PEAR TREE FUNDS

MARCH 31, 2025

Pear Tree Essex Environmental Opportunities Fund

For the Quarter ended March 31, 2025, the Pear Tree Essex Environmental Opportunities Fund's Ordinary Shares (the "Fund") underperformed its benchmark, the MSCI World Index (the "Index"). The Fund achieved a return of (7.95%) at net asset value compared to (1.69%) for the Index.[1]

Market Conditions and Investment Strategies

The Fund underperformed the broad market, as represented by the Index due to the smaller, growth stock bias of the Fund as smaller market capitalization growth equity shares underperformed larger equity shares over the course of the quarter.

Given what we believe to be extreme market volatility over the course of the quarter, we observed little differentiation across our investible universe between companies we deem to be commercially viable, and those in the clean technology sector we believe are not commercially viable, as they represent technologies and services that are not scaling, causing financial distress. For example, Canadian Solar (not owned) is an Ontario based solar module manufacturer and project developer. The company has a 1.0% return on equity with flat EBITDA margins and a 34 times forward P/E in a commodity industry that has significant tariff risk as they export out of China and APAC. First Solar, held by the Fund in the renewable energy theme has an 18.0% return on equity with 39% EBITDA margins and a 9 times forward P/E with a US-centric manufacturing model which is booked out 36 months with limited tariff risk. We see opportunity here with First Solar and added to the Fund's position twice over the quarter on continued share price weakness. We also added to the Fund's position in US-based electric vehicle (EV) manufacturer Rivian Automotive on share price weakness as we believe Rivian to have strong brand equity, as they scale domestic production for the R2, a more mass-market offering versus the existing R1S and T vehicles. We added Deere to the Fund during the quarter as we believe the agricultural spending cycle is amidst a bottoming process and believe Deere to be well positioned with new offerings to decrease farm input costs while enhancing productivity. Given signs of continued slow execution at its Malaysian manufacturing plant, battery cathode company Enovix was sold. Residential solar rooftop firm Sunrun was also sold, as residential solar faces the risk of tax incentive rollbacks under the current Administration. Note that we believe this risk is less present for utility scale solar such as First Solar, given the increased energy demand from corporations, especially from data center providers.

Attribution (First Quarter 2025)

Top contributors:

The top performer for the Fund in the first quarter of 2025 was MP Materials, the rare earth minerals company responsible for providing 10% of the world's rare earth materials for use in electronics from electric vehicles to drones and industrial robotics. China controls over 90% of the world's supply of rare earths, and the market recognized MP's strong position for US-based production. KION Group is based in Germany, providing warehouse automation technology, and demonstrated strong stock performance on signs of increased order growth. Rounding out the top performers was long-standing Fund holding Kingspan Group, the global insulated panel manufacturer based in Dublin, Ireland.

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[1] *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.*

See page four for the Fund's standardized performance and other important information.

Pear Tree Essex Environmental Opportunities Fund (Continued)

Underperformers:

Aspen Aerogels provides insulation applications to the chemical industry, and has been moving into battery safety, with solutions that prevent thermal runaway. The stock was the top underperformer in the Fund, as the market reacted to the prospects for less electric vehicle support under the new Administration. We believe the electric vehicle trend is intact, albeit pushed out, and Aspen Aerogels offers a differentiated solution to a significant risk in battery safety. Tetra Tech provides environmental consulting and infrastructure planning services to private corporations, municipalities and government entities. The stock was a weak performer on concerns regarding government contract bookings, and the position was sold as we believe this is a risk under the current Administration. First Solar was another underperformer, and as referenced above, we are constructive on their business given very strong power demand for onshoring and data center use.

Outlook

Despite the recent market volatility, we remain constructive for clean technology investment, and offer the following observations:

Clean technology continues to grow globally

The past several years have brought massive commercial adoption of clean technologies across global economies, as rapidly declining costs and increased efficiencies of industries such as solar power usurp market share from incumbent technologies. At this point in the US power transition, we believe solar power will continue its growth trajectory as the solar supply chain is resilient with the ability to meet installation demand for the next 24 months we project as companies have been tactically planning for potential policy shifts, such as a more rapid sunsetting of tax incentives, with appropriate supply chain inventory management. We interpret messaging from the Administration regarding energy policy as an “all of the above” solution which must include solar power.

