

PEAR TREE POLARIS FOREIGN VALUE SMALL CAP FUND

FOR THE QUARTER ENDED DECEMBER 31, 2022, the Pear Tree Polaris Foreign Value Small Cap Fund's Ordinary Shares (the "Fund") outperformed its benchmark, the MSCI ACWI ex USA Small Cap Index (the "Index"). The Fund had a return of 15.14% at net asset value compared to 13.39% for the Index.

Market Conditions and Investment Strategies

The Fund had double-digit gains in Consumer Discretionary, Financials, Industrials and Consumer Staples. The Fund is overweight in these four sectors, collectively comprising approximately 70% of the portfolio. Information Technology (IT) was the biggest detractor to performance. From a country perspective, Europe helped with Fund holdings in the U.K., Sweden, Norway, Denmark and France contributing measurably, while Asia was a mixed bag with Japan doing well while stocks in Taiwan, Singapore and Hong Kong underwhelmed. Reversal of the U.S dollar also helped; the dollar weakened after a prolonged period of strengthening against most currencies to which the Fund is exposed.

Elis SA, the French laundry service, was the top contributor to Fund performance, as post-pandemic reopening drove strong organic growth. The company resumed hotel/office services, while maintaining its defensive volumes. Elsewhere in the Industrials sector, Tecnoglass Inc. had impressive third quarter results, with organic growth in both the residential and commercial space. In the Consumer Discretionary sector, D'Ieteren Group hired a new CEO for Belron, their global glass repair business. The CEO has a long tenure integrating M&A activities, which will be a boon for Belron as it continues its acquisitive growth initiatives. De'Longhi SPA's revenues fell modestly amid mounting European headwinds, but its professional coffee machine division showed sustained growth; the market responded positively to this relatively stable news. Jumbo, the Greek toy company, had impressive third-quarter earnings, with sales up nearly 8% year over year amid brick-and-mortar expansion into other countries. A convergence of global events (Russia-Ukraine war, Hurricane Ian), 40-year high inflation and a decline in capital to underpin underwriting activity led to the firmest insurance pricing environment in decades, benefiting insurance company Lancashire Holdings Ltd.

Several IT stocks were impacted by industry-wide demand weakness. Among those were BizLink Holding, Primax Electronics and AEM Holdings. Dowa Holdings, the Japanese nonferrous metals manufacturer, announced a quarter end miss, lowering full year guidance on higher energy costs.

Portfolio Changes

To lower the Fund's geopolitical risk, Taiwan's King's Town and Taiwan Union Technology were sold. Vtech, the maker of electronic learning products, was exited as online competition usurped market share. Intertrust Group, the Netherlands-based international trust company, was also sold. Capital was reallocated to CIE Automotive, the Spanish auto components manufacturer; Technip Energies NV, a French engineering and tech company for the energy industry; and German discount brokerage firm, flatexDEGIRO.

Outlook

For the foreseeable future, we expect central banks worldwide will raise interest rates to temper inflation – albeit at more metered increments. Regardless of the pace of hikes, the end result is the same: the cost of capital goes higher and liquidity is drained out of the system. We are starting to see savings dwindle and companies face higher costs and lower volumes on slower consumer spending. As economic growth stagnates, we expect pricey high-growth stocks to suffer. At Polaris, we maintain a strict value commitment, steering clear of the richly-valued stocks and tech high-flyers prone to steep declines in this environment. Our research screens continue to find attractively-priced, fundamentally sound companies intended to diversify the portfolio, enhance the valuation profile and minimize downside risk. ❖

TOTAL EXPENSE RATIOS*

	Gross Expense Ratio*	Net Expense Ratio*
Ordinary Shares	1.51%	1.41%
Institutional Shares	1.26%	1.04%
R6 Shares	1.12%	1.02%

* Per Prospectus dated August 1, 2022, as amended. Reflects all fee waivers currently in effect. Fee waivers 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.

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

PEAR TREE POLARIS FOREIGN VALUE SMALL CAP FUND PORTFOLIO HIGHLIGHTS

as of December 31, 2022 (The portfolio is actively managed. Holdings and weightings are subject to change daily.)

Top Ten Holdings

Percentage of total net assets	25.8%
D'leteren S.A.	3.1%
Elis S.A.	2.8%
QinetiQ	2.7%
Ringkjoebing Landbobank A/S	2.6%
Lancashire Holdings Limited	2.5%
Equatorial Energia S.A.	2.5%
Jumbo S.A.	2.5%
Hexpol AB	2.4%
Inchcape plc	2.4%
Thanachart Capital PCL	2.3%

The companies mentioned in the commentary on page one have the following percentage of total net assets as of 12/31/2022:

Technip Energies NV	2.3%
De'Longhi SPA	2.2%
Tecnoglass Inc.	2.1%
AEM Holdings	1.9%
Dowa Holdings	1.6%
Primax Electronics	0.9%
BizLink Holding	0.8%
CIE Automotive	0.5%
flatexDEGIRO	0.3%

PERFORMANCE

as of December 31, 2022

Average Annual Total Returns at Net Asset Value

	Unannualized		Annualized					
	Q4	Calendar YTD	1-Year	3-Year	5-Year	10-Year	Since Inception	Inception Date
Ordinary Shares	15.14%	(17.60%)	(17.60%)	0.29%	(0.37%)	5.78%	5.18%	05/01/08
Institutional Shares	15.22%	(17.30%)	(17.30%)	0.64%	(0.01%)	6.11%	5.48%	05/01/08
R6 Shares	15.33%	(17.26%)	(17.26%)	0.72%	0.04%	—	4.32%	02/06/17
MSCI ACWI ex USA Small Cap Index ¹	13.39%	(19.57%)	(19.57%)	1.50%	1.08%	5.65%	4.22%	—

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 4,331 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.