

PEAR TREE AXIOM EMERGING MARKETS WORLD EQUITY FUND

FOR THE QUARTER ENDED SEPTEMBER 30, 2022, the Pear Tree Axiom Emerging Markets World Fund's Ordinary Shares underperformed its benchmark, the MSCI EM Index (the "Index"). The Fund achieved a return of (12.35%) at net asset value compared to (11.42%) for the Index.

Market Conditions and Investment Strategies

The outlook for emerging markets has been improving after several challenging quarters. During the third quarter, the MSCI Emerging Markets Index ("MXEF") fell over 11%, challenged by global recession concerns, continued dollar strength, and disappointing progress on China reopening. Continued market declines have pushed the MXEF Index to a historically attractive valuation level of 10x one-year forward earnings vs. ten-year average forward multiple of 11x and a recent high at the end of 2020 around 15x. Major EM country indices like the Hong Kong Hang Seng Index (HSI), Taiwan Taiex Index (TWSE), and Brazil Ibovespa Index (IBOV) are trading two standard deviations below historic median valuation. Significant EM benchmark constituents in the memory and semiconductor industries are trading at valuation multiples consistent with previous cyclical troughs. Emerging markets are trading at a 26% discount to developed markets, in-line with history, even though EM growth may be poised to accelerate relative to developed markets. The gap between emerging and developed growth, which compressed to under one percentage point in 2021 and 2022, is expected to reaccelerate to greater than three percentage points in 2023, which historically has been a catalyst for EM outperformance.

The best performing sector on a relative basis during the third quarter was Health Care, led by a Thai hospital stock on the recovery of medical tourism. This was followed by Telecommunication Services, led by an Indian telecom services company, driven by a more rational competitive landscape, continued price hikes, and the launch of its 5G service, and information technology. Materials, Utilities, and Energy were the largest relative detractors for the quarter. Brazil was the top performing country on a relative basis for the quarter, due to strong performance from Consumer Discretionary and Energy stocks. This was followed by Indonesia, led by Financials, and Mexico. The largest relative detractors were China and India.

Portfolio Changes

Brazil was the largest country exposure increase during the quarter, with this position change supported by the potential peaking of inflation and the partial removal of a presidential election overhang. Note that as of this writing, this election will go to a run-off vote slated for the end of October after neither candidate secured a majority of votes in the recent first round of voting. This pragmatic setup has been beneficial for risk assets. Inflation data in Brazil has improved after a prolonged period at elevated levels; this peaking has also been associated with a currency (Brazilian Real) that has been resilient versus many other emerging market economies. The Fund also increased its exposure to the Information Technology sector during the period largely due to company specific drivers for portfolio holdings with exposures to electric vehicle (EV) batteries and Latin American payments. The largest sector reduction was in Financials. Much of this change in positioning came within China amid ongoing concerns related to contagion fears spreading from the Chinese Real Estate sector to Financials.

Outlook

Investors seem to be shifting attention from inflation toward the pace of a potential economic slowdown. The Fund's portfolio of well-capitalized, profitable, resilient, market leading businesses typically fare well during such economic slowdowns. The manager has reduced or eliminated exposure to higher multiple stocks, companies facing cyclical or margin headwinds, and companies with weaker funding. While this year has been challenging for growth investors, the manager has over a 25-year history of consistently navigating policy-driven market volatility by adhering to its stock selection and portfolio construction processes. ❖

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

Top Ten Holdings

Percentage of total net assets	27.8%
Taiwan Semiconductor Manufacturing Co., Ltd.	5.5%
Baidu, Inc.	3.4%
Samsung Electronics Company Limited	2.8%
Reliance Industries Ltd.	2.8%
Alibaba Group Holding Ltd.	2.6%
iShares Core MSCI Emerging Markets ETF	2.6%
Bharti Airtel Ltd.	2.2%
JD.com, Inc.	2.1%
Samsung SDI Co., Ltd.	1.9%
Hindustan Unilever Ltd.	1.9%

The companies mentioned in the commentary on page one have the following percentage of total net assets as of 09/30/2022:

None

PERFORMANCE

as of September 30, 2022

Average Annual Total Returns at Net Asset Value

	Unannualized		Annualized					
	Q3	Calendar YTD	1-Year	3-Year	5-Year	10-Year	Since Inception	Inception Date
Ordinary Shares	(12.35%)	(34.51%)	(34.33%)	(1.93%)	(1.39%)	(0.20%)	3.95%	09/30/94
Institutional Shares	(12.24%)	(34.34%)	(34.10%)	(1.55%)	(1.01%)	0.12%	5.08%	04/02/96
R6 Shares	(12.22%)	(34.26%)	(34.03%)	(1.47%)	—	—	0.14%	01/28/19
MSCI EM ¹	(11.42%)	(26.90%)	(27.80%)	(1.71%)	(1.44%)	1.42%	4.15%	—

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.