

## PEAR TREE POLARIS FOREIGN VALUE SMALL CAP FUND

**FOR THE QUARTER ENDED MARCH 31 2021** the Pear Tree Polaris Foreign Value Small Cap Fund's Ordinary Shares (the "Fund") outperformed its benchmark, the MSCI ACWI ex USA Small Cap Index (the "Index"). During the period, the Fund had a return of 10.93% at net asset value compared to 5.61% for the Index.

### Market Conditions and Investment Strategies

Cyclical sectors contributed most to the Fund's outperformance, led by Consumer Discretionary, Industrials and Financials. Defensives lagged, with Utilities as the only sector in absolute negative territory. On a country basis, the Fund was overweight and outperformed in the U.K., Ireland, Taiwan, Norway and Finland, to name a few. Holdings in South Korea detracted.

The majority of Consumer Discretionary holdings had double-digit gains, led by Halfords Group, Crest Nicholson and Xtep International. Halfords reported a very healthy start to 2021, with profits expected to double on the COVID-19 bicycling boom. The company also announced the acquisition of Universal Tyre and Autocentres, expanding Halfords' garage sites and mobile service fleet. Stock prices of industrials Valmet OYJ and National Express Group ticked up more than 30%. Valmet posted robust quarterly results, with orders and sales that beat estimates; guidance was similarly optimistic for 2021. National Express Group made up ground, as vaccinations will inevitably lead to looser travel restrictions and school re-openings.

Strong performance by a few stocks led to outsized gains in Information Technology (Sitronix Technology), Consumer Staples (Greencore Group and C&C Group) and Communication Services (Cineworld Group). Sitronix cited demand for DDI drivers, which are used in auto and cell phones screens. A promising timeline for rescinding the U.K. lockdown spurred on Greencore, a producer of food-to-go and packaged sandwiches for metro U.K. markets. Cineworld announced a deal with Warner Brothers for an exclusive 45-day movie theater window for new releases. U.S. theaters will reopen with limited capacity in early April, followed by the U.K. in mid-May.

ENF Technology Co. declined after a run-up last year within the Korean semiconductor supply industry; we believe this to be profit taking, as there are no fundamental concerns. U.K. insurance company, Lancashire Holdings, saw underwriting margins plummet due to an elevated loss ratio.

### Portfolio Changes

The Fund had more than a half dozen sales, almost all of which were executed on valuation. Stocks cheaply purchased during the height of COVID-19 were sold at a profit this quarter, as they rebounded. U.K.-listed Signature Aviation was sold after the stock price jumped on news of its acquisition by Global Infrastructure Partners. The Fund added positions in Aecon Group, a Canadian heavy development infrastructure and concessions company; Kyudenko Corp., a Japanese construction company specializing in HVAC and renewable energy; and Primax Electronics, a Taiwanese electronics components business.

### Outlook

We expect that widespread COVID-19 vaccine distribution, coupled with the massive stimulus programs worldwide, will jumpstart GDP growth. The global working capital cycle has restarted, with everyone clamoring to order materials, build back inventory and ship products at the same time, causing shortages and tightness in supply. As such, we are already seeing signs of inflation, especially in the Materials sector. We continue to balance these trends in positioning the Fund; our screens are ripe with opportunity, with more buy/sell activity expected in coming quarters. ❖

## PEAR TREE POLARIS FOREIGN VALUE SMALL CAP FUND PORTFOLIO HIGHLIGHTS

as of March 31, 2021 (The portfolio is actively managed. Holdings and weightings are subject to change daily.)

### TOTAL EXPENSE RATIOS\*

	Gross Expense Ratio*	Net Expense Ratio*
Ordinary Shares	1.54%	1.44%
Institutional Shares	1.29%	1.07%
R6 Shares	1.14%	1.04%

\* Per Prospectus dated August 3, 2020, as amended. Reflects all fee waivers currently in effect. Fee waivers 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.

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

### Top Ten Holdings

Percentage of total net assets	20.4%
Glanbia plc	2.3%
Xtep International Holdings Limited	2.3%
Equatorial Energia S.A.	2.2%
C & C Group plc	2.1%
Greencore Group plc	2.1%
Sitronix Technology Corporation	2.1%
Prima Meat Packers Limited	1.9%
Valmet OYJ	1.9%
OSB Group PLC	1.8%
goeasy Ltd.	1.7%

The companies mentioned in the commentary on page one have the following percentage of total net assets as of 03/31/2021:

Halfords Group	1.6%
Lancashire Holdings	1.6%
Aecon Group	1.6%
Kyudenko Corporation	1.6%
Crest Nicholson	1.5%
National Express Group	1.5%
Primax Electronics	1.5%
ENF Technology Company	1.4%
Cineworld Group	0.5%

### PERFORMANCE

as of March 31, 2021

#### Average Annual Total Returns at Net Asset Value

	Unannualized		Annualized					
	Q1	Calendar YTD	1-Year	3-Year	5-Year	10-Year	Since Inception	Inception Date
Ordinary Shares	10.93%	10.93%	70.08%	5.59%	9.80%	7.59%	7.19%	05/01/08
Institutional Shares	11.08%	11.08%	70.67%	5.97%	10.19%	7.91%	7.49%	05/01/08
R6 Shares	11.11%	11.11%	70.67%	6.00%	—	—	10.08%	02/06/17
MSCI ACWI ex USA Small Cap Index <sup>1</sup>	5.61%	5.61%	70.42%	7.02%	10.82%	6.71%	6.00%	—

<sup>1</sup>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](http://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.