

PEAR TREE POLARIS FOREIGN VALUE FUND

FOR THE QUARTER ENDED JUNE 30, 2019 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 1.69% at net asset value compared to 3.97% for the Index.

Market Conditions and Investment Strategies

Despite weakening consumer and business sentiment in Europe, stock performance for the quarter was upbeat. The Fund's cyclical sector holdings generally performed better than defensives, led by Financials, Industrials and Materials.

Financials contributed most to returns. Two German reinsurers, Hannover Rueck SE and Munich Re, reported better-than-anticipated pricing on annual renewals, while catastrophic losses were limited in the 2019 first quarter. Standard Chartered PLC, an international banking group, announced a \$1 billion share buyback and a 10% jump in profits due to a surge in corporate banking income and a drop in expenses.

In Materials, Yara International ASA rose 20% as the company reported good quarterly revenues on the back of increased nitrate/urea product pricing. Linde plc had better profitability due to synergies achieved as a combined organization (Praxair-Linde). Canada's Methanex Corporation was the only detractor of note in the Materials sector, as industry-wide methanol prices were weak.

Industrial sector results were solid, with Kone OYJ, SKF AB and BBA Aviation plc each advancing more than 10% during the quarter. In late April, Finnish elevator/escalator maker Kone OYJ reported first quarter earnings that met sales growth expectations. The stock price jumped higher on news that Kone may bid on ThyssenKrupp's \$15 billion elevator division. Conversely, Andritz AG's metals stamping segment was pressured by weak auto industry demand.

Among detractors, the Fund underperformed in the Utilities sector due to Japanese electricity supplier Kansai Electric Power Company, Inc. The Japan Nuclear Regulation Authority imposed strict anti-terrorism guidelines for retrofitting nuclear reactors; the industry may struggle to meet the aggressive deadlines. Israeli-based generic drug manufacturer, Teva Pharmaceuticals SP, faced multiple legal battles. The Connecticut Attorney General led more than 40 states in a 500+ page lawsuit against Teva and competitors for generic drug price fixing. Teva also settled one of its outstanding opioid lawsuits with Oklahoma for \$85 million. Other detractors came from Communication Services, namely Japanese video game developer Nexon Co., Ltd. U.K. listed movie theater operator Cineworld Group plc and South Korean telecommunications operator LG Uplus Corporation.

Portfolio Changes

Asahi Group Holdings Ltd., the Japanese beer and beverage company was added to the portfolio during the quarter. Asahi had been a successful long term holding, which we sold in May 2018 when it reached our target valuation. The stock declined more than 20% from where we sold it, and after a recent meeting with management and a more attractive valuation, we have added Asahi back to the portfolio. The position in Teva Pharmaceutical was in the process of being liquidated, which is now complete.

Outlook

Technology and Materials stocks are sensitive to U.S.-China trade frictions. Signs of declining demand and new product postponements are already noticeable in technology. Year-to-date, the Materials sector has been fairly impervious to the macro-economic threats, with decent volumes and pricing. Materials may still experience a downdraft; at that point, we intend to buy attractively-valued stocks that have been prominently featured in our screens. ❖

TOTAL EXPENSE RATIOS*

	Gross Expense Ratio*	Net Expense Ratio*
Ordinary Shares	1.51%	1.41%
Institutional Shares	1.26%	1.04%
R6 Shares	1.11%	0.94%

* Per Prospectus dated August 1, 2018, as amended. Reflects all fee waivers currently in effect. Fee waivers may not be amended, rescinded or terminated before July 31, 2019 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, 2019 (The portfolio is actively managed. Holdings and weightings are subject to change daily.)

Top Ten Holdings

Percentage of total net assets	24.3%
Linde plc	2.9%
Hannover Rueck SE	2.5%
BHP Group plc	2.5%
Popular, Inc.	2.4%
Novartis AG	2.4%
Vinci S.A.	2.4%
Nexon Co. Limited	2.3%
Muenchener Rueckversicherungs- Gesellschaft	2.3%
Next plc	2.3%
SKF AB-B	2.3%

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

Standard Chartered plc	2.2%
Yara International ASA	2.2%
Kone OYJ	2.2%
Methanex Corporation	2.1%
Cineworld Group plc	2.1%
Kansai Electric Power Company Inc.	1.6%
BBA Aviation plc	1.5%
Andritz AG	1.4%
Asahi Group Holdings Ltd.	1.1%
Teva Pharmaceuticals SP	0.3%

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	15-Year		
Ordinary Shares	1.69%	10.92%	-2.79%	10.88%	2.45%	9.50%	6.43%	6.31%	05/15/98
Institutional Shares	1.79%	11.12%	-2.41%	11.27%	2.77%	9.81%	6.71%	7.65%	12/18/98
R6 Shares	1.82%	11.25%	-2.31%	—	—	—	—	6.79%	02/06/17
MSCI EAFE ¹	3.97%	14.49%	1.60%	9.65%	2.74%	7.40%	5.84%	4.63%	—

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.

For information about the Pear Tree Polaris Foreign Value Fund, obtain the Fund's prospectus by calling (800) 326-2151 or visiting www.peartreefunds.com. Before investing carefully consider the Fund's investment objectives, risks, charges and expenses. Please read the prospectus carefully before you invest or send money.