

PEAR TREE POLARIS SMALL CAP FUND

FOR THE QUARTER ENDED DECEMBER 31, 2025, the Pear Tree Polaris Small Cap Fund's Ordinary Shares (the "Fund") outperformed its benchmark, the Russell 2000 Total Return Index (the "Index"). The Fund had a return of 2.48% at net asset value compared to 2.19% for the Index.

Market Conditions and Investment Strategies

U.S. small cap equities posted three consecutive quarters of gains, with value stocks outperforming growth in the December quarter. The Fund had double-digit gains in Health Care and Utilities, while outperforming in both consumer sectors, Information Technology (IT), Financials, Utilities and Industrials. Dragging down the Energy sector, CVR Energy reported solid results but faced pushback about renewable fuel obligations and normalized refining margins.

The Fund's Health Care holdings contributed most to performance with Lantheus Holdings and Harmony Biosciences each posting gains in excess of 25%. Lantheus announced robust earnings on the back of its flagship prostate cancer imaging agent Pylarify. Harmony Biosciences advanced as the market gained confidence in the durability of the Wakix franchise.

Among Consumer Discretionary stocks, American Eagle Outfitters delivered strong quarterly results and raised its outlook on healthy holiday season demand and brand momentum. Similarly, Abercrombie & Fitch had better-than-expected earnings, noting improved performance in its Hollister brand. Conversely, Perdoceo Education dropped in sympathy with its peers as negative sentiment settled across the for-profit education space.

Barbell returns characterized the Industrial sector. Acquisition target CSG Systems (see below) and Allison Transmission Holding ticked higher, offset by lackluster results from Barrett Business Services and DNOW Inc. Investors lauded Allison on its closing of the Dana Off-Highway acquisition; the deal materially expands Allison's addressable markets and improves long-term growth visibility. Barrett's earnings pointed to margin pressure from workers' compensation and rising operating costs. DNOW underperformed as investors reacted to declining profitability and margin compression, which overshadowed relatively stable end-market demand.

In IT, MKS Inc. delivered on earnings and guidance, driven by accelerating AI demand across semiconductor and advanced electronics end markets; investors also appreciated MKS' efforts to sell its specialty chemical business and focus on core products. ePlus outperformed as strong growth in higher-margin services drove margin expansion and earnings resilience. Despite satisfactory revenues, Arrow Electronics declined due to ongoing margin compression and cautious guidance.

Lundin Mining was the big winner in an otherwise underwhelming Materials sector. The Canadian miner announced record third-quarter revenues, profiting from higher realized copper prices in an advantageous supply-demand environment. Lundin struck a deal to sell Eagle Mine and Humboldt Mill to Talon Metals in exchange for a 20% stake in the U.S. pure-play nickel company. Among detractors was Graphic Packaging, which reported softer packaging volumes on moderating consumer and foodservice demand.

Portfolio Changes

CSG Systems stock was sold at a healthy profit, as the customer experience tech company went private in a \$2.9 billion acquisition by Japan's NEC Corporation. The Fund also exited Colony Bankcorp as the stock reached target valuation limits. Proceeds were reinvested in current holdings and the new purchase of NMI Holdings, one of the top national mortgage insurance players with a strong underwriting practice.

Outlook

We believe U.S. small-cap companies will perform well in 2026 as investors could pivot toward smaller, more cyclically-sensitive companies (with strong fundamentals), shying away from the overvalued mega-cap tech names. This rotation is anticipated due to a convergence of attractive valuations, earnings growth forecasts, and an economic environment of easing interest rates and domestic tax policy tailwinds. ❖

TOTAL EXPENSE RATIOS*

	Gross Expense Ratio*	Net Expense Ratio*
Ordinary Shares	1.42%	1.42%
Institutional Shares	1.20%	1.08%
R6 Shares	1.07%	1.05%

* 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

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.

Investment Products

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

PEAR TREE POLARIS 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	25.2%
MKS Instruments, Inc.	2.8%
Laureate Education, Inc.	2.7%
Black Hills Corporation	2.6%
ePlus, Inc.	2.5%
The Bank of N.T. Butterfield & Son Limited	2.5%
Ingles Markets Inc.	2.5%
Lantheus Holdings, Inc.	2.4%
Northeast Bancorp	2.4%
BOK Financial Corporation	2.4%
Phillips Edison & Company, Inc.	2.4%

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

Abercrombie & Fitch	2.0%
Perdoceo Education	2.0%
CVR Energy	1.9%
Arrow Electronics	1.9%
Lundin Mining	1.9%
American Eagle Outfitters	1.6%
Barrett Business Services	1.6%
DNOW Inc.	1.6%
Harmony Biosciences	1.5%
Allison Transmission Holding	1.5%
Graphic Packaging	1.0%
NMI Holdings	0.9%

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
Ordinary Shares	2.48%	8.06%	8.06%	9.84%	9.33%	7.73%
Institutional Shares	2.60%	8.52%	8.52%	10.25%	9.74%	8.12%
R6 Shares	3.04%	8.96%	8.96%	-	-	-
Russell 2000 ¹	2.19%	12.81%	12.81%	13.74%	6.09%	9.62%

¹ The 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.pearreefunds.com.