

## PEAR TREE AXIOM EMERGING MARKETS WORLD EQUITY FUND

**FOR THE QUARTER ENDED MARCH 31, 2023**, the Pear Tree Axiom Emerging Markets World Fund's Ordinary Shares outperformed its benchmark, the MSCI EM Index (the "Index"). The Fund achieved a return of 5.67% at net asset value compared to 4.02% for the Index.

### Market Conditions and Investment Strategies

Growth stock premiums have begun rebounding from last year's sell-down as the outlook for developed market GDP growth and inflation continues to moderate. The manager expects this trend to continue as central banks become more cautious and data-dependent in their monetary policy decisions. The Fund's stocks were resilient to the Financial sector turmoil this quarter which resulted, in part, from the recent rapid expansion of the money supply and then the equally rapid rate hikes. The notable acceleration in the adoption of AI and machine learning technologies, as well as the ongoing investment in automation in response to persistent labor tightness, all suggest an important new wave of innovation and growth investment opportunities.

The best performing sectors on a relative basis during the first quarter were Consumer Discretionary, led by a Latin American e-commerce company which is seeing earnings upside amid an improving competitive landscape in its key Brazilian market. The Industrials sector contributed positively, largely due to the Fund's exposure to Mexican airports. Communication Services also contributed, due to strong performance from a Chinese internet search company. Financials, Energy, and Real Estate were the largest relative detractors for the quarter. Mexico was a top relative contributing country this quarter, due to the Fund's overweight position and a strong performance from a retail bank. India was also a positive contributor led by the Fund's overweight position to underperforming sectors including Information Technology, Industrials and Utilities. The largest relative detractor was Korea, followed by the United Kingdom and Saudi Arabia.

### Portfolio Changes

From a sector perspective, the largest addition was to Information Technology. Within this sector, the most notable addition was to the semiconductor industry, particularly semiconductor foundries, predicated on a favorable long-term secular growth outlook driven by the growth in high-performance computing, coupled with an expected cyclical rebound in demand for consumer electronics. The Fund increased its exposure to Taiwan. Much of this increase was due to the higher allocation to the Information Technology sector mentioned above. The overweight stance in Mexico was also increased, particularly due to increased allocation to positions that should directly benefit from companies seeking to regionally diversify their existing manufacturing footprint and "near-shore" capacity closer to the United States.

### Outlook

The manager continues to be optimistic on the outlook for emerging markets (EM) into 2023. EM GDP is anticipated to accelerate to 3.9% in 2023 from 3.1% in 2022. The gap between emerging and developed growth, which compressed to under one percentage point in 2021 and 2022, is expected to increase to 3.5% in 2023 - the widest gap in ten years - as EM growth is expected to accelerate and developed market (DM) growth to decelerate. This magnitude of growth gap has historically been a catalyst for EM outperformance. Other tailwinds for the EM asset class include near decade-low foreign ownership of EM equities, lower inflationary pressure than DM, and one standard deviation cheap relative valuation vs. US markets. ❖

### 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 March 31, 2023 (The portfolio is actively managed. Holdings and weightings are subject to change daily.)

### Top Ten Holdings

Percentage of total net assets	36.5%
Taiwan Semiconductor Manufacturing Co., Ltd.	8.8%
Tencent Holdings Limited	5.1%
Samsung Electronics Company Limited	5.0%
Baidu, Inc.	2.9%
Ping An Insurance Group H Share	2.5%
Mercado Libre, Inc.	2.5%
iShares Core MSCI Emerging Markets ETF	2.5%
Trip.com Group Limited	2.5%
HDFC Bank Ltd.	2.4%
Alibaba Group Holding Ltd.	2.3%

The companies mentioned in the commentary on page one have the following percentage of total net assets as of 03/31/2023:

None

### PERFORMANCE

as of March 31, 2023

#### Average Annual Total Returns at Net Asset Value

	Unannualized		Annualized					Inception Date
	Q1	Calendar YTD	1-Year	3-Year	5-Year	10-Year	Since Inception	
Ordinary Shares	5.67%	5.67%	(16.41%)	5.91%	(0.69%)	0.28%	4.27%	09/30/94
Institutional Shares	5.82%	5.82%	(16.06%)	6.33%	(0.31%)	0.61%	5.42%	04/02/96
R6 Shares	5.93%	5.93%	(15.85%)	6.45%	—	—	2.86%	01/28/19
MSCI EM <sup>1</sup>	4.02%	4.02%	(10.30%)	8.23%	(0.53%)	2.37%	4.56%	—

<sup>1</sup>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](http://www.peartreefunds.com).