



PEAR TREE POLARIS FOREIGN VALUE SMALL CAP FUND

FOR THE QUARTER ENDED JUNE 30 2021 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 4.59% at net asset value compared to 6.49% for the Index.

Market Conditions and Investment Strategies

The Fund was overweight and outperformed in a number of cyclical sectors: Consumer Discretionary, Financials and Information Technology (IT); defensives, including Consumer Staples and Real Estate, detracted from portfolio results. At the country level, the Fund benefitted from holdings in Taiwan, China, Norway, Colombia, Finland and Belgium. Japan was the largest detractor, followed by a number of emerging market countries with lower COVID-19 vaccination rates.

XTEP International Holdings, the China footwear manufacturer, saw its stock jump amid patriotic support for domestic brands as a backlash to Nike's statement about labor practices in China's Xinjiang cotton region. Elsewhere in the Consumer Discretionary sector, D'leteran guided for 45% higher profit in 2021 versus 2020 based on continued strength in the auto glass repair business and higher-priced car sales at its Belgian Volkswagen dealerships. More than one third of Financial holdings had double-digit gains this quarter, led by Goeasy Ltd., the Canadian alternative financial services company, which completed its acquisition of LendCare Holdings, a point-of-sale consumer finance and tech company. The deal, immediately accretive on a per share basis, should accelerate Goeasy's growth in the consumer credit market. Sitronix Technology and Elite Materials topped the IT sector, both benefitting from a heated semiconductor industry. UDG Healthcare was up on a buyout offer.

In Consumer Staples, Prima Meat capitalized on the eat-at-home trend during COVID, raising chicken and pork prices as demand outstripped supply. However, a repeat performance of these outsized sales and margins is not expected in a post-COVID environment. Conversely, C&C Group may rebound on restaurant re-openings, as the alcohol distributor relies on pub and restaurant business; however, the timeline may be protracted due to ongoing COVID concerns. Greencore Group announced softer-than-anticipated quarterly results, as their core city center business saw less foot traffic. Management also mentioned that earnings are not likely to recover as fast as sales due to reduced assembly line productivity per COVID protocols. Nevertheless, a robust pipeline of new contract wins and renewals will bolster Greencore's position in salads and ready-to-go offerings.

Portfolio Changes

XTEP International and Sitronix Technology were both sold at a profit this quarter as they reached our valuation targets. Alten SA was also exited. Sale proceeds were used to purchase four new companies, including Fila Holdings, Nature Holdings Co., Intertrust NV and Equitable Group.

Outlook

We expect an uneven economic recovery as COVID-19 laden countries will take longer to recover than those with higher vaccination rates. Add to this equation cautious governments and businesses that may mandate short-term shutdowns 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. We remain diligent in our bottom-up investment research, identifying a number of new companies that have been or will be opportunistically added to the portfolio in the coming months. ❖

PEAR TREE POLARIS FOREIGN VALUE SMALL CAP FUND PORTFOLIO HIGHLIGHTS

as of June 30, 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	19.4%
Glanbia plc	2.2%
Equatorial Energia S.A.	2.1%
Elite Material Co., Limited	2.1%
C & C Group plc	2.0%
Prima Meat Packers Limited	2.0%
Greencore Group plc	1.9%
goeasy Limited	1.9%
Taiwan Union Technology Corporation	1.8%
OSB Group PLC	1.7%
Ratch Group PCL	1.7%

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

goeasy Limited	1.9%
Prima Meat Packers Limited	1.9%
D'leteran SA	1.6%
Fila Holdings	1.6%
Equitable Group Inc.	1.5%
UDG Healthcare	1.3%
Intertrust N.V.	0.9%
Nature Holdings Co., Limited (The)	0.4%
XSTEP International Holdings	0.0%
Sitronix Technology	0.0%

PERFORMANCE

as of June 30, 2021

Average Annual Total Returns at Net Asset Value

	Unannualized		Annualized					Inception Date
	Q2	Calendar YTD	1-Year	3-Year	5-Year	10-Year	Since Inception	
Ordinary Shares	4.59%	16.03%	50.44%	7.90%	11.34%	7.99%	7.42%	05/01/08
Institutional Shares	4.72%	16.32%	51.00%	8.30%	11.72%	8.31%	7.72%	05/01/08
R6 Shares	4.75%	16.39%	51.12%	8.35%	—	—	10.65%	02/06/17
MSCI ACWI ex USA Small Cap Index ¹	6.49%	12.47%	47.58%	10.20%	12.39%	7.41%	6.39%	—

¹The 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.pearreefunds.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.