



PEAR TREE POLARIS FOREIGN VALUE FUND

FOR THE QUARTER ENDED JUNE 30, 2017 the Pear Tree Polaris Foreign Value Fund's Ordinary Shares (the "Fund") underperformed its benchmark, the MSCI EAFE Index (the "Index"). During that period, the Fund had a return of 6.01% at net asset value compared to 6.37% for the Index.

Market Conditions and Investment Strategies

U.K. homebuilders continued to show resilience despite BREXIT concerns. Steady volume and price trends persisted in 2017, with projections for higher reservation rates and forward sales bookings. Michelin stock rose more than 10% after announcing solid results, pointing to sustained original equipment, replacement tire and mining tire demand. Amongst industrials, Andritz AG gained nearly 20% after noting robust sales and healthy bookings across of all its business lines. Conversely, Trevi Finanziaria, tumbled after it submitted a request to its main financing banks, calling for a standstill agreement in order to restructure its oil drilling division.

German specialty chemicals manufacturer LANXESS AG led gains in the Materials sector, as the stock price rose after Warren Buffett's General Reinsurance unit bought a 3% stake in the company. Industrial gas company, Linde AG, posted good results, with revenues and profits that beat analyst consensus. The pending Linde-Praxair merger met with supervisory board approval, sending Linde shares higher. Abovementioned gains in Materials were partially offset by losses in Methanex Corp., Yara International and BHP Billiton, each of which was impacted by weak commodity prices.

In Information Technology, Samsung Electronics had two consecutive quarters of double-digit gains, driven by strong semiconductor sales and positive buzz surrounding the launch of the Galaxy S8. Among Financials, Sberbank declined on lower oil prices, but mainly suffered on negative sentiment surrounding Russia. On the positive side, Norway's Sparebank 1 SR gained approximately 17% on the quarter, due to a revival of Norwegian loan growth and an uptick on lending margins.

Portfolio Changes

Our research team has been traveling the globe to identify companies with low beta characteristics, strong cash flow profiles and stable business models. We found multiple opportunities in Asian countries, leading to the purchase of two Japanese computer and mobile game developers; one Korean auto parts supplier; the third largest Korean telecommunication company; and a Japanese power company. We also invested in a Canadian automotive supplier and Bancolombia, the largest Colombian bank. To accommodate new portfolio holdings, we reduced our exposure to companies that faced headwinds including YIT, Caverion and International Game Technology. Konecranes and Showa Denko were sold when they reached our valuation thresholds. Christian Dior was sold at a profit, when majority owner Bernard Arnault bid for the minority shares his LVMH group does not already own.

Outlook

Multiple data points indicate reasonably strong underlying global economic growth. Asian markets appear to be accelerating. European countries are moving through an inflection point from very low growth to sustainable positive fundamentals. Demand has increased, helping balance a decade-long period of global overcapacity in many sectors. At the same time, central banks are tailoring back accommodative monetary policies, allowing interest rates to rise to more normalized levels relative to inflation (which we expect will continue to be low to negative). We think companies that have the ability to deliver cost savings to customers will grow in a modestly deflationary environment. Our research team has identified numerous potential "deflation beaters", especially in the Technology sector, and portfolio changes will reflect our findings. ❖

TOTAL EXPENSE RATIOS*

	Gross Expense Ratio*	Net Expense Ratio*
Ordinary Shares	1.53%	1.43%
Institutional Shares	1.27%	1.05%
R6 Shares	1.14%	1.04%

* Per Prospectus dated August 1, 2017. Reflects all fee waivers currently in effect. Fee waivers may not be amended, rescinded or terminated before July 31, 2018 without the consent of the Fund's Trustees.

A WORD ABOUT RISK

Investing in foreign markets, particularly emerging markets, can be more volatile than the U.S. market due to increased risks of adverse issuer, political, regulatory, market or economic developments and can perform differently than the U.S. market. The Fund is non-diversified, meaning it may concentrate its assets in fewer individual holdings than a diversified fund. Therefore, the Fund is more exposed to individual stock volatility than diversified funds. As a result, a decline in the value of the securities of one issuer could have a significant negative effect on the Fund. The Fund may have significant investments in one or more specific industry sectors, subjecting it to risks greater than general market risk. For example, adverse news from just one or two companies in a particular industry can hurt the prices of all stocks in that industry.

Investment Products

- Not FDIC insured
- May lose value
- No bank guarantee

PEAR TREE POLARIS FOREIGN VALUE FUND PORTFOLIO HIGHLIGHTS

as of June 30, 2017 (The portfolio is actively managed. Holdings and weightings are subject to change daily.)

Top Ten Holdings

Percentage of total net assets	21.7%
BHP Billiton plc	2.3%
Yara International ASA	2.2%
Methanex Corporation	2.2%
Samsung Electronics Company, Ltd.	2.2%
Svenska Handelsbanken AB, Class A	2.2%
Cie Gen Des Etablis Michelin	2.2%
United Overseas Bank Limited	2.1%
Standard Chartered plc	2.1%
Imerys SA	2.1%
Vinci SA	2.1%

The companies mentioned in the commentary on page one have the following percentage of total net assets as of 06/30/2017:

Andritz AG	2.1%
Bancolumbia S.A.	2.1%
Lanxess AG	2.0%
Linde AG	2.0%
SpareBank 1 SR-Bank ASA	1.6%
Sberbank of Russia	0.7%
Trevi Finanziaria SpA	0.3%

PERFORMANCE

as of June 30, 2017

Average Annual Total Returns at Net Asset Value

	Unannualized		Annualized					Since Inception	Inception Date
	Q2	Calendar YTD	1-Year	3-Year	5-Year	10-Year	15-Year		
Ordinary Shares	6.01%	13.98%	28.97%	2.21%	10.75%	2.32%	8.73%	6.69%	05/15/98
Institutional Shares	6.13%	14.13%	29.31%	2.47%	11.03%	2.55%	8.98%	8.14%	12/18/98
R6 Shares	6.09%	—	—	—	—	—	—	9.70%	02/06/17
MSCI EAFE ¹	6.37%	14.23%	20.83%	1.61%	9.18%	1.50%	6.79%	4.65%	—

¹The Morgan Stanley Capital International Europe, Australasia, and Far East ("MSCI EAFE") Index is an unmanaged index comprised of stocks in countries other than the United States. It is widely recognized as representative of the general market for developed foreign markets. Index returns assume the reinvestment of dividends and, unlike Fund returns, do not reflect any fees or expenses. You cannot invest directly in an Index. For comparative performance purposes, the beginning date for the Index is 05/29/98.

Performance data quoted represents past performance and is no guarantee of future results. Current performance may be lower or higher than performance data quoted. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than original cost. For the most recent month-end performance, visit the Fund's website at www.peartreefunds.com.