



PEAR TREE POLARIS FOREIGN VALUE SMALL CAP FUND

FOR THE QUARTER ENDED JUNE 30, 2019 the Pear Tree Polaris Foreign Value Small Cap Fund's Ordinary Shares (the "Fund") underperformed its benchmark, the MSCI ACWI ex USA Small Cap Index (the "Index"). During the period, the Fund had a return of (0.15%) at net asset value compared to 1.39% for the Index.

Market Conditions and Investment Strategies

Defensive sectors performed best during the quarter, with gains in Utilities, Healthcare and Energy. Overweight positions in two underperforming cyclical sectors, Information Technology (IT) and Consumer Discretionary, hampered results. On a country level, gains from holdings in Norway, Brazil, France, Ireland and Thailand were offset by losses in overweight positions in Hong Kong, Taiwan and the United Kingdom.

In IT, both Hana Microelectronics PCL and Elite Material Co. Limited make "building block" components required for smartphones, IoT devices and other consumer electronics. While both posted relatively stable sales and revenues, the stocks dipped on concerns about softening consumer electronics demand globally. In the Consumer Discretionary sector, Italian kitchen appliance supplier, De'Longhi SpA, declined as its new product pipeline slowed versus last year. The company also encountered stiff Internet competition for sales, resulting in promotional pricing. South Korean electronic goods retailer, LOTTE Himart Co. Limited, faced similar online threats. Sales rose, but margins compressed as the company lowered prices to best competitors. The single worst portfolio performer was Daicel Corporation, a chemical company based in Japan. The company increased volumes and prices in its chemicals and plastics divisions; however, higher raw material and fuel prices, along with weaker results in its cellulose acetate business, eroded results.

Although lagging the benchmark, the Fund held more than a dozen stocks that had double-digit gains for the quarter. JDG Healthcare plc announced strong results, benefitting from their strategic initiative to acquire higher growth/higher margin businesses, while cutting costs in their legacy divisions. In Utilities, Equatorial Energia and Ratch Group plc (name successor to Ratchaburi Electricity Generating Holding) gained on news of upcoming projects. Equatorial Energia is starting eight transmission line projects in the next 2-3 years. Ratch Group was awarded a license to develop and operate two units of a 1,400-megawatt gas-fired local power plant, effectively doubling capacity. French laundry/linen service, Elis S.A., reported solid organic growth in most European and Latin American geographies, while pushing through price increases. The company also started acquiring "mom-and-pop" shops in certain regions to increase scale and intensify their networks.

Portfolio Changes

During the quarter, the Fund purchased Moneta Money Bank A.S., a Czech Republic-based retail and small/medium enterprise bank spun-off from GE Capital. Bonduelle SA, a French company producing processed vegetables, was sold for a profit in 2017 when it reached its valuation target. Bonduelle SA stock declined on recent market volatility; Fund management took the opportunity to repurchase this well-managed, fundamentally sound company at a discount. Manila Water was sold, as the company faced untenable consumer demands for uninterrupted water supply, which can't be satisfied until the government starts building dams.

Outlook

Geo-political risks have been dominating the news, from U.S.-China trade wars to complications of BREXIT. Markets have reacted to each new development, and volatility has become ever present. We are taking advantage of the downdrafts to buy attractively-valued small cap stocks that have been prominently featured in our screens. We will continue this effort to opportunistically buy and sell holdings to increase the valuation profile of the Fund. ❖

TOTAL EXPENSE RATIOS*

	Gross Expense Ratio*	Net Expense Ratio*
Ordinary Shares	1.54%	1.44%
Institutional Shares	1.29%	1.07%
R6 Shares	1.15%	1.05%

* Per Prospectus dated August 1, 2019, as amended. 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.

Small company stocks may trade less frequently and in a limited volume, and their prices may fluctuate more than stocks of other companies. Small company stocks may therefore be more vulnerable to adverse developments than those of larger companies. The Fund is non-diversified, meaning it may concentrate its assets in fewer individual holdings than a diversified fund.

(continued)

Investment Products

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

PEAR TREE POLARIS FOREIGN VALUE SMALL CAP 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	20.4%
Inchcape plc	2.1%
Iwatani Corporation	2.1%
Elis S.A.	2.1%
Unipres Corporation	2.1%
IBJ Leasing Co. Limited	2.0%
Lancashire Holdings Limited	2.0%
Ratch Group PCL	2.0%
DFDS A/S	2.0%
Dowa Holdings Co. Limited	2.0%
Loomis AB, Class B	2.0%

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

Equatorial Energia S.A.	2.0%
Daicel Corporation	1.7%
Elite Material Co. Limited	1.6%
De'Longhi SpA	1.5%
Moneta Money Bank A.S.	1.5%
LOTTE Himart Co. Limited	1.4%
Hana Microelectronics PCL	1.3%
UDG Healthcare plc	1.1%
Bonduelle S.A.	0.5%

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	-0.15%	9.11%	-7.63%	7.94%	2.39%	9.67%	5.85%	05/01/08	
Institutional Shares	-0.07%	9.35%	-7.24%	8.31%	2.71%	9.97%	6.13%	05/01/08	
R6 Shares	-0.10%	9.40%	-7.26%	—	—	—	5.53%	02/06/17	
MSCI ACWI ex USA Small Cap Index ¹	1.39%	11.89%	-5.56%	8.17%	3.15%	8.86%	4.27%	—	

¹ The MSCI ACWI ex USA Small Cap Index, captures small cap representation across 22 of 23 Developed Markets (DM) countries (excluding the United States). With 2,372 constituents, the index covers approximately 14% of the free float-adjusted market capitalization in each country. You cannot invest directly in an index. For comparative performance purposes, the beginning date for the Index is 05/01/2008.

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.

A WORD ABOUT RISK (CONTINUED)

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.