

## PEAR TREE POLARIS FOREIGN VALUE SMALL CAP FUND

**FOR THE QUARTER ENDED MARCH 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 7.00% at net asset value compared to 4.81% for the Index.

### Market Conditions and Investment Strategies

The Fund had absolute gains in 9 of 10 invested sectors, led by double-digit results in Industrials and Energy. Strong returns in overweight sectors, including Consumer Discretionary, Consumer Staples and Utilities also added to outperformance. Communication Services, the sole sector in negative territory, was hampered by lackluster results from Future Inc. At the country level, most European holdings were up with France, Sweden, Ireland, Denmark and Germany contributing measurably, while Asian results were mixed. The largest detractors were Norway and the U.K., where the Fund was overweight.

Technip Energies, a French energy engineering company, was the top contributor; the company was a new buy in the fourth quarter of 2022. Technip had solid momentum in its New Energy order book, partnering with Baker Hughes and Shell on energy construction that lower emissions. The company also landed sizeable project management/engineering awards with Middle East oil companies. Among Industrials, Elis SA and Tecnoglass Inc. both posted gains in excess of 30%, marking another consecutive quarter of impressive returns. French laundry firm Elis shared upbeat 2023 guidance, expecting to capitalize on the post-pandemic reopening of hotel/office services in combination with its resilient hospital/uniform business. Tecnoglass released strong quarterly results, concentrating on lucrative geographies (San Francisco, Texas and Florida); a strong supply chain helped usurp business from its competitors.

Among detractors, Lancashire Holdings posted a loss in 2022 on higher catastrophes; however, forward-looking projections are positive, backed by strong pricing barring above average losses. Canada's goeasy was down when the federal government capped the annual interest rate on loans at 35% from the previously allowable 47%. The company still expects earnings growth even with this new policy. In Consumer Discretionary, Nature Holdings reported lower earnings on weak Korean domestic consumption and costs related to new brand launches. Halfords Group, the U.K.'s largest bicycle retailer, issued a weak trading report, pointing to labor shortages and cost pressures amid slack demand for higher-priced discretionary spends.

### Portfolio Changes

During the quarter, the Fund exited Aeon Group, which was weighed down by issues at four large fixed-price legacy projects. Nomad Foods lost its luster, as the cost-of-living crisis turned consumers from branded to private label foods; the stock was sold on lower sales/volumes coupled with high debt. Capital was reallocated to existing holdings and new purchase France-based Rubis, which distributes petroleum and LPG products in the Caribbean and North Africa. As a carbon-based company, Rubis stock was discounted; however, the company has room for growth after actively expanding into the renewable energy space in France and building out green partnerships.

### Outlook

The torrid pace of inflation has slowed from late 2022 as supply bottlenecks and energy prices declined. Nevertheless, central banks will continue their tightening monetary policies, albeit at smaller increments, for the foreseeable future, alluding to tight labor markets, low unemployment and nominal wage growth. A slowdown is inevitable, the speed and gravity of which is still in question considering the remarkably resilient markets. Recent travels have identified a number of attractively-priced small cap stocks effectively weathering volatile conditions, ripe for growth in a market recovery. ❖

## 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 March 31, 2023 (The portfolio is actively managed. Holdings and weightings are subject to change daily.)

### Top Ten Holdings

Percentage of total net assets	27.0%
Elis S.A.	3.2%
Technip Energies N.V.	3.1%
Tecnoglass, Inc.	2.8%
D'leteren S.A.	2.8%
Hexpol AB	2.8%
Equatorial Energia S.A.	2.6%
Sanwa Holdings Corporation	2.5%
Thanachart Capital PCL	2.5%
Loomis AB, Class B	2.4%
Glanbia plc	2.3%

The companies mentioned in the commentary on page one have the following percentage of total net assets as of 03/31/2023:

Rubis	2.2%
Future Inc.	1.9%
Lancashire Holdings	1.9%
goeasy	1.2%
Nature Holdings	0.9%
Halfords Group	0.8%

## PERFORMANCE

as of March 31, 2023

### Average Annual Total Returns at Net Asset Value

	Unannualized		Annualized					
	Q1	Calendar YTD	1-Year	3-Year	5-Year	10-Year	Since Inception	Inception Date
Ordinary Shares	7.00%	7.00%	(5.95%)	15.92%	1.50%	5.76%	5.57%	05/01/08
Institutional Shares	7.16%	7.16%	(5.65%)	16.35%	1.87%	6.10%	5.87%	05/01/08
R6 Shares	7.14%	7.14%	(5.59%)	16.41%	1.91%	—	5.32%	02/06/17
MSCI ACWI ex USA Small Cap Index <sup>1</sup>	4.81%	4.81%	(9.91%)	15.53%	2.10%	5.47%	4.47%	—

<sup>1</sup>The MSCI ACWI ex USA Small Cap Index, captures small cap representation across 22 of 23 Developed Markets (DM) countries (excluding the United States). With 4,358 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](http://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.