

PEAR TREE POLARIS SMALL CAP FUND

FOR THE QUARTER ENDED JUNE 30, 2025, 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 3.81% at net asset value compared to 8.50% for the Index.

Market Conditions and Investment Strategies

Top contributions came from largely cyclical sectors, led by Information Technology ("IT"), Financials, Industrials and Consumer Discretionary. Absolute negative results were noted in Materials, Consumer Staples and Health Care.

Perdoceo Education was the top contributor, up more than 30% after announced strong sales, margins and EPS on the back of solid student enrollment and retention rates. Laureate Education Inc. gained on the same premise.

The Fund outperformed in IT on the back of Progress Software Corp., ePlus Inc., Arrow Electronics and MKS Inc., each of which had returns in excess of 18%. Progress reported good earnings, pointing to a successful integration of ShareFile while simultaneously doing share buybacks and paying down debt. ePlus capitalized on mix, focusing more on high-margin software and services. Arrow started to see some top-line improvement, as chip manufacturers begin a restocking cycle.

Among Industrials, Airlease Corp. recovered around 82% of its Russian exposure via insurance settlements; the company is positioned to grow the top line and improve shareholder returns. Conversely, Kforce Inc. declined on earnings and underwhelming guidance due to higher costs and weaker product mix. DNOW Inc. ceded some of its first quarter gains as crude oil came under pressure on trade war concerns.

Energy was mixed, with CVR Energy among the top 10 performers, while Diamondback languished in the bottom 10. CVR was a turnaround story, strengthening its balance sheet and capturing strong refining margins. Diamondback declined as OPEC decided to increase production, causing swings in oil prices.

Lundin Mining had robust first-quarter results, attributable to firm prices for copper and gold. The company reiterated its commitment to copper production expansion, low production costs, and strong shareholder returns. However, the Materials sector declined on Graphic Packaging and Cabot Corp. Graphic Packaging's fast food/food-to-go customers have seen cyclically consistent lower sales. The tariff announcement impacted Cabot, as customers are unwilling to commit on inventory.

Portfolio Changes

Kimball Electronics was sold on fundamental deterioration in its auto and industrial business, while Global Medical REIT was replaced with Sabra Health Care REIT. We preferred Sabra's risk/return profile and exposure to secularly-strong skilled nursing and senior housing. Another REIT, Phillips Edison, was added; 98% of the company's properties are anchored by a large grocery chain with consistent foot traffic. Abercrombie & Fitch was purchased at an attractive valuation; the clothing retailer has been reshaping its product assortment, adding breadth and depth via organic and acquisitive growth.

Outlook

Markets worldwide remain in a "holding pattern", awaiting the outcome of tariff negotiations. Thankfully, U.S. small cap companies are relatively impervious to tariffs as most produce domestically. Many portfolio companies are cautiously optimistic, but are cognizant that tariffs may start to deteriorate GDP. Higher-for-longer interest rates have also impacted; lower rates bandied around by President Trump will help the majority of U.S. small caps, narrowing the valuation gap between large and small caps. However, lower rates may hurt Financials. So we are carefully balancing the portfolio, positioned a bit more defensively, but with a wealth of companies that we believe can capture upside on incremental economic gains. ❖

TOTAL EXPENSE RATIOS*

	Gross Expense Ratio*	Net Expense Ratio*
Ordinary Shares	1.45%	1.45%
Institutional Shares	1.21%	1.08%
R6 Shares	1.06%	1.05%

* Per Prospectus dated August 1, 2024, as amended. 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. Expense limitations with respect to Institutional Shares and R6 Shares may not be amended, rescinded or terminated before October 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 June 30, 2025 (The portfolio is actively managed. Holdings and weightings are subject to change daily.)

Top Ten Holdings

Percentage of total net assets	23.3%
The Bank of N.T. Butterfield & Son Limited	2.5%
Progress Software Corporation	2.4%
ePlus, Inc.	2.4%
Netstreit Corporation	2.3%
SLM Corporation	2.3%
International Bancshares Corporation	2.3%
HomeTrust Bancshares, Inc.	2.3%
South Plains Financial, Inc.	2.3%
Ingles Markets Inc.	2.3%
Colony Bankcorp, Inc.	2.2%

The companies mentioned in the commentary on page one have the following percentage of total net assets as of 06/30/2025:

Perdoceo Education	2.2%
Laureate Education, Inc.	2.1%
Airlease Corporation	2.0%
CVR Energy	2.0%
Sabra Health Care REIT	2.0%
Arrow Electronics	1.8%
DNOW Inc.	1.8%
Phillips Edison	1.8%
Lundin Mining	1.7%
Cabot Corporation	1.7%
Diamondback	1.6%
Graphic Packaging	1.4%
MKS Inc.	1.2%
Abercrombie & Fitch	1.1%
Kforce Inc.	1.0%

PERFORMANCE

as of June 30, 2025

Average Annual Total Returns at Net Asset Value

	Unannualized		Annualized			
	Q2	Calendar YTD	1-Year	3-Year	5-Year	10-Year
Ordinary Shares	3.81%	0.89%	7.43%	10.21%	12.82%	6.30%
Institutional Shares	3.91%	1.11%	7.85%	10.62%	13.25%	6.67%
R6 Shares	3.82%	1.01%	-	-	-	-
Russell 2000 ¹	8.50%	(1.79%)	7.68%	10.00%	10.04%	7.12%

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.

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.pearreefunds.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.