



PEAR TREE POLARIS SMALL CAP FUND

FOR THE QUARTER ENDED JUNE 30, 2020 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 20.58% at net asset value compared to 25.42% for the Index.

Market Conditions and Investment Strategies

After an extreme sell-off in the first quarter of 2020, U.S. small caps rallied strongly in the June quarter, as investors scooped up compelling bargains. Fund management did just that, purchasing 15 new companies by the end of March; many of those were among the best performers this quarter, with the likes of Crocs, Inc., MKS Instruments, Insperty Inc, Barrett Business Services and LCI Industries among the top 10 contributors.

One third of the Fund's return was attributable to Consumer Discretionary holdings, led by Winnebago Industries. Winnebago is one of the most reputable RV brands, continuing to gain market share from competitors. With typical vacation plans scuttled due to COVID-19, many families are hitting the road in RVs and camping in the great outdoors. LCI Industries, a components supplier to the RV market, did well under the same premise. Crocs was on trend with relaxed footwear for the stay-at-home consumer. The company noted quicker recovery in certain regional stores, while digital sales were robust in the U.S. and abroad. Industrials contributed another third of the Fund's gains, with BG Staffing Inc. and the aforementioned Barrett Business and Insperty each up in excess of 30%.

Four of the five biggest detractors came from the Financial sector, with United Insurance Holdings declining more than 10%. The Southeast U.S. insurer faced two headwinds: catastrophe losses from 2019 from various storms and a Florida market rife with fraudulent homeowners' insurance claims. The second issue is being actively addressed by state government, and United will likely begin raising rates to stem losses. U.S. banks also declined, due to a combination of lower net interest margins and potentially higher non-performing loans. The sole holding in Utilities, Allete, sold off as concerns swirled about industrial customers curtailing their power spend when contracts renew in early August.

Portfolio Changes

The Fund sold industrial chemical supplier, Univar Solutions, due to slack chemical demand and unwieldy debt obligations from the Nexeo acquisition. Cash was redeployed to purchase Johnson Outdoors, the manufacturer of Minn Kota boat motors. The dominant player in small fishing boat motors thrived during times of economic expansion, but proved equally popular in a post COVID-19 market, as fishing became a great socially-distanced outdoor activity. Maximus Inc., the outsourced call center management business, was also purchased. Maximus specializes in call centers for specific state and federal government programs like Medicaid enrollment and the 2020 census.

Outlook

Over the past two quarters, we made opportunistic buys on market downturns; the majority of those portfolio changes have already resulted in handsome returns. Many of these higher-quality companies we expect to hold for the long term, and are excited at the prospect for future gains. However, we were disappointed that some of the Fund's existing deeper value stocks lagged in the quarter, particularly Financials. Over the next year, we believe the U.S. economic environment will be challenging. As such, we strive to hold a portfolio of companies with sustainable business models and balance sheets that are able to weather bouts of volatility. ❖

TOTAL EXPENSE RATIOS*

	Gross Expense Ratio*	Net Expense Ratio*
Ordinary Shares	1.64%	1.64%
Institutional Shares	1.39%	1.27%

* 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

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, 2020 (The portfolio is actively managed. Holdings and weightings are subject to change daily.)

Top Ten Holdings

Percentage of total net assets	28.0%
South Plains Financial, Inc.	3.3%
ALLETE, Inc.	3.2%
Natus Medical, Inc.	3.0%
Colony Bankcorp, Inc.	2.8%
Sanderson Farms, Inc.	2.7%
Barrett Business Services, Inc.	2.7%
Eagle Materials Inc.	2.6%
Kforce, Inc.	2.6%
United Insurance Holdings Corporation	2.6%
Cambridge Bancorp	2.5%

The companies mentioned in the commentary on page one have the following percentage of total net assets as of 06/30/2020:

BG Staffing Inc.	2.3%
MKS Instruments, Inc.	2.2%
Winnebago Industries, Inc.	2.2%
Johnson Outdoors Inc.	1.9%
Maximus Inc.	1.8%
Insperty, Inc.	1.7%
Crocs, Inc.	1.2%
LCI Industries	1.0%

PERFORMANCE

as of June 30, 2020

Average Annual Total Returns at Net Asset Value

	Unannualized		Annualized			
	Q2	Calendar YTD	1-Year	3-Year	5-Year	10-Year
Ordinary Shares	20.58%	-24.02%	-17.19%	-4.46%	0.15%	6.68%
Institutional Shares	20.66%	-23.88%	-16.90%	-4.10%	0.47%	6.99%
Russell 2000 ¹	25.42%	-12.98%	-6.63%	2.01%	4.29%	10.50%

¹ The 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.