

PEAR TREE POLARIS FOREIGN VALUE SMALL CAP FUND

FOR THE QUARTER ENDED SEPTEMBER 30 2021, the Pear Tree Polaris Foreign Value Small Cap Fund's Ordinary Shares (the "Fund") underperformed its benchmark, the MSCI ACWI ex USA Small Cap Index (the "Index"). The Fund had a return of (2.31%) at net asset value compared to 0.09% for the Index.

Market Conditions and Investment Strategies

During the quarter, the Fund saw positive contributions from Financials, Real Estate, Health Care and Consumer Staples. However, these gains were eroded by losses among Industrials, Materials and Consumer Discretionary sector holdings. Outperformance in overweight countries including Belgium, Norway, Indonesia and Taiwan partially offset declines from South Korea, U.K., Hong Kong and the Netherlands. Foreign exchange was the largest deterrent to portfolio performance, as the U.S. dollar depreciated against almost all currencies to which the Fund has exposure.

Four of the top 10 holdings came from the Financial Sector, namely Goeasy Ltd, OSB Group, Ringkjoebing Landbobank and Moneta Money Bank. Goeasy, the Canadian alternative financial services company, posted solid quarterly results with lower credit costs. With new funding secured at much lower interest rates, Goeasy will expand its consumer business. One of the most popular Danish banks, Ringkjoebing announced robust earnings and continued their share buyback program. All three Real Estate Fund holdings gained ground, with Pakuwon Jati benefiting from the post-pandemic reopening of the Indonesian economy.

Among other individual standouts was D'leteren Group, the Belgian automobile distribution and vehicle glass company, which announced a commercial vehicle parts acquisition. Additionally, the second-largest shareholder of Belron (a division of D'leteren) sold a minority stake to three private equity funds; the premium priced deal values Belron at an equity value of \$19.8 billion, implying that D'leteren's Belron stake is valued at \$9.9 billion whereas D'leteren's total equity market capitalization is \$9.0 billion. Greencore Group offered an improved trading update, with growth in food-to-go and convenience categories, new business wins and late-stage development of an eco-friendly sandwich skillet.

Ongoing supply/demand challenges negatively impacted a number of fund holdings. In Consumer Discretionary, Halfords Group and Fila Holdings both pointed to delayed COVID-19 recovery, constrained production, raw material inflation and higher freight costs. The same held true for IT companies like Vtech Holdings. Although the company reported strong quarterly results and a solid order book, Vtech stated that a shortage of electronic components, higher materials prices and shipping costs will impact the company's bottom line in 2022.

Portfolio Changes

This was a busy quarter for portfolio changes with eight sales, most of which reached valuation targets. UDG Healthcare and Fjord1 were sold as they became acquisition targets. Ratch Group was exited on questionable capital allocation decisions that strayed from core utility services. Cash from sales was redeployed to existing holdings, as well as three new buys: Sankyu Inc., a Japanese engineering services company specializing in plant maintenance for the steel, petrochemical, oil refining and electricity industries; AEM Holdings, a Singapore-based manufacturer of semiconductor test handlers for customers including Intel; and Tisco Financial, a Thai bank specializing in auto title loans.

Outlook

In early 2020, we increased the number of holdings in our portfolio as COVID-19 induced volatility provided attractive entry points to fundamentally strong, but previously overpriced, companies. As many of these companies recovered, we sold at a profit and gradually began reducing the number of holdings to traditional norms. This past quarter was no exception. Our research screens are ripe with opportunities; we will continue our current buy/sell execution while paring down our portfolio. We expect this strategy will enhance the valuation, risk profile and ultimately performance of the Fund. ❖

PEAR TREE POLARIS FOREIGN VALUE SMALL CAP FUND PORTFOLIO HIGHLIGHTS

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

TOTAL EXPENSE RATIOS*

	Gross Expense Ratio*	Net Expense Ratio*
Ordinary Shares	1.53%	1.43%
Institutional Shares	1.28%	1.06%
R6 Shares	1.13%	1.03%

* Per Prospectus dated August 2, 2021, as amended. Reflects all fee waivers currently in effect. Fee waivers may not be amended, rescinded or terminated before July 31, 2022 without the consent of the Fund's Trustees.

Top Ten Holdings

Percentage of total net assets	20.0%
Greencore Group plc	2.3%
Glanbia plc	2.1%
Prima Meat Packers Limited	2.1%
goeasy Ltd.	2.1%
C & C Group plc	2.1%
Equatorial Energia S.A.	2.0%
Jumbo S.A.	1.9%
LIC Housing Financing Limited	1.8%
Huaku Development Co., Limited	1.8%
Elite Material Co., Limited	1.8%

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

D'leteran Group	1.7%
Moneta Money Bank	1.7%
OSB Group	1.7%
Ringkjoebing Landbobank A/S	1.7%
Fila Holdings	1.6%
Vtech Holdings	1.3%
Pakuwon Jati	1.1%
Halfords Group	1.0%

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.

Small company stocks may trade less frequently and in a limited volume, and their prices may fluctuate more than stocks of other companies. Small company stocks may therefore be more vulnerable to adverse developments than those of larger companies. The Fund is non-diversified, meaning it may concentrate its assets in fewer individual holdings than a diversified fund.

(continued)

Investment Products

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

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	Since Inception	Inception Date
Ordinary Shares	-2.31%	13.35%	39.36%	7.87%	8.99%	10.05%	7.09%	05/01/08
Institutional Shares	-2.25%	13.70%	39.86%	8.27%	9.38%	10.38%	7.38%	05/01/08
R6 Shares	-2.27%	13.75%	40.00%	8.29%	—	—	9.50%	02/06/17
MSCI ACWI ex USA Small Cap Index ¹	0.09%	12.57%	33.55%	10.76%	10.69%	9.84%	6.28%	—

¹The MSCI ACWI ex USA Small Cap Index, captures small cap representation across 22 of 23 Developed Markets (DM) countries (excluding the United States). With 4,391 constituents, the index covers approximately 14% of the free float-adjusted market capitalization in each country. You cannot invest directly in an index. For comparative performance purposes, the beginning date for the Index is 05/01/2008.

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 (CONTINUED)

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.