



PEAR TREE AXIOM EMERGING MARKETS WORLD EQUITY FUND

FOR THE QUARTER ENDED JUNE 30, 2019 the Pear Tree Axiom Emerging Markets World Equity Fund's Ordinary Shares (the "Fund") outperformed its benchmark, the MSCI Emerging Markets Index (the "Index"). During the period, the Fund achieved a return of 2.11% at net asset value compared to 0.74% for the Index.

Market Conditions and Investment Strategies

Global real GDP growth is now forecast to be 3.1% which is still supportive for equity markets but below the 3.3% forecasted by analysts at the start of the quarter. Earnings pressure for emerging markets continued, with negative growth in consensus forward twelve-month earnings for the Index of (2.4%). However, easy monetary policy, led by the US Fed, offset this decline resulting in a positive increase in the PE ratio of 2.1%.

The Fund's outperformance for the quarter was driven by stock selection across a variety of sectors, led by Industrials, Financials, and Consumer Staples. The top contributor for the quarter was Industrials stock Shanghai International Airport Co. Ltd., which is positioned to benefit from the ongoing Chinese travel boom. Top contributors also included X5 Retail Group N.V. (Russian food retailer) and Lojas Renner S.A. (Brazilian clothing retailer) in the Consumer Staples and Discretionary sectors respectively. Stock selection was also positive in the Financials sector, especially for insurance companies in China such as AIA Group Ltd. and Ping An insurance, as well as banks geared to secular growth in underbanked economies such as India and Indonesia. On the negative side, stock selection in Information Technology detracted as stocks were temporarily buffeted by trade tension between the US and China.

From a geographic perspective, Chinese stock selection was strong during the quarter. Although trade tensions and financial stress weighed on Index returns in China, the Fund benefited from growth sector companies that capitalize on changing patterns of Chinese consumer spending. Brazil was another positive contributor, especially interest rate sensitive stocks benefiting from lower bond yields in Brazil. The overweight in the top performing Russian market added value during the quarter, with strong returns from both the energy and domestic demand sectors of the economy. Finally, 'emerging revenue' stocks made a positive contribution this quarter.

Portfolio Changes

The Fund increased its weight in Indian financials, namely Housing Development Finance Corp and ICICI BANK LTD. The country's macroeconomic backdrop has improved due to increased political visibility with the re-election of Prime Minister Narendra Modi. Furthermore, HDFC's March quarter results demonstrated better than expected lending margins, and ICICI's asset quality showed continued evidence of improvement. Conversely, the Fund reduced its exposure to Chinese banks. Economic data releases out of the country had been disappointing and this is a headwind to banks' key earnings drivers. The Fund also continued to reduce its position in Itau Unibanco Banco Multiplo S.A. (a leading Brazilian financial institution) to fund more dynamic Brazilian opportunities. For example, the Fund increased its exposure to Localiza Rent a Car S.A., the country's leading rental car company, as volume growth is accelerating while, at the same time, the competitive environment has also become more benign as rental price competition has stabilized.

Outlook

While economic growth has been somewhat disappointing in emerging markets year-to-date, political and economic conditions are arguably improving. First, the recent truce in the US-China trade war is positive for business confidence. Moreover, the political environment is improving in several large emerging markets including India, Indonesia, Thailand, and Brazil. To the extent this stimulates improved consumer confidence and investment spending, economic growth could improve. Given subdued inflation in emerging markets, cuts in US interest rates will provide space for widespread monetary easing. In addition, fiscal stimulus is increasing in China and many other countries, which should also boost growth. ❖

PEAR TREE AXIOM EMERGING MARKETS WORLD EQUITY FUND PORTFOLIO HIGHLIGHTS

as of June 30, 2019 (The portfolio is actively managed. Holdings and weightings are subject to change daily.)

TOTAL EXPENSE RATIOS*

	Gross Expense Ratio*	Net Expense Ratio*
Ordinary Shares	1.73%	1.51%
Institutional Shares	1.47%	1.13%
R6 Shares	1.70%	0.99%

* Per Prospectus dated August 1, 2019. Reflects all fee waivers currently in effect. Fee waivers may not be amended, rescinded or terminated before July 31, 2020 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.

Investment Products

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

Top Ten Holdings

Percentage of total net assets	31.8%
Alibaba Group Holding Ltd.	5.6%
Tencent Holdings Limited	5.5%
Taiwan Semiconductor Manufacturing Co. Ltd.	4.5%
iShares Core MSCI Emerging Markets ETF	3.0%
Samsung Electronics Company Ltd.	2.9%
Ping An Insurance Group H Share	2.9%
HDFC Bank Ltd.	1.9%
China Merchants Bank Co. Ltd. - H Shares	1.9%
Housing Development Finance Corp Ltd.	1.8%
China Overseas Land and Investment Ltd.	1.8%

The companies mentioned in the commentary on page one have the following percentage of total net assets as of 06/30/2019:

AIA Group Ltd.	1.70%
Lojas Renner S.A.	1.40%
Shanghai International Airport Co. Ltd.	1.10%
ICICI BANK LTD	1.10%
Localiza Rent a Car S.A.	1.10%
X5 Retail Group N.V.	1.00%
Itau Unibanco Banco Multiplo S.A.	0.20%

PERFORMANCE

as of June 30, 2019

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		
Ordinary Shares	2.11%	12.88%	3.59%	5.85%	-0.53%	4.60%	4.80%	09/30/94
Institutional Shares	2.22%	13.13%	3.95%	6.22%	-0.22%	4.89%	6.11%	04/02/96
R6 Shares	2.10%	—	—	—	—	—	6.90%	01/28/19
MSCI EM ¹	0.74%	10.76%	1.61%	11.06%	2.87%	6.17%	5.10%	—

¹The Morgan Stanley Capital International Emerging Markets ("MSCI EM") Index is an unmanaged index comprised of stocks located in countries other than the United States. It is widely recognized as representative of the general market for emerging markets. Index returns assume the reinvestment of dividends and, unlike Fund returns, do not reflect fees or expenses. You cannot invest directly in an Index. For comparative performance purposes, the beginning date for the Index is 09/30/94.

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.