



PEAR TREE POLARIS FOREIGN VALUE FUND

FOR THE QUARTER ENDED JUNE 30, 2021 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 1.32% at net asset value compared to 5.38% for the Index.

Market Conditions and Investment Strategies

The Fund had notable outperformance in Industrials, Communication Services and Healthcare; however, the losses in Materials and Real Estate dragged on better portfolio results. At the country level, the Fund benefitted from out-of-benchmark holdings in South Korea, India and Puerto Rico; overweight and outperforming in Norway, Austria and Finland also helped. Ireland was the largest detractor, followed by holdings in a number of emerging market countries with lower COVID-19 vaccination rates.

We expect that the Materials sector should do better in a continued cyclical recovery, as businesses have resumed orders and higher costs are passed on to consumers. However, this quarter was underwhelming, with Antofagasta and Methanex down. In Real Estate, Daito Trust Construction retrenched after significant gains from February through April. The Daito sales process is reliant on face-to-face contact, so Daito has encountered COVID-19 headwinds that started to abate in late Spring/early Summer, only to arise again with the Delta variant. Greencore Group announced softer-than-anticipated quarterly results, as their core city center business saw less foot traffic.

The vast majority of holdings had absolute positive performance, with double-digit returns from nearly a dozen companies across myriad sectors. LG Uplus posted its best quarterly earnings to date, with top line growth that outpaced operating expenses. Indian IT outsourcer, Infosys Corp., pointed to strong net profits and revenue, while guiding for fiscal year 2022 revenue growth of 12-14% and operating margin guidance of more than 20% as the company signs new customer deals. Babcock International rebounded strongly from prior quarter lows, after the contract profitability and balance sheet review did not trigger the need for a capital raise. Austrian industrial machinery company, Andritz, reported favorable earnings with order intake nearing pre-pandemic levels across its Pulp & Paper, Hydro Power and Metals divisions. Coca-Cola European Partners had a good trading update, while also providing clarity on the Amatil deal which will make Coca-Cola Europacific Partners (renamed) the largest Coca-Cola bottler in the world.

Portfolio Changes

During the quarter, the Fund sold French minerals company, Imerys SA, on concerns about lackluster organic growth and lingering effects of talc litigation. Proceeds from the sales was redeployed to purchase more attractively-priced offerings: Irish biopharmaceutical company, Jazz Pharmaceuticals, and Canadian base metals miner, Lundin Mining.

Outlook

Over the next year or two, we expect an uneven economic recovery as COVID-19 laden countries will take far longer to recover than those with higher vaccination rates. Add to this equation cautious governments and businesses that may mandate short-term shut-downs as COVID-19 mutations circulate. The ensuing supply-side bottlenecks will only exacerbate the supply/demand constraints currently faced, resulting in price increases. All the while, the Federal Reserve's hawkish statements have tamped down inflation expectations. On this backdrop, we expect global market volatility to persist. Without a doubt, we are finding some great, attractively-priced opportunities globally. But we believe the current portfolio has just those type of names, with good upside potential and lesser downside risk, that will enable us to navigate a post-COVID world. As a result, portfolio turnover may be less than 2020 but portfolios will slowly evolve as new research ideas replace existing holdings in the normal course of change. ❖

TOTAL EXPENSE RATIOS*

	Gross Expense Ratio*	Net Expense Ratio*
Ordinary Shares	1.50%	1.40%
Institutional Shares	1.25%	1.03%
R6 Shares	1.10%	0.94%

* Per Prospectus dated August 3, 2020, 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, 2021 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, 2021 (The portfolio is actively managed. Holdings and weightings are subject to change daily.)

Top Ten Holdings

Percentage of total net assets	22.5%
Magna International Inc.	2.8%
Samsung Electronics Company Limited	2.5%
Publicis Groupe	2.4%
Popular, Inc.	2.3%
Kia Motors Corporation	2.3%
DNB ASA	2.1%
Bellway plc	2.1%
SK Hynix, Inc.	2.0%
SpareBank 1 SR-Bank ASA	2.0%
Mondi plc	2.0%

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

Jazz Pharmaceuticals	1.8%
Infosys Corporation	1.7%
Coca-Cola European Partners	1.6%
Methanex	1.5%
LG Uplus	1.5%
Antofagasta	1.4%
Daito Trust Construction	1.4%
Andritz	1.3%
Babcock International	1.0%
Greencore Group	0.9%
Lundin Mining	0.7%

PERFORMANCE

as of June 30, 2021

Average Annual Total Returns at Net Asset Value

	Unannualized		Annualized						
	Q2	Calendar YTD	1-Year	3-Year	5-Year	10-Year	15-Year	Since Inception	Inception Date
Ordinary Shares	1.32%	10.00%	44.00%	5.28%	10.35%	6.40%	4.84%	6.59%	05/15/98
Institutional Shares	1.40%	10.17%	44.54%	5.68%	10.75%	6.72%	5.13%	7.85%	12/18/98
R6 Shares	1.45%	10.23%	44.65%	5.77%	—	—	—	8.26%	02/06/17
MSCI EAFE ¹	5.38%	9.18%	32.92%	8.77%	10.79%	6.38%	4.89%	5.30%	—

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.pearreefunds.com.