

PEAR TREE POLARIS SMALL CAP FUND

FOR THE QUARTER ENDED JUNE 30, 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 (4.66%) at net asset value compared to (3.28%) for the Index.

Market Conditions and Investment Strategies

In the first half of 2024, global markets performed well on the back of large cap assets; investors geared toward this asset class and the AI frenzy, while seemingly ignoring realistically priced and fundamentally strong companies further down the asset class chain, as evidenced by middling results in the Russell 2000. However, there were a number of highlights in the small-cap space, with strong contributions from Real Estate and Financials offset by losses in capital-intensive Cyclical.

The Fund's Financial holdings outperformed the benchmark, led by Hercules Capital. The specialty financing provider announced robust quarterly results, with record debt/equity commitments and gross fundings. Hercules reported strong net investment income and a healthy balance sheet, ready to be deployed for future growth. At the other end of the spectrum, Puerto Rico fintech company, Evertec, declined as its late 2023 acquisition of Brazilian financial service software company, Sinqia, resulted in integration-related expenses and lower margins.

Perdoceo Education Corporation beat Wall Street estimates, as the academy continued to execute well with strong retention and engagement within its student population. As the economy started to tighten, people went back to school to upscale their careers, bucking market expectations.

Copper prices have been on an upward trajectory since the end of 2023, increasing over 20% from mid-February to late May. The contributory cause: tight supply and high demand from energy transition applications such as electric vehicles, as well as AI and automation. Lundin Mining was a direct beneficiary of this trend.

Decent gains from Ennis Inc., Barrett Business Services and Curtiss-Wright Corp. couldn't offset losses elsewhere in the Industrial sector. Ennis was up on notable earnings, as strong pricing power led to organic revenue growth. Ennis also announced the acquisition of Printing Technologies, Inc. As the service market grows, Barrett has become a leading player in the asset-light business. It remains an underserved and under penetrated market upon which Barrett can capitalize.

Conversely, Wabash National Corp. dropped on industry news, as two trucking companies went bankrupt after the boom-bust cycle wrought from the pandemic. Wabash noted a few delays in order pickups, but expect those to come through in the latter half of the year. Regal Rexnord released softer earnings, as its power efficiency solutions and HVAC businesses weakened.

Portfolio Changes

During the quarter, the Fund sold out of Standard Motors, as the company struggled to grow earnings after losing a top customer, Advance Auto Parts. Cash was used to purchase H&E Equipment, which is the fourth largest equipment rental company in the U.S. The business model is attractive, as many large construction companies are turning to rental equipment versus expensive outright purchase.

Outlook

All eyes are focused on the CPI numbers, which dictate the Federal Reserve Board's decision on interest rate cuts. We expect capital-intensive industries will be under pressure until rate cuts come to fruition, while "derivative" companies that focus in the AI space will continue to do well. Once the Fed makes its first cut, we expect a more stable environment for small cap companies. We are already seeing signs of this trend: after decelerating CPI numbers for June, small cap value surged ahead in the first weeks of July. ❖

TOTAL EXPENSE RATIOS*

	Gross Expense Ratio*	Net Expense Ratio*
Ordinary Shares	1.53%	1.53%
Institutional Shares	1.28%	1.16%

* Per Prospectus dated November 7, 2023, as amended. Reflects all fee waivers currently in effect. Fee waivers may not be amended, rescinded or terminated before July 31, 2024 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 June 30, 2024 (The portfolio is actively managed. Holdings and weightings are subject to change daily.)

Top Ten Holdings

Percentage of total net assets	
29.7%	Barrett Business Services, Inc.
3.6%	OFG Bancorp
3.3%	Hercules Capital, Inc.
3.2%	South Plains Financial, Inc.
3.0%	Graphic Packaging Holding Co.
2.9%	International Bancshares Corporation
2.9%	Cabot Corporation
2.8%	Ingredion Incorporated
2.7%	MKS Instruments, Inc.
2.7%	Diamondback Energy, Inc.

The companies mentioned in the commentary on page one have the following percentage of total net assets as of 06/30/2024:

2.4%	Curtiss-Wright Corporation
2.0%	Evertec
2.0%	Lundin Mining
2.0%	Wabash National Corporation
1.9%	Ennis Inc.
1.1%	Regal Rexnord
1.0%	H&E Equipment
0.9%	Perdoceo Education Corporation

PERFORMANCE

as of June 30, 2024

Average Annual Total Returns at Net Asset Value

	Unannualized		Annualized			
	Q2	Calendar YTD	1-Year	3-Year	5-Year	10-Year
Ordinary Shares	(4.66%)	2.07%	13.15%	4.03%	7.10%	5.85%
Institutional Shares	(4.56%)	2.26%	13.58%	4.40%	7.50%	6.21%
Russell 2000 ¹	(3.28%)	1.73%	10.06%	(2.58%)	6.94%	7.00%

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.pearreefunds.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.