

PEAR TREE POLARIS FOREIGN VALUE SMALL CAP FUND

FOR THE QUARTER ENDED DECEMBER 31, 2023, 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 11.62% at net asset value compared to 10.20% for the Index.

Market Conditions and Investment Strategies

Improving inflation data in October and dovish comments from central banks spurred on a rally in November and December. Rate-sensitive cyclicals performed best in this environment, led by Financials, Consumer Discretionary and Industrials, where the Fund was overweight. Defensives including Health Care and Energy detracted. Holdings in the United Kingdom, Italy, Canada and the Netherlands topped performance, with notable double-digit returns in each country. Jordanian stock Hikma Pharmaceuticals declined, as did two companies in Hong Kong. Foreign exchange contributed to portfolio performance, as the U.S. dollar depreciated against almost all currencies to which the Fund has exposure.

Over 50% of Fund holdings had double-digit returns for the quarter, led by De'Longhi SPA, Hexpol AB, Tecnoglass Inc. and two Financials, goeasy Ltd and OSB Group PLC. Italian appliance supplier De'Longhi boosted full-year guidance and announced a minority stake in espresso equipment brand, La Marzocco. Hexpol recovered from third quarter lows after announcing a new CEO. goeasy posted impressive third quarter results, as increased loan originations led to record loan portfolio growth; the company also noted stable credit and lower net charge offs. OSB Group raised growth projections for the year, as U.K. customers paid down debt. Competitor Paragon also announced good results, tangentially boosting OSB. Architectural glass manufacturer, Tecnoglass, entered the vinyl window market, effectively doubling total available market reach.

Detractors were few and far between this quarter. U.K.-based Hikma Pharmaceuticals declined after issuing a cautious outlook on the U.S. injectable and generics market. Japan homebuilder, Open House Group, reported stellar fiscal year end numbers with higher sales, operating income and profit in all segments. However, the CFO forecasted flat to stagnant single-family home sales in 2024. Technip struggled to exit its Russian LNG business and was downgraded by Barclays.

Portfolio Changes

This quarter marked the largest turnover period for 2023, as the Fund sold out of five companies on valuation. The recent macroeconomic rotation spurred on the sales, as exemplified by the exits of Tripod Technology and Sercomm Corp.; both IT companies peaked on projected 2024 AI growth and resumption of consumer electronics sales. Capital was reallocated to the purchase of a half dozen attractively priced companies, diversified across Consumer Discretionary (Redrow PLC, The Berkeley Group Holdings and China Meidong Auto Holdings) and Industrials (Signify NV and Doosan Bobcat Inc.), plus one Consumer Staples company, South Korean confectionery, Orion Corp.

Outlook

The U.S. and India will enter 2024 firing on all cylinders, seemingly impervious to softening global demand trends. Similarly, we expect industry gainers will be concentrated in AI and green energy, where hype drives up stock prices. Most other industries will be more cautious, slowly rebuilding inventory after a long destocking period. Hype creates opportunities to sell at a profit, which is what we did in the fourth quarter; a potentially weaker 2024 market allows us to purchase good quality stocks at bargain prices. This is a prime opportunity for value investors like ourselves; we expect that portfolio repositioning will result in continued outperformance. ❖

TOTAL EXPENSE RATIOS*

	Gross Expense Ratio*	Net Expense Ratio*
Ordinary Shares	1.52%	1.42%
Institutional Shares	1.27%	1.05%
R6 Shares	1.12%	1.02%

* Per Prospectus dated August 1, 2023, as amended. Reflects all fee waivers currently in effect. Fee waivers may not be amended, rescinded or terminated before July 31, 2024 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, 2023 (The portfolio is actively managed. Holdings and weightings are subject to change daily.)

Top Ten Holdings

Percentage of total net assets	26.5%
De'Longhi S.p.A.	3.3%
Hexpol AB	2.7%
Vistry Group plc	2.7%
Signify N.V.,	2.6%
D'leteren S.A.	2.6%
Aalberts N.V.	2.6%
Daicel Corporation	2.5%
Elis S.A.	2.5%
Equatorial Energia S.A.	2.5%
EQB Inc.	2.5%

The companies mentioned in the commentary on page one have the following percentage of total net assets as of 12/31/2023:

Technip	2.2%
Doosan Bobcat Inc.	2.2%
Tecnoglass	2.1%
goeasy Ltd.	2.0%
Hikma Pharmaceuticals	1.9%
OSB Group PLC	1.9%
Orion Corporation	1.9%
Open House Group	1.7%
Redrow PLC	1.3%
The Berkeley Group Holdings	1.2%
China Meidong Auto Holdings	0.4%

PERFORMANCE

as of December 31, 2023

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	11.62%	20.78%	20.78%	4.63%	7.94%	5.43%	6.11%	05/01/08
Institutional Shares	11.69%	21.29%	21.29%	5.04%	8.34%	5.78%	6.42%	05/01/08
R6 Shares	11.78%	21.28%	21.28%	5.10%	8.40%	—	6.62%	02/06/17
MSCI ACWI ex USA Small Cap Index ¹	10.20%	16.23%	16.23%	1.96%	8.36%	5.30%	4.94%	—

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 4,372 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.