



PEAR TREE POLARIS SMALL CAP FUND

FOR THE QUARTER ENDED JUNE 30, 2019 the Pear Tree Polaris Small Cap Fund's Ordinary Shares (the "Fund") underperformed its benchmark, the Russell 2000 Index (the "Index"). During the period, the Fund had a return of 1.54% at net asset value compared to 2.10% for the Index.

Market Conditions and Investment Strategies

The Fund was in absolute positive territory for the quarter, with nearly a dozen stocks posting double-digit gains. Cyclical sector holdings generally performed better than defensives, led by Financials, Consumer Discretionary, Materials and Industrials. Detractors were limited to individual portfolio holdings in varied sectors, many of which were impacted by the ongoing China-U.S. trade frictions.

Puerto Rican bank, OFG Bancorp, was the top performing holding in the portfolio, up more than 20% during the quarter. OFG announced the \$560 million cash acquisition of ScotiaBank's operations in Puerto Rico and the U.S. Virgin Islands. Scotiabank proved an attractive target, as it had shored up its balance sheet over the past three years, reduced non-performing assets and streamlined operations. Similarly, Ameris Bancorp gained upon completion of the Fidelity Southern Corp. acquisition. In the Consumer Discretionary sector, strong gains from Asbury Automotive Group, Inc. and new buy, Winnebago Industries, Inc., mitigated the decline in PetMed Express Inc., which encountered increasing competitive threats by other online pet food suppliers that entered the drug/prescription business. Despite softer U.S. car sales, Asbury Automotive Group, Inc.'s auto parts/service and auto finance businesses posted strong results for the quarter. Air Lease Corporation noted greater demand for its leased planes, as a result of capacity constraints wrought from the Boeing 737 Max 8 grounding.

Bel Fuse Inc. reported solid quarter results and good profitability, but noted weakening backlog. We believe this to be a broad macro trend, as most electronic component companies that conduct business with China are impacted by the current trade salvos. Performance materials producer, Ferro Corporation, cited weaker demand from China and Europe as the reason for slowing sales in its tile coatings and color solutions businesses. Exco Technologies Limited had lackluster revenues during the quarter, which can be chalked up to a slowdown in global auto production.

Portfolio Changes

During the quarter, the Fund purchased shares in RV company, Winnebago Industries, Inc. Excess inventory put the RV industry under pressure, but Winnebago navigated the decline better than competitors, and has been taking market share. Central Garden and Pet Company was an attractive buy, due to its stable diversified business lines: pet accessories sold online and in pet stores and garden fertilizers/grass seed available for purchase at big box retailers. Alliance Data stock traded up on news that it was selling its e-mail marketing business to Publicis Group. We took this as an opportunity to exit the stock at a good price. We sold Digital Realty Trust, Inc., the real estate investment trust for data centers, when it reached our price target.

Outlook

The gap between growth and value sub-indices widens, with the Russell 2000 Growth Index up 20.36% year-to-date, while its Value counterpart gained 13.47%. In this environment, we have to be especially diligent and patient to find attractively-priced stocks, of which a few were added in the second quarter. In general, the economy still seems to be fairly resilient; we will capitalize on market volatility to add new investments to the portfolio. ❖

TOTAL EXPENSE RATIOS*

	Gross Expense Ratio*	Net Expense Ratio*
Ordinary Shares	1.56%	1.56%
Institutional Shares	1.30%	1.18%

* 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

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 may invest in issuers in the real estate industry. Changes in real estate values or economic downturns can have a significant negative effect on these issuers. The Fund may invest in foreign issuers that trade on U.S. stock exchanges. These issuers may be subject to special risks including different corporate governance rules and bankruptcy laws.

(continued)

Investment Products

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

PEAR TREE POLARIS 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	28.3%
Continental Building Products, Inc.	3.2%
OFG Bancorp	3.1%
Cabot Corporation	3.0%
Asbury Automotive Group, Inc.	2.9%
Regal Beloit Corporation	2.8%
Air Lease Corporation	2.8%
Kforce, Inc.	2.7%
Dril-Quip, Inc.	2.7%
Winnebago Industries, Inc.	2.6%
WESCO International, Inc.	2.5%

The companies mentioned in the commentary on page one have the following percentage of total net assets as of 06/30/19:

Ameris Bancorp	2.3%
Exco Technologies Limited	1.9%
Central Garden and Pet Co.	1.9%
Ferro Corporation	1.8%
PetMed Express, Inc.	1.6%
Bel Fuse	1.6%

PERFORMANCE

as of June 30, 2019

Average Annual Total Returns at Net Asset Value

	Unannualized		Annualized			
	Q2	Calendar YTD	1-Year	3-Year	5-Year	10-Year
Ordinary Shares	1.54%	13.31%	-3.95%	8.54%	4.61%	11.08%
Institutional Shares	1.60%	13.48%	-3.60%	8.91%	4.93%	11.39%
Russell 2000 ¹	2.10%	16.98%	-3.31%	12.30%	7.06%	13.45%

¹The Russell 2000 Index is a market capitalization-weighted index of 2,000 small company stocks. It is widely recognized as representative of the general market for small company stocks. 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 of the Index is 08/3/92.

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)

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.