



PEAR TREE AXIOM EMERGING MARKETS WORLD EQUITY FUND

FOR THE QUARTER ENDED JUNE 30 2021 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 5.75% at net asset value compared to 5.12% for the Index.

Market Conditions and Investment Strategies

Within emerging markets, macro indicators were somewhat mixed during the second quarter. EMBI spreads narrowed during the quarter from 323.9 to 312.5 while the JPM EM Currency Index strengthened slightly from 56.1 to 57.3. On the other hand, the emerging market PMI remained at 52.8 during the second quarter which is below the fourth quarter level of 54.1 with Chinese and other Asian PMIs showing a marked deceleration. In China, the credit tightening has been significant with the Chinese credit impulse turning negative only seven months after the peak last October. The pace of recovery appears to be peaking and the sharpest part of the economic re-acceleration seems to be behind us. Growth stocks have also been supported recently as concerns about elevated current inflation readings are now being offset by significant sell-offs in many of the commodities that contributed to the rise in inflation. Within emerging markets this meant a resumption of leadership by growth stocks late in the second quarter that narrowed the outperformance of value over growth for the quarter to 0.65%.

Contributing sectors on a relative basis during the second quarter were Industrials, led by Contemporary Amperex which continues to see strong demand and overall growth in electric vehicle batteries. The Consumer Discretionary sector was also an outperformer led by top performing stock Li Ning, and Communication Services, led by Kakao. Materials and Energy were the largest relative detractors for the quarter.

From a country perspective, China was the top contributor, led by strong performance from Li Ning, followed by South Korea, driven by Kakao, and South Africa, driven by the underweight position in Naspers. On the other hand, Brazil and India detracted from performance during the quarter on a relative basis.

Portfolio Changes

The Fund continued to reduce its exposure to Chinese Internet stocks during the period due to escalation of the regulatory environment. The Fund also decreased its allocation to the Financials sector, while reallocating capital to better reflect areas of positive change. For example, in China, concerns emerged related to credit quality and the potential for national service, while in Thailand rising COVID cases and restrictions have undermined the economic recovery. The Fund added to or started new positions within the Financials sector in countries including Hungary (OTP Bank), India (Bajaj Finance), Saudi Arabia (Al Rajhi Bank) and South Africa (Capitec Bank) to reflect positive country and company-specific trends. Within Consumer Discretionary, the Fund most notably added to LVMH and Li Ning, both of which are benefitting from improving spending trends. Health Care adds were largely concentrated in China, with each of the Fund's holdings reflecting positive trends. The Fund selectively exited positions where fundamental trends deteriorated, including Zoomlion and Jiangsu Hengli; these heavy equipment-exposed Chinese industrial names could be impacted by a weakening outlook for the Chinese excavator market.

Outlook

Emerging market activity should continue to benefit from ongoing vaccination programs which for the most part lag US/Europe progress and in regions such as Latin America and ASEAN the lag is significant. Nevertheless, the market might already be in the early stages of looking out towards slower global economic growth in coming years and which could result in shifting back to dynamic growth investments. ❖

TOTAL EXPENSE RATIOS*

	Gross Expense Ratio*	Net Expense Ratio*
Ordinary Shares	1.69%	1.47%
Institutional Shares	1.44%	1.10%
R6 Shares	1.29%	1.00%

* Per Prospectus dated August 2, 2021, as amended. Reflects all fee waivers and expense reimbursements currently in effect. Fee waivers and expense reimbursements may not be amended, rescinded or terminated before July 31, 2022 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

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PORTFOLIO HIGHLIGHTS

as of June 30, 2021 (The portfolio is actively managed. Holdings and weightings are subject to change daily.)

Top Ten Holdings

Percentage of total net assets	32.6%
Taiwan Semiconductor Manufacturing Co., Ltd.	9.3%
Samsung Electronics Company Limited	5.1%
Li Ning Company Limited	3.0%
Alibaba Group Holding Ltd.	2.8%
Tencent Holdings Limited	2.3%
Infosys Limited - SP	2.2%
Contemporary Amperex Technology Company, Ltd.	2.2%
Naspers Limited N Shares	2.0%
SK Hynix, Inc.	1.9%
LUKoil P.J.S.C.	1.8%

The companies mentioned in the commentary on page one have the following percentage of total net assets as of 06/30/2021:

LVMH Moet Hennessy Louis Vuitton SE	1.3%
Kakao Corp.	1.3%
AL Rajhi Bank	1.3%
OTP Bank Nyrt.	0.9%
Bajaj Finserv Limited	0.8%
Capitec Bank	0.4%

PERFORMANCE

as of June 30, 2021

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	5.75%	4.76%	43.32%	16.15%	12.41%	3.87%	6.06%	09/30/94
Institutional Shares	5.86%	4.95%	43.82%	16.58%	12.81%	4.19%	7.39%	04/02/96
R6 Shares	5.80%	5.00%	43.87%	—	—	—	22.48%	01/28/19
MSCI EM ¹	5.12%	7.58%	41.36%	11.67%	13.43%	4.65%	5.95%	—

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.