

PEAR TREE POLARIS FOREIGN VALUE SMALL CAP FUND

FOR THE QUARTER ENDED SEPTEMBER 30, 2022, 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 (11.02%) at net asset value compared to (8.25%) for the Index.

Market Conditions and Investment Strategies

Macro-economic fears spilled into the foreign exchange market with the Euro falling below parity with the U.S. dollar for the first time in 20 years. The Korean Won fell to a 13-year low against the U.S. dollar; the British Pound dropped to an all-time low; and most Asian economies (Japan and Taiwan) also noted weakness. The Fund's underperformance was partially attributable to foreign exchange, as nearly half of the portfolio is invested in the aforementioned countries. Underperformance in overweight consumer sectors also weighed down results; strong outperformance in Utilities, Real Estate, Materials, Information Technology, Financials and Industrials couldn't override the losses.

Utility holding, Equatorial Energia, was the top contributor for the quarter. The company announced plans to acquire Brazilian electricity distributor Celg-D; the attractively-priced bid met with market approval. Four of the top 10 performing stocks were in the Industrial sector, including Technoglass Inc, Sankyu Inc., Loomis AB and Kanematsu Corp., all of which reported strong quarterly results and reaffirmed guidance on decent demand.

In Consumer Staples, Glanbia PLC had strong first half results that beat estimates, highlighting product mix and good cost controls as well as impressive consumption data from its Optimum Nutrition division. In contrast, U.K. frozen foods company, Nomad Foods, was downgraded by two credit rating agencies who postured that operating performance would be impacted by input costs and declining consumer confidence in the European Union and U.K.

The U.K. government's growth plans, involving tax cuts and heavy government borrowing, met with investor skepticism and a quick currency depreciation. Nearly all U.K. stocks in the Fund portfolio were punished on this news; yet fundamentals remain strong at homebuilders Vistry Group and Crest Nicholson. Another U.K. holding, Future PLC, announced good operating profits at the top end of estimates; the stock price sank when the CEO announced her retirement late next year. Canada's Aecon Group missed earnings estimates, with gross profit decreasing due to a light rail transit project and margin pressure in its civil and nuclear operations.

Portfolio Changes

During the quarter, the Fund sold two stocks on deteriorating macro-economics, including Shanghai Mechanical (slower China GDP growth) and Cathay Real Estate Development (geopolitical risks in Taiwan). French vegetable producer, Bonduelle, was exited as the company encountered headwinds (crop disease, bad weather or macro weakness) every year over the past few years that consistently effected their operations and cash flows. There were no new buys, but the Fund added to a number of noteworthy defensive stocks in the portfolio.

Outlook

The expected economic downturn materialized this quarter, with inflation resistant to central banks' interest rate increases. This negative momentum we expect will continue for the next few quarters, with a recession imminent or already in progress. Over the past nine months, we trimmed down our cyclicals in favor of defensives to ballast the portfolio in case of recession. These efforts have proven fruitful, as our year-to-date performance bested the MSCI ACWI ex USA Small Cap benchmark. We continue to deploy this strategy, keeping some cash on hand for opportunistic attractively-priced purchases. Portfolio additions are forthcoming, based on a strong pipeline of ideas backed by on-the-ground research as travel resumes. ❖

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 September 30, 2022 (The portfolio is actively managed. Holdings and weightings are subject to change daily.)

Top Ten Holdings

Percentage of total net assets	24.2%
Equatorial Energia S.A.	3.1%
BizLink Holding, Inc.	2.6%
D'leteren S.A.	2.6%
QinetiQ	2.5%
Sanwa Holdings Corporation	2.3%
AEM Holdings Limited	2.3%
Ringkjoebing Landbobank A/S	2.2%
Future plc	2.2%
Open House Group Co., Ltd.	2.2%
TISCO Financial Group	2.2%

The companies mentioned in the commentary on page one have the following percentage of total net assets as of 09/30/2022:

Glanbia PLC	2.1%
Loomis AB	2.0%
Nomad Foods	2.0%
Kanematsu Corporation	1.9%
Technoglass Inc.	1.6%
Vistry Group	1.6%
Aecon Group	1.6%
Sankyu Inc.	1.5%
Crest Nicholson	0.6%

PERFORMANCE

as of September 30, 2022

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	(11.02%)	(28.44%)	(27.32%)	(0.54%)	(2.42%)	5.09%	4.25%	05/01/08
Institutional Shares	(11.00%)	(28.23%)	(27.06%)	(0.20%)	(2.07%)	5.42%	4.54%	05/01/08
R6 Shares	(11.01%)	(28.26%)	(27.03%)	(0.15%)	(2.03%)	—	1.91%	02/06/17
MSCI ACWI ex USA Small Cap Index ¹	(8.25%)	(29.07%)	(28.57%)	0.80%	(0.16%)	4.83%	3.39%	—

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 4,386 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.