

## PEAR TREE POLARIS FOREIGN VALUE FUND

**FOR THE QUARTER ENDED DECEMBER 31, 2024**, 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 (9.14%) at net asset value compared to (8.07%) for the Index.

### Market Conditions and Investment Strategies

Outperformance was noted in Communication Services, Health Care and Materials; Consumer Discretionary, Financials and Information Technology were the main detractors. At the country level, double-digit losses in South Korea, France, U.K. and Switzerland were modestly offset by outperformance in Ireland, Singapore and Belgium. The U.S. dollar hit a two-year high and posted an annual gain against almost all major currencies. The differential was especially prominent against the South Korean Won, Canadian Dollar, Swedish Krona and Norwegian Krone – all geographies where the Fund was heavily weighted.

Consumer spending kept pace in the fourth quarter of 2024, but trended toward holiday spends versus higher-ticket items. LG Electronics was down on disappointing third-quarter earnings, resulting from weaker appliance sales and lower operating profit margins in its auto parts division. France-based Michelin faced headwinds, as consumers traded down to lower priced tires, impacting the business mix. One sector standout was Sony Group Corp., as the company gained more than 10% on the back of solid gaming and music revenues.

Among Financials, German reinsurers underperformed due to elevated insured natural catastrophe losses. South Korea-based Shinhan Financial posted lower-than-expected third quarter results, with net profit falling short of forecasts due to derivative trading losses. However, the sector did have some stellar performers, including United Overseas Bank Limited and flatexDEGIRO.

Information Technology results were skewed by geopolitical concerns in both the U.S. and South Korea. SK Hynix and Samsung Electronics declined on the concerns that the incoming Trump administration may impose semiconductor chip trade restrictions. In December, the President of South Korea declared martial law, whereafter the opposition party began impeachment proceedings. Investors sold off the South Korean market, which began to rebound in early 2025.

We must also highlight a number of standout performers for the quarter: Irish biopharma company, Jazz Pharmaceuticals, received accelerated FDA approval of Ziihera for HER2 positive biliary tract carcinoma. Among Industrials, Tecnoglass Inc. had strong earnings, pointing to organic growth, geographic expansion and room for margin improvement. In Materials, Canadian methanol producer Methanex Corp. affirmed its fourth quarter outlook, capitalizing on a fully operational Geismar 3, higher sales volumes, and a firmer pricing environment.

### Portfolio Changes

During the quarter, we exited Antofagasta, Daito Trust and Bellway PLC at a healthy profit, as all three reached the upper valuation thresholds. Capital was redeployed to purchase four new holdings: LATAM Airlines Group, Sanofi SA, Chailease Holding and Vipshop Holdings.

### Outlook

Inflation, interest rates and tariffs mean 2025 is shaping up to be an interesting year for the global economy. Growth is expected to remain at a stable 3.2%, according to the International Monetary Fund, but may be stymied by the slowdown in interest rate cuts. Why? Inflation pushed up in the U.S., U.K. and Eurozone in November. We do believe the "higher-for-longer" stance cuts the right balance in the economy, which is no longer subjected to the artificially low rates that created liquidity traps and asset bubbles. Such environment may favor value stocks with strong current earnings and cash flows vs. growth stocks with longer-dated earnings. ❖

## TOTAL EXPENSE RATIOS\*

	Gross Expense Ratio*	Net Expense Ratio*
Ordinary Shares	1.51%	1.41%
Institutional Shares	1.26%	1.04%
R6 Shares	1.11%	0.94%

\* Per Prospectus dated August 1, 2024, as amended November 1, 2024. 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, 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 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 December 31, 2024 (The portfolio is actively managed. Holdings and weightings are subject to change daily.)

### Top Ten Holdings

Percentage of total net assets	21.5%
Sony Group Corporation	2.5%
Smurfit Westrock plc	2.3%
Itochu Corporation	2.2%
Koninklijke Ahold Delhaize N.V.	2.1%
Jazz Pharmaceuticals plc	2.1%
United Overseas Bank Limited	2.1%
Linde plc	2.1%
ORIX Corporation	2.1%
SKF AB-B	2.0%
Takeda Pharmaceutical Company Limited	2.0%

The companies mentioned in the commentary on page one have the following percentage of total net assets as of 12/31/2024:

Methanex Corporation	2.0%
Michelin	1.9%
Shinhan Financial	1.9%
SK Hynix	1.9%
Samsung Electronics	1.9%
Sanofi SA	1.9%
LG Electronics	1.6%
Chailease Holding	1.6%
Vipshop Holdings	1.0%
flatexDEGIRO	0.6%
Tecnoglass Inc.	0.6%
LATAM Airlines Corporation	0.6%

## PERFORMANCE

as of December 31, 2024

### Average Annual Total Returns at Net Asset Value

	Unannualized		Annualized						
	Q4	Calendar YTD	1-Year	3-Year	5-Year	10-Year	15-Year	Since Inception	Inception Date
Ordinary Shares	(9.14%)	(0.69%)	(0.69%)	(0.43%)	1.89%	3.86%	5.62%	5.59%	05/15/98
Institutional Shares	(9.09%)	(0.35%)	(0.35%)	(0.08%)	2.27%	4.22%	5.95%	6.69%	12/18/98
R6 Shares	(9.09%)	(0.27%)	(0.27%)	0.01%	2.34%	—	—	4.35%	02/06/17
MSCI EAFE <sup>1</sup>	(8.07%)	4.35%	4.35%	2.17%	5.24%	5.71%	5.74%	4.93%	—

<sup>1</sup>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](http://www.pearreefunds.com).