

PEAR TREE AXIOM EMERGING MARKETS WORLD EQUITY FUND

FOR THE QUARTER ENDED SEPTEMBER 30 2021, the Pear Tree Axiom Emerging Markets World Equity Fund's Ordinary Shares outperformed its benchmark, the MSCI EM Index (the "Index"). The Fund achieved a return of (6.83%) at net asset value compared to (7.97%) for the Index.

Market Conditions and Investment Strategies

The Fund outperformed this quarter despite global growth headwinds from the Covid-19 Delta variant, supply chain disruptions, and policy. Key global economic indicators continued to moderate this quarter. For example, the JPM Global PMI Composite has fallen every month since peaking in May at 58.6 and the most recent August data point of 52.6 indicates a more moderate pace of global recovery. The Emerging Market PMI, meanwhile, has slowed from 54.1 at the start of the year to 49.3 at the end of the third quarter. Leading the global slowdown, China's local Caixin PMI Composite fell to 47.2 in August as China has been especially aggressive about reimposing a COVID lockdown in the face of Delta. In addition, President Xi's policy turn towards more direct state control over the economy under the mantra of "common prosperity" resulted in a myriad of disruptive regulations. Recently, there have been signs of stabilization in China as policy has started easing in response to the slowdown. Moreover, COVID cases in China, Indonesia, India and Brazil are declining while mobility data is improving in key parts of the emerging market universe. While this includes countries that are important to the global supply chain, inflation remains elevated globally and it is still unclear how soon inflation will moderate once supply chain bottlenecks ease. Also providing support, the Delta-wave appears to have peaked and credit conditions continue to be favorable for equities.

The highest contributing sectors on a relative basis during the third quarter were Consumer Discretionary, Information Technology, led by top performing stock Mindtree, and Communication Services. Consumer Staples, Energy, and Health Care were the largest relative detractors for the quarter.

From a country perspective, China was the top contributor, due to strong performing stocks Alibaba and China Longyuan, followed by Brazil, led by WEG, and Argentina, driven by Globant. Taiwan, Korea, and South Africa were the top detracting countries during the quarter on a relative basis.

Portfolio Changes

The Fund reduced its exposure to the Communication Services sector during the period, trimming positions in China and South Korea. A continued escalation of the regulatory environment in China led to a reduction in allocation to internet stocks. In South Korea, lawmakers voiced concerns on market dominance for domestic internet firms, with concerns emerging that new regulations could be introduced. The Fund also decreased its allocation to the Materials sector during the period, trimming positions in which either the underlying company thesis had deteriorated, or underlying commodity data weakened. Capital was reallocated to areas exhibiting positive change, most notably the Health Care sector. The above mentioned reduction in positioning also allowed the Fund to add to its exposure in India. Positioning in India reflects a positive bias towards the IT consulting & services sub-sector. Additionally, the Fund exited travel-exposed Chinese Consumer Discretionary names which could be adversely impacted by a weakening outlook for a rebound in travel in China amidst a domestic COVID resurgence and associated travel curbs.

Outlook

While the recovery is continuing, year-on-year economic comparisons get more challenging, and we are also seeing some policy headwinds from proposed tax and interest rate hikes globally. Input prices, especially related to energy and logistics, also represent ongoing economic challenges. Notwithstanding the challenges, global growth seems likely to settle into a more moderate expansion supported by ongoing reopening and supply chain restocking absent additional major policy or health shocks. As growth moderates, value stocks which benefited from the cyclical tailwinds during the initial phase of reopening are likely to face renewed challenges. ❖

TOTAL EXPENSE RATIOS*

	Gross Expense Ratio*	Net Expense Ratio*
Ordinary Shares	1.69%	1.47%
Institutional Shares	1.44%	1.10%
R6 Shares	1.29%	1.00%

* Per Prospectus dated August 2, 2021, as amended. Reflects all fee waivers and expense reimbursements currently in effect. Fee waivers and expense reimbursements may not be amended, rescinded or terminated before July 31, 2022 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.

Investment Products

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

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PORTFOLIO HIGHLIGHTS

as of September 30, 2021 (The portfolio is actively managed. Holdings and weightings are subject to change daily.)

Top Ten Holdings

Percentage of total net assets	29.4%
Taiwan Semiconductor Manufacturing Co., Ltd.	8.2%
Samsung Electronics Company Limited	4.1%
Infosys Limited - SP	3.0%
Contemporary Amperex Technology Company, Ltd.	2.4%
Li Ning Company Limited	2.2%
Sberbank of Russia	2.1%
HDFC Bank Ltd.	2.0%
Bajaj Finserv Limited	1.8%
iShares Core MSCI Emerging Markets ETF	1.8%
Tencent Holdings Limited	1.8%

The companies mentioned in the commentary on page one have the following percentage of total net assets as of 09/30/2021:

Globant	1.5%
Alibaba	1.4%
China Longyuan	1.2%
Weg	1.1%
Mindtree	0.9%

PERFORMANCE

as of September 30, 2021

Average Annual Total Returns at Net Asset Value

	Unannualized		Annualized					Inception Date
	Q3	Calendar YTD	1-Year	3-Year	5-Year	10-Year	Since Inception	
Ordinary Shares	-6.83%	-2.40%	16.76%	13.21%	9.72%	5.76%	5.73%	09/30/94
Institutional Shares	-6.72%	-2.10%	17.22%	13.66%	10.14%	6.09%	7.02%	04/02/96
R6 Shares	-6.72%	-2.05%	17.23%	—	—	—	17.07%	01/28/19
MSCI EM ¹	-7.97%	-0.99%	18.58%	8.96%	9.62%	6.46%	5.57%	—

¹ The Morgan Stanley Capital International Emerging Markets ("MSCI EM") Index is an unmanaged index comprised of stocks located in countries other than the United States. It is widely recognized as representative of the general market for emerging markets. Index returns assume the reinvestment of dividends and, unlike Fund returns, do not reflect fees or expenses. You cannot invest directly in an Index. For comparative performance purposes, the beginning date for the Index is 09/30/94.

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.