



PEAR TREE POLARIS SMALL CAP FUND

FOR THE QUARTER ENDED MARCH 31, 2021 the Pear Tree Polaris Small Cap Fund's Ordinary Shares (the "Fund") outperformed its benchmark, the Russell 2000 Index (the "Index"). During the period, the Fund had a return of 18.28% at net asset value compared to 12.70% for the Index.

Market Conditions and Investment Strategies

Cyclicals contributed most during the quarter, with strong gains from Financials, Industrials, and Consumer Discretionary, while defensives lagged. Financials rallied from 2020 lows on the back of an improving economic outlook, lower expected credit losses and potential change in the yield curve environment. Ameris Bancorp reported strong mortgage banking activity, maintained net interest margins and significantly reduced non-performing assets. With an energy-lending portfolio, BOK Financial benefited from higher oil prices and Energy sector recovery.

More than half of the Fund's Industrial sector holdings posted double-digit gains. Kforce was up on continued demand for IT staffing services, as companies invest in digitization projects. Oshkosh Corp., which designs and builds specialty heavy vehicles, was awarded a sizable contract with the U.S. Postal Service.

Rounding out the top sector contributors was Consumer Discretionary. Strong demand and limited inventory were a boon for Asbury Automotive, as competitive discounting abated. Asbury reported record gross profits and high margins. Both Winnebago and Johnson Outdoors capitalized on the post-COVID trend of outdoor living and social distancing.

Among the few detractors was Science Applications International, which provides IT services to the U.S. government. The company traded down on market concerns about budget priorities under the new Biden administration as well as a modest outlook for 2021. Rumors about an acquisition boosted Puerto Rican payment processor, Evertec, in the fourth quarter of 2020. When no such deal came to fruition in early 2021, the stock declined. Fundamentally, Evertec remains in good shape, reporting strong quarterly results.

Portfolio Changes

The Fund had higher portfolio activity this quarter, as we exited companies that recovered from the downturn, but faced future industry challenges. We also sold companies that were fully-valued, replaced with attractively-priced stocks with good growth prospects. Among the sales were: PetMed Express, Dime Community Bancshares, Ferro Corp., Phibro Animal Health, Trinet Group and Physicians Realty Trust. Bryn Mawr Bank was sold at a healthy profit, amidst news of its acquisition by WSFS Financial Corp. Cash from these sales was redeployed to purchase plastic packaging manufacturer, Berry Global; Ingredient Inc., which primarily refines corn to make sweeteners and starches; online university company, Perdoceo; insurance company, FedNat Holding; and Petroleum refining company, CVR Energy. Other new buys included Graphic Packaging, which specializes in consumer-friendly recycled and eco packaging, and Methode Electronics, which produces lighting, dashboard, interface and battery products for auto manufacturers (both traditional combustion and EV).

Outlook

Over the last six months, we have seen increasing rotation from high growth and expensive stocks to cheaper cyclicals, which are more geared towards an economic recovery. Whether that means a reversion to a value cycle, after more than a decade of growth outperformance, remains to be seen. Yet, the indications are clear: the Russell 2000 Value Index gained 21.2% during the first quarter, significantly outpacing its growth counterpart, up 4.9%. The small-cap value index also pulled ahead of the small-cap growth index for the one-year period ending 03/31/21. We expect our steadfast value discipline to be rewarded in coming quarters, and we continue to position the portfolio to take full advantage of this evolving trend. ❖

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

Top Ten Holdings

Percentage of total net assets	23.7%
South Plains Financial, Inc.	2.8%
Exco Technologies Limited	2.6%
Sanderson Farms, Inc.	2.5%
Kforce, Inc.	2.5%
Colony Bankcorp, Inc.	2.3%
Arrow Electronics, Inc.	2.2%
ALLETE, Inc.	2.2%
Winnebago Industries, Inc.	2.2%
Graphic Packaging Holding Co.	2.2%
Barrett Business Services, Inc.	2.2%

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

Asbury Automotive Group, Inc.	2.2%
Johnson Outdoors, Inc.	2.1%
Berry Global Group, Inc.	2.1%
Ameris Bancorp	2.0%
EVERTEC, Inc.	2.0%
Perdoceo Education Corporation	2.0%
Methode Electronics, Inc.	2.0%
BOK Financial Corporation	1.9%
Ingredion Inc.	1.9%
FedNat Holding Company	1.9%
Oshkosh Corporation	1.7%
Science Applications International Corporation	1.5%
CVR Energy, Inc.	1.1%

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
Ordinary Shares	18.28%	18.28%	78.75%	8.29%	9.99%	7.70%
Institutional Shares	18.37%	18.37%	79.43%	8.70%	10.38%	8.02%
Russell 2000 ¹	12.70%	12.70%	94.85%	14.76%	16.35%	11.69%

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.