

PEAR TREE POLARIS FOREIGN VALUE FUND

FOR THE QUARTER ENDED SEPTEMBER 30, 2022, 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 (11.99%) at net asset value compared to (9.29%) for the Index.

Market Conditions and Investment Strategies

Underperformance was broadly attributable to overweight positions in economically-sensitive sectors, including Consumer Discretionary, Materials and Information Technology. Daito Trust Construction Co. posted double-digit gains, boosting the portfolio's Real Estate sector results; the portfolio also recorded relative outperformance in Communication Services and Financials. Taiwan was the lone portfolio country to post positive gains on the back of Catcher Technology; the U.K., Canada and South Korea hampered performance.

The Consumer Discretionary sector was the largest detractor. U.K. homebuilders, Taylor Wimpey and Bellway, declined on concerns that higher U.K. interest rates may depress housing markets. Next PLC announced strong first half results but guided down for the second half of the year.

In the Information Technology sector, OpenText Corp.'s stock slid after announcing the acquisition of Micro Focus, a U.K. software company that has struggled with profitability following its own acquisition of Hewlett Packard's software business in 2018.

Among Materials, Yara International reported impressive second quarter results, nearly tripling operating income from the prior comparable period on higher fertilizer prices and strong performance of its overseas assets. Yara hurdled the European gas price issue with its overseas hedge, yet market worries hurt the stock. Methanol prices remained resilient, as Methanex Corp. reported strong quarterly results. Operating rates improved and demand increased, especially in the methanol to olefins business. Nevertheless, the stock dropped on higher U.S. natural gas prices. In Industrials, China's Weichai Power Co. declined as the heavy-duty truck market sales fell, along with its profits, on the back of continued lockdowns in China. Its overseas subsidiary, KION Group, also issued a profit warning.

Partially mitigating losses were the aforementioned Daito Trust and Catcher, as well as several other stocks that posted gains during the quarter. Publicis Groupe noted business momentum, with its Sapient and Epsilon divisions showing organic growth improvement. German reinsurers, Hannover Re and Munich Re, added to financials sector performance on expectations that inflation, limited capacity and higher demand will drive price increases through 2023.

Portfolio Changes

Cineworld Group was sold on concerns of potential shareholder dilution or bankruptcy, the latter of which came true in September. Bunzl PLC and Fresenius SE were sold to invest proceeds in more compelling valuations and defensive business models. The Fund purchased Smurfit Kappa Group PLC; the paper packaging company sits on the lower end of the cost curve thanks to its vertical integration and has proven its ability to raise prices in the current environment.

Outlook

Higher interest rates have yet to tamp inflation. As rates rise, there is greater concern for economic growth. Since early 2022, we have been aligning our portfolio to adapt accordingly by adding more defensive and traditionally recession-proof stocks. We expect that such efforts should provide ballast against ongoing market volatility. That said, markets have likely calculated the macro risks, pricing in the probability that a global recession is on the horizon. Year-to-date (through September 30, 2022), most global indices have teetered into bear market territory. As cautious value investors, we will continue to rebalance holdings as the economy progresses and seek to uncover companies that will benefit in the next three to five years. ❖

TOTAL EXPENSE RATIOS*

	Gross Expense Ratio*	Net Expense Ratio*
Ordinary Shares	1.50%	1.40%
Institutional Shares	1.26%	1.04%
R6 Shares	1.10%	0.94%

* Per Prospectus dated August 1, 2022, 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, 2023 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, 2022 (The portfolio is actively managed. Holdings and weightings are subject to change daily.)

Top Ten Holdings

Percentage of total net assets	24.8%
Popular, Inc.	3.2%
Publicis Groupe	2.5%
Jazz Pharmaceuticals plc	2.5%
Toronto-Dominion Bank	2.5%
KDDI Corporation	2.4%
Marubeni Corporation	2.4%
Brother Industries, Ltd.	2.4%
Linde plc	2.3%
Deutsche Telekom AG	2.3%
Muenchener Ruckversicherungs-Gesellschaft	2.3%

The companies mentioned in the commentary on page one have the following percentage of total net assets as of 09/30/2022:

Methanex Corporation	2.2%
Hannover Re	2.2%
Daito Trust Construction Co.	1.9%
Yara International	1.8%
Catcher Technology	1.6%
Next PLC	1.6%
OpenText Corporation	1.5%
Bellway	1.4%
Taylor Wimpey	1.3%
Weichai Power Co.	1.3%
Smurfit Kappa Group PLC	1.1%

PERFORMANCE

as of September 30, 2022

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	(11.99%)	(29.49%)	(28.99%)	(4.99%)	(3.43%)	2.90%	0.81%	4.66%	05/15/98
Institutional Shares	(11.88%)	(29.29%)	(28.70%)	(4.63%)	(3.06%)	3.23%	1.10%	5.81%	12/18/98
R6 Shares	(11.84%)	(29.26%)	(28.68%)	(4.53%)	(2.98%)	—	—	(0.17%)	02/06/17
MSCI EAFE ¹	(9.29%)	(26.76%)	(24.75%)	(1.38%)	(0.36%)	4.15%	1.09%	3.78%	—

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.peartreefunds.com.