

PEAR TREE POLARIS SMALL CAP FUND

FOR THE QUARTER ENDED DECEMBER 31, 2024, the Pear Tree Polaris Small Cap Fund's Ordinary Shares (the "Fund") underperformed its benchmark, the Russell 2000 Total Return Index (the "Index"). The Fund had a return of (2.45%) at net asset value compared to 0.33% for the Index.

Market Conditions and Investment Strategies

Outperformance among Financials and Health Care provided ballast in an otherwise underwhelming quarter, where both the Fund and benchmark suffered declines in more than half of sectors. The Fund's overweight in a lackluster Materials sector detracted most, with Lundin Mining Corp. and Cabot Corp. down more than 15% each. Shares of Lundin Mining fell amidst copper price volatility and global output. Aside from commodity fluctuations, the company's efforts to improve shareholder capital were notable. Cabot reported impressive quarterly earnings, driven by growth in reinforcement materials and performance chemicals. However, the stock declined in December as there were longer year-end shutdowns at tire customers, as well as the unexpected closure of a tire plant in Buffalo.

Industrials had barbell returns, with strong returns from Allison Transmission Holdings, Barrett Business Services, Curtiss-Wright Corp. and Tecnoglass Inc. offset by losses from Carlisle Cos., Maximus Inc. and Science Applications International (SAIC). Allison stock surged on strong earnings, while announcing plans to double its manufacturing footprint and expand market share via strategic partnerships. Conversely, Maximus announced shrinking backlog and muted 2025 guidance. Carlisle was in the same situation, pointing to lower topline growth on weaker non-residential weatherproofing.

Many Financials reported strong earnings for the quarter, exemplified by Cullen/Frost's projections of 2-3% net interest income growth and double-digit average loan growth. Education loan provider SLM Corp. was boosted by the Trump administration possibly limiting various government student lending vehicles, leading to higher loan origination for SLM's private student loans.

In Health Care, Exelixis Inc., Trubridge Inc. and Supernus Pharmaceuticals posted stellar double-digit gains. Exelixis won a court battle over a patent for cancer drug Cabometyx, ensuring that generic competitors can't come to market until January 2030. Hospital/health facility computer programming company Trubridge executed its turnaround strategy, offering better products to its burgeoning client base. Injectables/inhalation manufacturer Amphastar Pharmaceuticals was purchased during the quarter, further diversifying an idiosyncratic biopharma portfolio.

Portfolio Changes

During the quarter, Janus International Group, Enghouse Systems and Innovex International were sold on forward fundamental concerns, as each faced challenging operating environments and/or weak demand. The Fund sold FNB Corp. at a profit, redeploying assets to two other Financials: Bermuda-based Bank of N.T. Butterfield and HomeTrust Bancshares. Other new buys included clothing retailer American Eagle, the aforementioned Amphastar Pharmaceuticals, and NETSTREIT Corp., a Texas-based real estate investment trust with an impressive lineup of investment-grade tenants.

Outlook

We remain cautiously optimistic about the prospects for U.S. small caps in 2025, while we expect some near-term volatility as the new administration takes office. The Fed has signaled that interest rate cuts may be few and far between in 2025 as economic policies (promises of higher tariffs, onshoring, tax cuts and immigration policies) may prove to be inflationary. We are carefully assessing our rate-sensitive holdings and repositioning toward some more defensive and underweight sectors like Consumer Staples and Health Care. Overall, we are proponents of a "higher-for-longer" rate strategy; such environment may favor value stocks with strong current earnings and cash flows vs. growth stocks with longer-dated earnings. ❖

TOTAL EXPENSE RATIOS*

	Gross Expense Ratio*	Net Expense Ratio*
Ordinary Shares	1.45%	1.45%
Institutional Shares	1.21%	1.09%
R6 Shares	1.06%	1.05%

* Per Prospectus dated August 1, 2024, as amended November 1, 2024. Reflects all fee waivers currently in effect. Fee waivers may not be amended, rescinded or terminated before July 31, 2025 without the consent of the Fund's Trustees.

A WORD ABOUT RISK

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 may invest in issuers in the real estate industry. Changes in real estate values or economic downturns can have a significant negative effect on these issuers. The Fund may invest in foreign issuers that trade on U.S. stock exchanges. These issuers may be subject to special risks including different corporate governance rules and bankruptcy laws.

(continued)

Investment Products

- Not FDIC insured
- May lose value
- No bank guarantee

PEAR TREE POLARIS SMALL CAP FUND PORTFOLIO HIGHLIGHTS

as of December 31, 2024 (The portfolio is actively managed. Holdings and weightings are subject to change daily.)

Top Ten Holdings

Percentage of total net assets	
23.9%	Barrett Business Services, Inc.
2.7%	SLM Corporation
2.6%	OFG Bancorp
2.5%	South Plains Financial, Inc.
2.4%	International Bancshares Corporation
2.4%	HomeTrust Bancshares, Inc.
2.3%	Colony Bankcorp, Inc.
2.3%	Air Lease Corporation
2.3%	Ingles Markets Inc.
2.2%	EVERTEC Inc.

The companies mentioned in the commentary on page one have the following percentage of total net assets as of 12/31/2024:

2.2%	Cullen/Frost
2.2%	Bank of N.T. Butterfield
2.0%	Tecnoglass Inc.
2.0%	Maximus Inc.
1.9%	NETSTREIT Corporation
1.8%	Lundin Mining Corporation
1.8%	Cabot Corporation
1.8%	Allison Transmission Holdings
1.8%	Carlisle Cos.
1.8%	Supernus Pharmaceuticals
1.6%	Exelixis Inc.
1.5%	Science Applications International
1.2%	Trubridge Inc.
1.1%	American Eagle
1.0%	Curtiss-Wright Corporation
1.0%	Amphastar Pharmaceuticals

PERFORMANCE

as of December 31, 2024

Average Annual Total Returns at Net Asset Value

	Unannualized		Annualized			
	Q4	Calendar YTD	1-Year	3-Year	5-Year	10-Year
Ordinary Shares	(2.45%)	8.69%	8.69%	5.19%	6.60%	6.74%
Institutional Shares	(2.37%)	9.08%	9.08%	5.56%	7.00%	7.11%
Russell 2000 ¹	0.33%	11.54%	11.54%	1.24%	7.40%	7.82%

¹The Russell 2000 Index is a market capitalization-weighted index of 2,000 small company stocks. It is widely recognized as representative of the general market for small company stocks. Index returns assume the reinvestment of dividends and, unlike Fund returns, do not reflect any fees or expenses. You cannot invest directly in an Index. For comparative performance purposes, the beginning date of the Index is 08/03/92.

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)

The Fund is non-diversified, meaning it may concentrate its assets in fewer individual holdings than a diversified fund. 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.

For information about the Pear Tree Polaris Small Cap Fund, obtain the Fund's prospectus by calling (800) 326-2151 or visiting www.peartreefunds.com. Before investing carefully consider the Fund's investment objectives, risks, charges and expenses. Please read the prospectus carefully before you invest or send money.