

PEAR TREE POLARIS FOREIGN VALUE FUND

FOR THE QUARTER ENDED SEPTEMBER 30, 2021, the Pear Tree Polaris Foreign Value Fund's Ordinary Shares (the "Fund") underperformed its benchmark, the MSCI EAFE Index (the "Index"). The Fund had a return of (2.19%) at net asset value compared to (0.35%) for the Index.

Market Conditions and Investment Strategies

While markets tilted towards value stocks in September, performance from high-growth oriented companies still dominated the index for the majority of the quarter, led by Information Technology (IT) and Health Care; the portfolio was underweight and underperformed in these sectors. The portfolio outperformed in traditional value sectors, including Financials, Real Estate and Materials, which comprise almost 40% of the portfolio. From a country perspective, strong returns were noted in Japan, Belgium, France and out-of-benchmark regions, including Colombia, Thailand and India. However, this was offset by underperformance in Ireland, South Korea, Switzerland, Austria, Italy and the Nordic region.

Among Financials, Siam Commercial, Sumitomo Mitsui Trust and Bancolombia posted double-digit returns. Siam Commercial Bank was up nearly 18% after the company converted into a holding company, with the bank separated from its fintech subsidiaries. Macroeconomic recovery in Colombia boosted the share price of its dominant banking institution, Bancolombia. Communication, Services was the second largest sector contributor, led by Publicis Groupe SE and KDDI Corporation. Daito Trust Construction Co., the Fund's sole real estate holding, was up as the company reported strong orders and higher real estate rental housing occupancy.

Substantial gains from Canadian methanol producer, Methanex Corp., counterbalanced losses elsewhere in the Materials sector. Methanol prices rose nearly 10% from last quarter, an outcome of supply/demand constraints. Methanex was a prime beneficiary, even though one of its own plants in New Zealand contributed to the supply shortage. By contrast, HeidelbergCement and Lundin Mining Corp. declined. Lundin reduced guidance for its Candelaria copper-gold mine in Chile.

The largest sector detractor was Consumer Discretionary, where the portfolio was overweight and underperformed. Strong gains from Sony Group Corp. and D'leteren Group couldn't overcome sector decliners including Magna International, Kia Corp. and Hyundai Mobis. Health Care was hampered by Jazz Pharmaceuticals. The Irish company launched Xywav in 2020, and has outperformed estimates for four consecutive quarters. A "product of its own success", Jazz now faces near-term competition from authorized generics ahead of the slated 2023 timeframe.

Portfolio Changes

The Fund exited Germany's diversified chemical company, Lanxess AG, and Finnish pulp machinery maker Valmet as each met or exceeded Polaris' valuation targets. Grupo Aeroportuario Del Centro Norte was also sold to make room for new buys, including LG Electronics, a global leader in home appliances. Other new purchases included: Tisco Financial, a Thai bank specializing in auto title loans; and Alrosa PJSC, a low-cost producer of rough diamonds.

Outlook

We are cautiously optimistic about the global economy, challenges notwithstanding. Ongoing waves of COVID-19 may cause headwinds, but we believe that rising vaccination rates should dull the impact. People are returning to the workforce, which should ease the supply chain bottlenecks currently faced. In the interim, supply/demand constraints will continue to tax companies reliant on raw materials; we expect the winners will be Materials, Industrials, chemicals and oil refiners that can charge higher commodity prices. We believe many companies in our portfolio will be able to leverage this short-term demand. ❖

TOTAL EXPENSE RATIOS*

	Gross Expense Ratio*	Net Expense Ratio*
Ordinary Shares	1.50%	1.40%
Institutional Shares	1.25%	1.03%
R6 Shares	1.10%	0.94%

* Per Prospectus dated August 2, 2021, 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, 2022 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 is non-diversified, meaning it may concentrate its assets in fewer individual holdings than a diversified fund. Therefore, the Fund is more exposed to individual stock volatility than diversified funds. As a result, a decline in the value of the securities of one issuer could have a significant negative effect on the Fund. The Fund may have significant investments in one or more specific industry sectors, subjecting it to risks greater than general market risk. For example, adverse news from just one or two companies in a particular industry can hurt the prices of all stocks in that industry.

Investment Products

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

PEAR TREE POLARIS FOREIGN VALUE FUND PORTFOLIO HIGHLIGHTS

as of September 30, 2021 (The portfolio is actively managed. Holdings and weightings are subject to change daily.)

Top Ten Holdings

Percentage of total net assets	
22.1%	
2.8%	Jazz Pharmaceuticals plc
2.5%	LG Electronics Inc.
2.4%	Publicis Groupe
2.4%	Popular, Inc.
2.1%	Methanex Corporation
2.1%	DNB Bank ASA
2.0%	SpareBank 1 SR-Bank ASA
2.0%	Kia Motors Corporation
1.9%	Bellway plc
1.9%	Magna International Inc.

The companies mentioned in the commentary on page one have the following percentage of total net assets as of 09/30/2021:

2.1%	Bancolumbia
1.7%	Alrosa PJSC
1.6%	Sony Group Corporation
1.5%	Daito Trust Construction Company
1.3%	Siam Commercial
1.3%	Sumitomo Mitsui Trust
1.3%	KDDI Corporation
1.3%	Hyundai Mobis
1.0%	HeidelbergCement
0.8%	D'leteren Group
0.7%	Lundin Mining Corporation
0.5%	Tisco Financial

PERFORMANCE

as of September 30, 2021

Average Annual Total Returns at Net Asset Value

	Unannualized		Annualized						
	Q3	Calendar YTD	1-Year	3-Year	5-Year	10-Year	15-Year	Since Inception	Inception Date
Ordinary Shares	-2.19%	7.59%	36.76%	3.97%	7.20%	8.54%	4.44%	6.41%	05/15/98
Institutional Shares	-2.11%	7.84%	37.21%	4.34%	7.58%	8.87%	4.72%	7.66%	12/18/98
R6 Shares	-2.06%	7.95%	37.43%	4.45%	—	—	—	7.31%	02/06/17
MSCI EAFE ¹	-0.35%	8.79%	26.29%	8.13%	9.33%	8.60%	4.59%	5.22%	—

¹ The Morgan Stanley Capital International Europe, Australasia, and Far East ("MSCI EAFE") Index is an unmanaged index comprised of stocks in countries other than the United States. It is widely recognized as representative of the general market for developed foreign markets. Index returns assume the reinvestment of dividends and, unlike Fund returns, do not reflect any fees or expenses. You cannot invest directly in an Index. For comparative performance purposes, the beginning date for the Index is 05/29/98.

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.