

PEAR TREE AXIOM EMERGING MARKETS WORLD EQUITY FUND

FOR THE QUARTER ENDED JUNE 30, 2022, the Pear Tree Axiom Emerging Markets World Equity Fund's Ordinary Shares underperformed its benchmark, MSCI EM Index (the "Index"). The Fund achieved a return of (14.42%) at net asset value compared to (11.34%) for the Index.

Market Conditions and Investment Strategies

The outlook for growth stocks appears to be improving after several very challenging quarters. During the second quarter, the MSCI EM Growth Index fell just under 12%, underperforming value by minus one percentage point, bringing the year-to-date growth decline to just under 21%. The policy driven inflation and cyclical tailwinds that hurt growth stocks and fueled the recent value stock rally are showing signs of peaking as the Fed has moved more aggressively to tighten monetary policy, joining many other central banks around the world. Several important contributors to inflation are in the early stages of potentially peaking, contrary to a now pessimistic consensus. Recent signs of softening Russia sanctions may further ease commodity markets. Moreover, supply chain disruptions which meaningfully contributed to recent inflation, are also showing strong signs of reversing. Employment and housing conditions remain very tight but there have been recent hints of topping out. If inflation inputs start to cool, it will likely still take time to become visible in reported consumer prices. Additional geopolitical supply shocks are always a risk, and central banks will need to stick to the now anticipated strong tightening schedule to bring headline inflation back under control. The market is increasingly seeing hopeful signs that this now widely expected policy tightening will be effective, improving the outlook for longer-term growth investors.

The largest relative sector detractors for the quarter were Consumer Discretionary, due to the underweight to Chinese Internet companies, Industrials, and Health Care. The best performing sector on a relative basis during the second quarter was Communication Services, followed by Materials. From a country perspective, China, India and Brazil were the top detracting countries during the quarter on a relative basis.

Portfolio Changes

The Fund increased our exposure to large Chinese internet platforms due to a combination of fading regulatory headwinds and the potential for positive margin driven by meaningful cost reductions. We increased our exposure to sectors with more defensive characteristics amid the increasingly uncertain economic backdrop. We added to Telecommunication positions due to their defensive earnings profiles, as well as growing evidence of improving competitive backdrops in select geographies. We reduced positions in sectors with higher cyclicity, particularly in the Information Technology sector. We reduced our exposure to IT service companies due a combination of wage-related input cost pressure, and as the growing economic uncertainty creates risk to future revenue growth. We also reduced our exposure to semiconductors, as falling demand for many consumer electronic products is causing a corresponding fall in demand for chips that go into these devices.

Outlook

Regarding the attractiveness of emerging markets, not only are EM valuations especially low, currently trading 35% below developed market prices, but emerging market growth we believe is poised to accelerate relative to developed markets. Key emerging markets, notably including China, might be easing and/or in the earlier stages of post-COVID reopening even as many developed markets face continued policy tightening and other headwinds. We anticipate that the gap between developed and emerging market growth, to reaccelerate to two and a half percentage points in the coming year, which historically has been a catalyst for EM outperformance. Any moderation in the very elevated US dollar when US rates peak could be a further catalyst. Axiom's dynamic growth stocks tend to be less economically sensitive and benefit from generally high profitability, low leverage, and strong organic growth drivers helping them to outperform during economic growth slowdowns. After the sharp recent rotations, prospective growth stock valuations have returned to historically supportive levels. ❖

TOTAL EXPENSE RATIOS*

	Gross Expense Ratio*	Net Expense Ratio*
Ordinary Shares	1.65%	1.43%
Institutional Shares	1.40%	1.06%
R6 Shares	1.25%	1.00%

* Per Prospectus dated August 1, 2022, 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, 2023 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

PEAR TREE AXIOM EMERGING MARKETS WORLD EQUITY FUND PORTFOLIO HIGHLIGHTS

as of June 30, 2022 (The portfolio is actively managed. Holdings and weightings are subject to change daily.)

Top Ten Holdings

Percentage of total net assets	28.7%
Taiwan Semiconductor Manufacturing Co., Ltd.	5.7%
Baidu, Inc.	3.8%
Reliance Industries Ltd.	3.3%
Samsung Electronics Company Limited	3.1%
BYD Company Ltd.	2.5%
JD.com, Inc.	2.1%
Ping An Insurance Group H Share	2.1%
China Longyuan Power Group H	2.1%
Tencent Holdings Limited	2.0%
iShares Core MSCI Emerging Markets ETF	2.0%

The companies mentioned in the commentary on page one have the following percentage of total net assets as of 06/30/2022:

None

PERFORMANCE

as of June 30, 2022

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	(14.42%)	(25.29%)	(30.20%)	1.83%	2.08%	1.93%	4.48%	09/30/94
Institutional Shares	(14.35%)	(25.18%)	(29.95%)	2.21%	2.48%	2.26%	5.66%	04/02/96
R6 Shares	(14.31%)	(25.10%)	(29.89%)	2.32%	—	—	4.04%	01/28/19
MSCI EM ¹	(11.34%)	(17.47%)	(25.00%)	0.92%	2.55%	3.43%	4.64%	—

¹The 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.