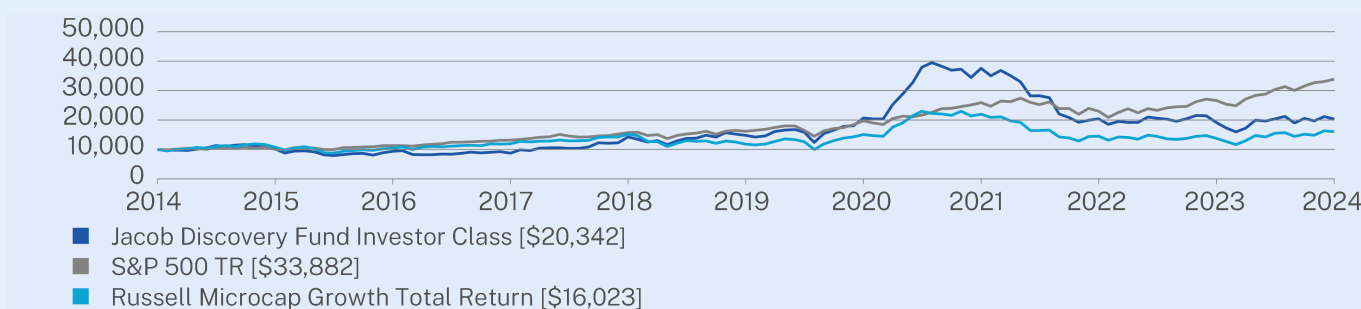
Another laggard, Scynexis, Inc., was down over 58% in the period. Scynexis, Inc. had its main antifungal drug Brexafemme, the rights of which were sold to GSK in a meaningful 2023 transaction, taken off the market due to some cross-contamination issues in manufacturing. Resolving the issue has taken far longer than expected, and GSK forced Scynexis, Inc. to amend some of the terms of its deal, leading to less – but still significant – financial upside should the yeast infection drug make it back to the market. Perhaps more pertinent for the company's longer-term financial viability remains the company's next-generation antifungal, which is under development and should start clinical trial work by the end of 2024.

In terms of looking ahead, we remain on the lookout for high-quality, high-growth names that have been beaten down and/or ignored by a market seemingly only interested in the safest and largest of companies. We have been heartened recently as we are finally seeing signs of a broadening of interest in small caps that has been virtually non-existent for several years. We continue to see many opportunities to invest in attractive, early-stage companies with bright futures, still trading at valuations that do not reflect their business prospects. As always, we believe that staying true to our investment philosophy and process is key to obtaining the best possible long-term returns for our shareholders.

HOW DID THE FUND PERFORM OVER THE PAST 10 YEARS?*

The \$10,000 chart reflects a hypothetical \$10,000 investment in the class of shares noted and assumes the maximum sales charge. The chart uses total return NAV performance and assumes reinvestment of dividends and capital gains. Fund expenses, including 12b-1 fees, management fees and other expenses were deducted.

CUMULATIVE PERFORMANCE (Initial Investment of \$10,000)



ANNUAL AVERAGE TOTAL RETURN (%)

	1 Year	5 Year	10 Year
Investor Class (without sales charge)	6.07	6.57	7.36
S&P 500 TR	27.14	15.92	12.98
Russell Microcap Growth Total Return	16.30	6.32	4.83

Visit <https://jacobam.com/resources/reports/index.html> for more recent performance information.

* The Fund's past performance is not a good predictor of how the Fund will perform in the future. The graph and table do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or redemption of Fund shares.

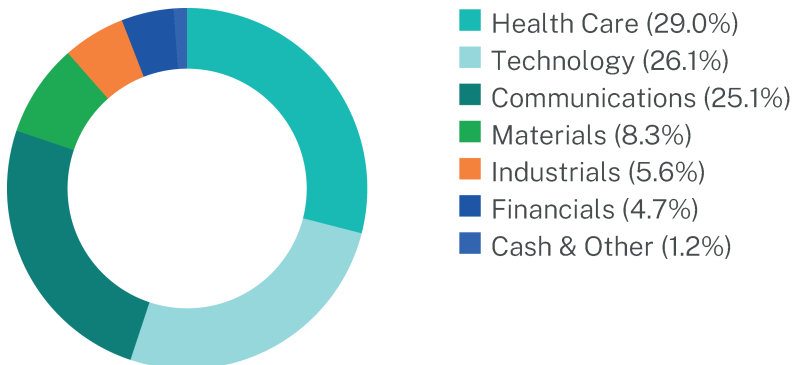
KEY FUND STATISTICS (as of August 31, 2024)

Net Assets	\$15,660,348
Number of Holdings	44
Net Advisory Fee	\$80,311
Portfolio Turnover	20%

Visit <https://jacobam.com/resources/reports/index.html> for more recent performance information.

WHAT DID THE FUND INVEST IN? (as of August 31, 2024)**Top 10 Issuers** (%)

First American Government Obligations Fund	13.3%
Thunderbird Entertainment Group, Inc.	5.9%
Harrow, Inc.	5.9%
Hudson Global, Inc.	5.6%
Cantaloupe, Inc.	5.4%
Powerfleet, Inc. NJ	5.1%
Inspired Entertainment, Inc.	4.9%
Solitario Resources Corp.	4.4%
BM Technologies, Inc.	4.3%
CareDx, Inc.	4.0%

Sector Breakdown (% of net assets)

For additional information about the Fund; including its prospectus, financial information, holdings and proxy information, scan the QR code or visit <https://jacobam.com/resources/reports/index.html>

HOUSEHOLDING

To reduce Fund expenses, only one copy of most shareholder documents may be mailed to shareholders with multiple accounts at the same address (Householding). If you would prefer that your Jacob Asset Management documents not be househanded, please contact Jacob Asset Management at 1-424-237-2164, or contact your financial intermediary. Your instructions will typically be effective within 30 days of receipt by Jacob Asset Management or your financial intermediary.