

## PEAR TREE ESSEX ENVIRONMENTAL OPPORTUNITIES FUND

**FOR THE QUARTER ENDED JUNE 30, 2024**, the Pear Tree Essex Environmental Opportunities Fund's Ordinary Shares (the "Fund") outperformed its benchmark, MSCI World Index (the "Index"). The Fund achieved a return of 3.70% at net asset value compared to 2.78% for the Index.<sup>1</sup>

### Market Conditions and Investment Strategies

We have long expressed that the Pear Tree Essex Environmental Opportunities Fund (EEOFX) invests in clean technologies that are commercially viable – with increasing adoption rates and profitability. The clean tech trajectory is still healthy and expanding, despite headlines and associated sentiment to the contrary. Clean technologies enable commerce with fewer resources, enhance public health, and improve the quality of life. Clean tech is disruptive, enabling domestic economic growth and is tied to multitudes of solutions, from producing better water quality to enhancing electricity delivery and reliability. GEOS has recovered in performance for the second quarter, outpacing the MSCI World Index.

### Attribution (Second Quarter 2024)

#### Top contributors:

Performance for the quarter was led by some of the highest growth stocks in the strategy, such as battery technology company Enovix, and power optimization firm American Superconductor, as well as battery safety company Aspen Aerogels. All three have been growing revenues well above market, with differentiated technologies positioned for electrical grid optimization in the case of American Superconductor, and lithium battery safety and performance with Enovix and Aspen Aerogels. The power technology theme is the highest GEOS thematic weight currently, with ample catalysts from the rise of electricity demand to the need for electrical grid resiliency in the face of increasingly severe weather. This theme generated positive performance with GE Vernova, Valmont and Primoris all in top ten performance for the second quarter.

#### Underperformers:

Underperformance was led by the utility scale solar tracking company Array Technologies. Solar trackers add up to 30% more output for a solar installation, and Array is a global market leader. The solar market has been weak this year, as the market adjusts to many different cross currents, from incoming incentive structures to import tariffs, and some installation delays driven by labor market and transformer shortages. The long-term value proposition for Array is well intact, as it sells into the most vibrant segment of the solar industry currently, North American utility scale solar installations. Another laggard for the quarter was global lithium producer Albemarle, which underperformed as lithium prices contracted amidst a temporary electric vehicle (EV) demand slump. We believe Albemarle to be well positioned, given their scale, efficiency and determinate market share in lithium production. Lithium battery chemistry will be the primary technology for the next decade and beyond, for not just EVs, but also stationary battery storage.

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<sup>1</sup>The Fund is the successor to the investment performance of the Essex Environmental Opportunities Fund ("Predecessor Fund") as a result of the reorganization of the Predecessor Fund into the Environmental Opportunities Fund on September 1, 2021. Performance information shown prior to the close of business on August 31, 2021 is that of the Predecessor Fund.

## PEAR TREE ESSEX ENVIRONMENTAL OPPORTUNITIES FUND (CONTINUED)

### Portfolio Changes

We added a new position in the GEOS clean technology & efficiency theme, Tetra Tech (ticker: TTEK), a leading management consulting and engineering services company focused on water, environmental, infrastructure and renewable energy projects. A key revenue driver for Tetra Tech is water, spanning from data analytics to water management, watershed and coastal protection. We believe Tetra Tech to be well positioned for upcoming emerging contaminant regulations, including perfluoroalkyl and polyfluoroalkyl substances (PFAS). Prior to full scale PFAS elimination to new regulatory standards, PFAS must be measured by commercial and municipal entities, and this is where Tetra Tech offers compelling services. We added solar inverter company Enphase Energy (ticker: ENPH) which offers micro-inverters that enhance solar system efficiency when compared to traditional string inverters. Enphase's networked solutions now offer load balancing, which can increase solar array output in volatile weather, low sunlight, or with enhanced distributed technologies such as coupled EV charging or battery storage. In June we added a new position in the GEOS efficient transport theme, Mobileye Global (ticker: MBLY). Mobileye is a market leader, serving 50 automotive manufacturers with advanced driver assistance systems (ADAS) based on its leading systems architecture with offerings from driver-assistance to full autonomous driving. At this writing, VW just awarded Mobileye with its vendor of the year award for digitalization. MYR Group (ticker: MYRG) was sold due to decreasing profitability, and American Superconductor (ticker: AMSC) and Aspen Aerogels (ticker: ASPN) were trimmed on strong stock price performance.

