

PEAR TREE ESSEX ENVIRONMENTAL OPPORTUNITIES FUND

FOR THE QUARTER ENDED SEPTEMBER 30, 2024, the Pear Tree Essex Environmental Opportunities Fund's Ordinary Shares (the "Fund") outperformed its benchmark, the MSCI World Index (the "Index"). The Fund achieved a return of 7.28% at net asset value compared to 6.46% for the Index.¹

Market Conditions and Investment Strategies

With the US Presidential election approaching, it seems everything has been politicized today, including most facets of the energy transition. Yet we believe any political risk for the clean tech sector is overly discounted at present, expediting attractive valuations and growth prospects. Beyond this exaggerated political overhang, we believe many of the significant headwinds buffeting the clean tech sector are dissipating. This has been reflected in the positive returns for our Strategy this quarter. Clean tech company fundamentals have improved, valuations are attractive and the economic backdrop remains healthy.

The Wilderhill Clean Energy Index² (ticker: ECO), posted (0.20%) for the third quarter, versus the Fund's 7.28% return. We believe the clean tech sector is highly inefficient. GEOS outperformance versus the Wilderhill is due to our consistent investment process and execution, investing in commercially-viable companies offering true solutions to environmental problems. We expect strategy outperformance versus the primary Index to continue as market and fundamental catalysts continue to unfold.

Attribution (Third Quarter 2024)

Top contributors:

Performance for the third quarter was led by GE Vernova (GEV), the diversified power technology company focused on ten markets, from steam heat to wind, grid solutions and nuclear. The electrification business which includes Grid Solutions is the fastest growing segment currently as measured by bookings and billings. MP Materials (MP) was a top performer, as the market finally recognizes the huge differentiation of this domestic producer of critical rare earth materials. China controls most of the global rare earth content, and MP is the leader for US rare earth mining, separation and refining. MP's resource in Mountain Pass California is one of the lowest cost resources in the world, and the company is expanding downstream into high-powered magnet production at a new plant in Texas with an initial offtake arrangement with GM. Long-standing water holding Energy Recovery (ERII) posted strong returns, as the leading energy efficiency provider for desalination plants announced new orders in the Middle East, along with improving margins given pricing discipline under the tutelage of new CEO David Moon.

Underperformers:

Underperformance for the quarter was led by advanced driver assistance systems (ADAS) company Mobileye (MBLY), which suffered from a buildup of field inventory. The position was sold in August given our concerns over market share loss to cheaper technologies. Battery technology company Enox (ENVX) was a laggard as the silicon anode firm scaled its manufacturing plant in Malaysia. Array Technologies (ARRY) continued to underperform, given pushouts in large scale solar projects due to permitting delays and in some cases lack of inventory for critical inputs such as transformers.

¹The 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.

²The Wilderhill Clean Energy Index (ticker: ECO) is a modified equal dollar weighted index comprised of publicly traded companies whose businesses stand to benefit from societal transition toward the use of cleaner energy and conservation.

PEAR TREE ESSEX ENVIRONMENTAL OPPORTUNITIES FUND (CONTINUED)

Portfolio Changes

We added a new position in the GEOS water theme, Advanced Drainage Systems (WMS), which is primarily positioned to benefit from climate change adaptation efforts. WMS is focused on water management solutions including water quality, drainage, basin management and stormwater management. WMS offers services to improve flood security, recharge aquifers and mitigate the risk of water scarcity. The source of funds for this new position was the sale of Zurn Elkay Water Solutions as it hit our valuation target.

Outlook

As we stated at the outset, we see a recovery for clean technology stocks unfolding, based on improving fundamentals within the sector as well as the economy. Management teams generally have more favorable outlooks on their businesses. Some industries which experienced excessive inventory levels are seeing these inventories return to norm, such as Generac Holdings, whose dealer network double-ordered after Covid to ensure they had generators on hand, limiting sales growth for the past 16 months. Generac now has better channel and shipping visibility, leading to improved growth and guidance. The high-interest rate environment and tight labor market that has been causing large infrastructure project pushouts is also abating. Energy Recovery is seeing an improvement in desalination mega-projects in the Middle East, leading to improved earnings visibility for the back half of this year. Aspen Aerogels is held in the GEOS efficient transport theme, because the company offers an economically viable fire-suppression technology for EV batteries. Despite alarmist headlines, the global EV transition is not only intact, but growing, leading to Aspen beating second quarter estimates on earnings, revenues and profits. Aspen has an offtake agreement with GM who just announced at this writing reconfiguration of its EV technology to allow more product development nimbleness to compete with EV global dominator China.

As we have stated before, energy enables everything – from economic growth to social wellbeing. The clean tech transition enables electrons derived from distributed sources to replace fossil fuel molecules, most of which is wasted. According to a recent report from the Lawrence Livermore National Labs, over 2/3 of all energy produced in the US is waste heat, such as the warm exhaust that is released from furnaces or cars. This ancient heating method is wasteful, and not scalable. Corporations are increasingly aware of this and are turning to renewable energy to power operations while lessening risk, from commodity to operational.

The clean tech revolution is ever expanding and we believe will play an even more important role if the trend to more onshoring of our industrial economy is to take place, which will be complicated by increased data center development. Each of the nine GEOS themes enables doing more with less, with the power technology theme we have been emphasizing for several years paramount. We strongly recommend going beyond headlines and looking at the trends at hand – long-term growth trends enabled by commercially viable clean technologies that enable economic growth including job creation across our country – in all districts. We believe the companies offering these technologies and services will have growth and profitability that will be reflected in their share prices as the clean technology recovery continues to unfold. ❖

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.

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

Top Ten Holdings

Percentage of total net assets	37.30%
NextEra Energy, Inc.	5.0%
Badger Meter, Inc.	4.5%
Primoris Services Corporation	4.1%
GE Vernova Inc.	4.0%
Hubbell Incorporated	3.6%
Kingspan Group plc	3.5%
Keyence Corporation	3.3%
Valmont Industries, Inc.	3.2%
Xylem Inc.	3.1%
Cadeler AS	3.0%

The companies mentioned in the commentary on page one have the following percentage of total net assets as of 09/30/2024:

MP Materials	2.8%
Energy Recovery	2.8%
Generac Holdings	2.6%
Aspen Aerogels	2.4%
Advanced Drainage Systems	2.1%
Enovix	1.0%
Array Technologies, Inc.	0.8%

PERFORMANCE

as of September 30, 2024

Average Annual Total Returns at Net Asset Value

	Unannualized		Annualized					Inception Date
	Q3	Calendar YTD	1-Year	3-Year	5-Year	10-Year	Since Inception	
Ordinary Shares	7.28%	9.60%	18.61%	(7.27%)	8.00%	—	6.20%	09/01/2017
Institutional Shares	7.38%	9.83%	18.89%	(7.05%)	8.28%	—	6.47%	09/01/2017
R6 Shares	7.33%	9.83%	18.95%	(7.01%)	—	—	(8.88%)	09/01/2021
MSCI World ¹	6.46%	19.28%	33.03%	9.61%	13.59%	—	11.84%	—

¹ The MSCI World Index captures large and mid-cap representation across 23 Developed Markets (DM) countries. With 1,410 constituents as of 09/30/2024, 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.