

PEAR TREE POLARIS FOREIGN VALUE SMALL CAP FUND

FOR THE QUARTER ENDED DECEMBER 31, 2025, 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 (0.40%) at net asset value compared to 3.02% for the Index.

Market Conditions and Investment Strategies

The Fund outperformed in Financials, Consumer Discretionary and Consumer Staples, further bolstered by gains in Utilities. Yet returns trailed the benchmark due to losses in Industrials, Information Technology (IT), Energy and Materials. In particular, the Fund had limited exposure to a heated metals and mining subsector of Materials, impacting performance. Top country contributions hailed from Japan, Norway, Thailand and Italy, while select Asian economies (China, Hong Kong and South Korea) detracted.

In Consumer Discretionary, Italian appliance maker De'Longhi SPA posted strong sales on the backdrop of efficient operations; the company raised its financial guidance for the second time in 2025, pointing to upbeat revenue forecasts. Japan's Open House Group posted fiscal year-end sales and profits that exceeded the prior comparable period. Management listed a handful of contributing factors: moderate economic recovery, accommodative monetary policies and higher average land prices (both commercial and residential). Among Financials, Thanachart Capital benefitted from a declining interest rate environment, reducing its cost of funds faster than the decline in the yield of earning assets, while expanding its loan portfolio. The company was able to maintain earnings and issue hefty dividends. Canada's EQB Inc. gained on news of its acquisition of PC Financial, making EQB the exclusive financial partner for the PC Optimum program, boosting its customer base by over 2 million. Brazilian Energy company Equatorial Energia reported robust third quarter earnings on the backdrop of operational efficiencies and strategic divestments, including the sale of its transmission segment.

Among detractors, Canadian alternative financial services company goeasy Ltd. fell after an unsubstantiated short report alleged accounting manipulation. IT company VSTECS Holdings delivered record-breaking performance in the third quarter of 2025, driven by robust demand in AI-related infrastructure and public sector projects. The stock declined on profit taking. International rental car company SIXT was down after its German management team guided for soft demand in 2026.

Two Industrials were relegated to the bottom 10 holdings: South Korea's Poongsan Corp. posted lower quarterly operating profits, mainly due to U.S. subsidiary PMX Industries. Contributing factors included volatile copper prices, higher production costs, weak shipments, and delayed defense sales. In mid-November, British global defense security and aerospace company QinetiQ Group reported first half results that outlined lower revenues but higher operating profit margins. The company went on to maintain upbeat guidance; however, investors remained wary of challenging market conditions.

Portfolio Changes

During the quarter, the Fund sold Kingboard Laminates as it reached valuation limits, while Orion Corp. was exited on corporate governance concerns. Proceeds were reinvested into steel wire manufacturer (for tire cord, construction, etc.) Bekaert NV and three Consumer Discretionary stocks: Sweden's for-profit education company, Academedia SA; South African car distributor Motus Holdings; and French small appliance manufacturer SEB SA.

Outlook

International small caps are increasingly attractive as investors rotate from concentrated big tech and AI positions toward broader, fundamentally-driven opportunities in undervalued markets. The combination of attractive valuations in Europe and emerging markets, onshoring/nearshoring tailwinds, limited exposure to tariffs/geopolitical risks and U.S. dollar weakness creates a compelling backdrop for international small caps. ♦

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, 2025, as amended. Reflects all fee waivers currently in effect. Fee waivers may not be amended, rescinded or terminated before July 31, 2026 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.

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, 2025 (The portfolio is actively managed. Holdings and weightings are subject to change daily.)

Top Ten Holdings

Percentage of total net assets	28.5%
Equatorial Energia S.A.	4.0%
D'leteren S.A.	3.5%
Sopra Steria	3.3%
Glanbia plc	3.1%
Sixt SE	2.9%
Ipsos	2.4%
Elis S.A.	2.4%
Daicel Corporation	2.3%
EQB Inc.	2.3%
Rubis	2.3%

The companies mentioned in the commentary on page one have the following percentage of total net assets as of 12/31/2025:

Open House Group	2.2%
Thanachart Capital	2.2%
De'Longhi SPA	2.1%
goeasy Ltd.	2.1%
Poongsan Corporation	2.1%
SEB SA	2.0%
VSTECS Holdings	1.9%
QinetiQ Group	1.5%
Academedia SA	1.1%
Motus Holdings	1.1%
Bekaert NV	0.5%

PERFORMANCE

as of December 31, 2025

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	(0.40%)	25.95%	25.95%	14.12%	7.11%	7.12%	6.65%	05/01/08
Institutional Shares	(0.34%)	26.44%	26.44%	14.56%	7.52%	7.50%	6.97%	05/01/08
R6 Shares	(0.12%)	26.67%	26.67%	14.62%	7.59%	-	7.68%	02/06/17
MSCI ACWI ex USA Small Cap Index ¹	3.02%	29.88%	29.88%	16.17%	7.41%	8.59%	6.16%	-

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 4,062 constituents as of 12/31/2025, 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.