### Outlook

Clean technology has been in political crosshairs recently, with concerns that catalysts such as the Inflation Reduction Act (IRA) will be repealed if the leading Republican presidential contender is elected to office, or if Republicans sweep Congress. We on the GEOS team are not political analysts nor strategists, but we do assess government policy as we determine research priorities, thematic emphasis, and GEOS holdings and weights.

As we have stated since GEOS inception, while we factor incentive structures and government policy, the driver for GEOS inclusion is commercial viability in the absence of government support such as tariffs or tax incentives. Commercially viable means the technology or service is not a lab experiment and is profitable in exhibiting positive free cash flow with favorable net income margins. A viable and disruptive clean technology enables economic growth with fewer resources and enhances the quality of life and commerce. Past disruptive technologies are developments such as the passenger car, the telephone, or more recently distributed information enablers such as consumer electronics. All these developments which developed in a traditional S curve, were not held back by any one political party. They scaled given their inherent attributes for improving the quality of life.

We strongly believe that clean technology is driving economic transformation, and each of the GEOS holdings are positioned to benefit. There is a complete disconnect present currently between market sentiment and the embedded and unrecognized long-term fundamentals of this clean technology transformation. EVs are still gaining market share versus traditional internal combustion engine (ICE) vehicles, growing at a global growth rate of 30% because they are cheaper to operate and importantly exciting to drive. We point this out as EVs are the tip of the spear for clean tech protest, but they are expected to be at parity with ICE prices within three years, much faster than projections even two years ago - but this is the typical experience with disruptive technology. The GEOS holdings are each solving environmental problems that are not political, but social and economic. Clean water, increased crop production, resilient and more reliable electrical grids, more efficient buildings and safer cars - all this and much more represent the solutions inherent in GEOS. ❖

## TOTAL EXPENSE RATIOS\*

	Gross Expense Ratio*	Net Expense Ratio*
Ordinary Shares	1.58%	1.24%
Institutional Shares	1.33%	0.99%
R6 Shares	1.18%	0.95%

\* Per Prospectus dated November 7, 2023, as amended. Fee waivers and expense reimbursements may not be amended, rescinded or terminated before July 31, 2024 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. The fund's exclusion of investments in companies other than clean tech may adversely affect the fund's relative performance at times when those other types of investments are performing well.

### Investment Products

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

## PEAR TREE ESSEX ENVIRONMENTAL OPPORTUNITIES FUND PORTFOLIO HIGHLIGHTS

as of June 30, 2024 (The portfolio is actively managed. Holdings and weightings are subject to change daily.)

### Top Ten Holdings

Percentage of total net assets	42.74%
NextEra Energy, Inc.	6.2%
Badger Meter, Inc.	5.1%
American Superconductor Corporation	4.3%
Valmont Industries, Inc.	4.3%
Primoris Services Corporation	4.1%
Cadeler AS	3.9%
Hubbell Incorporated	3.8%
Kingspan Group plc	3.8%
Xylem Inc.	3.7%
Keyence Corporation	3.5%

The companies mentioned in the commentary on page one have the following percentage of total net assets as of 06/30/2024:

GE Vernova Inc.	3.2%
Tetra Tech, Inc.	3.0%
Aspen Aerogels, Inc.	2.4%
Enovix Corporation	2.0%
Mobileye Global Inc.	2.0%
Albemarle Corporation	1.9%
Enphase Energy, Inc.	1.7%
Array Technologies, Inc.	1.4%

## PERFORMANCE

as of June 30, 2024

### 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	3.70%	2.17%	(9.35%)	(10.86%)	6.09%	—	5.35%	09/01/2017
Institutional Shares	3.71%	2.29%	(9.14%)	(10.63%)	6.34%	—	5.61%	09/01/2017
R6 Shares	3.72%	2.33%	(9.04%)	—	—	—	(11.87%)	09/01/2021
MSCI World <sup>1</sup>	2.78%	12.04%	20.75%	7.38%	12.32%	—	11.28%	—

<sup>1</sup> The MSCI World Index captures large and mid-cap representation across 23 Developed Markets (DM) countries. With 1,430 constituents as of 06/30/2024, the index covers approximately 85% of the free float-adjusted market capitalization in each country. You cannot invest directly in an index. For comparative performance purposes, the beginning date of the Index is 09/01/2017. The MSCI World Index is maintained by MSCI Inc.

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.pearreefunds.com](http://www.pearreefunds.com).