Commercially viable clean tech companies offer unrecognized growth

Attractive clean technology businesses offer revenue growth, with management teams striving for profitability and positive free cash flows. These CEOs, CFOs and their teams are focused on positive returns on capital and increased shareholder equity. Financial goals are attained with a focus on commercial viability and prudent business strategy and execution to fund growth efficiently with an eye to limit shareholder dilution. Commercial viability for investible clean technologies is key, coupled with the growth trajectories of companies achieving commercial adoption in their targeted markets. We further define commercial viability as a technology or service that achieves adoption in the absence of any government policy or incentive structure.

As the ample liquidity of the pandemic eroded the past few years, companies offering non-commercial technologies and services have seen increased capital costs causing high cash burn rates, and unsustainable, negative financial returns. We have witnessed this both across established industries such as segments of solar, as well as deeply within industries that have yet to achieve overall commercial adoption, such as hydrogen vehicles. Our investment criteria is centered on positive returns on capital and positive free cash flow generation, which are exhibited with commercial viability.

Pear Tree Essex Environmental Opportunities Fund (Continued)

Outlook Continued

There is opportunity at hand

We believe the clean tech stock underperformance of the past several years presents a strong opportunity for patient, long-term investors. Many non-commercial businesses in the clean tech sector came to market too early, or with poor models that could not scale. Yet, we see valuations across the sector and across our universe that do not differentiate the commercial – the profitable from the non-commercial. Broadly, valuations are at parity, reflecting poor sentiment, with stock prices that are responding to headline risk with “shoot first and ask questions later.”

The market has sold off clean tech since the election simply based on headlines reflecting the threats of full roll backs of the Inflations Reduction Act (IRA) by the Administration, leaving attractive valuations. Clean energy corrected after the announcement of the IRA back in 2022, and we believe a full repeal of the IRA is unlikely, yet fully priced into the sector currently. Yes, the market can be irrational, but please consider our consistent points of view regarding the clean tech sector, and our approach with the Fund:

- Diversification across nine themes, all enabling “doing more with less”
- Commercial viability – no lab experiments, profitable businesses not dependent on subsidies
- Focus on free cash flow, shareholder equity and returns on capital. ❖

See page three for the Fund’s standardized performance and other important information.

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MARCH 31, 2025

Pear Tree Essex Environmental Opportunities Fund Portfolio Highlights

as of March 31, 2025 (The portfolio is actively managed. Holdings and weightings are subject to change daily.)

Top Ten Holdings

Percentage of total net assets	46.70%
NextEra Energy, Inc.	7.1%
Badger Meter, Inc.	5.8%
Valmont Industries, Inc.	5.0%
GE Vernova Inc.	4.8%
Infineon Technologies AG	4.8%
Kingspan Group plc	4.1%
MP Materials Corp.	3.9%
Toray Industries, Inc.	3.8%
Keyence Corporation	3.8%
Trimble Navigation Limited	3.6%

The companies mentioned in the commentary on page one have the following percentage of total net assets as of 03/31/2025:

First Solar	3.6%
KION Group	3.2%
Deere	2.1%
Aspen Aerogels	1.4%
Rivian Automotive	1.3%

Total Expense Ratios*

	Gross Expense Ratio*	Net Expense Ratio*
Ordinary Shares	1.51%	1.24%
Institutional Shares	1.25%	0.99%
R6 Shares	1.12%	0.95%

* Per Prospectus dated August 1, 2024, as amended. Fee waivers and expense reimbursements may not be amended, rescinded or terminated before July 31, 2025 without the consent of the Fund's Trustees.

Performance

as of March 31, 2025

Average Annual Total Returns at Net Asset Value

	Unannualized		Annualized					
	Q1	Calendar YTD	1-Year	3-Year	5-Year	10-Year	Since Inception	Inception Date
Ordinary Shares	(7.95%)	(7.95%)	(5.35%)	(9.29%)	9.28%	—	3.55%	09/01/2017
Institutional Shares	(7.80%)	(7.80%)	(5.02%)	(9.02%)	9.58%	—	3.82%	09/01/2017
R6 Shares	(7.87%)	(7.87%)	(5.07%)	(9.01%)	—	—	(11.71%)	09/01/2021
MSCI World[1]	(1.69%)	(1.69%)	7.50%	8.10%	16.68%	—	10.76%	—

[1] The MSCI World Index captures large and mid-cap representation across 23 Developed Markets (DM) countries. With 1,352 constituents as of 03/31/2025, 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.peartreefunds.com.*

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.

PEAR TREE FUNDS

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For information about the Pear Tree Essex Environmental Opportunities Fund, obtain the Fund's prospectus by calling (800) 326-2151 or visiting www.peartreefunds.com. Before investing carefully consider the Fund's investment objectives, risks, charges and expenses. Please read the prospectus carefully before you invest or send money.